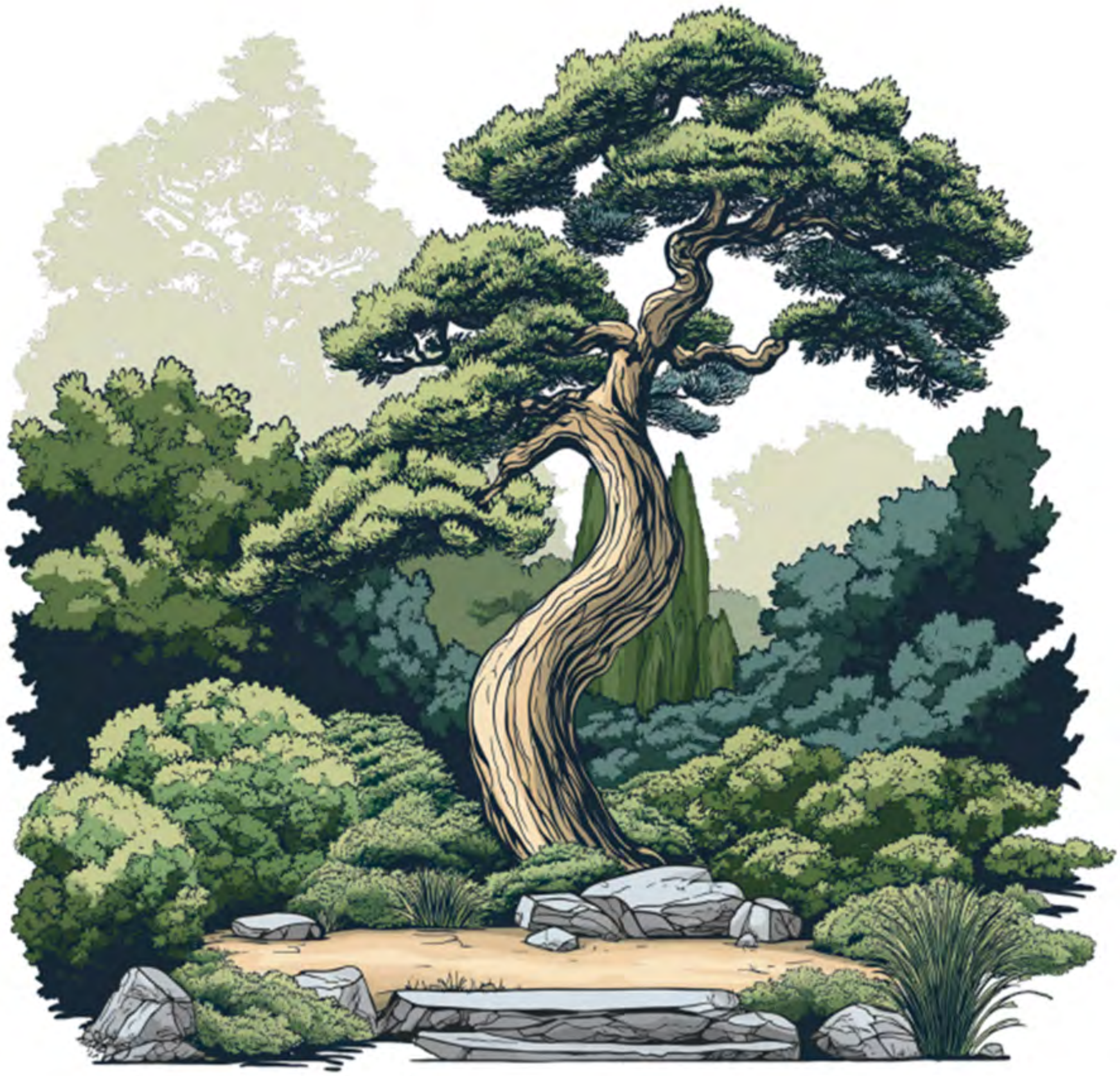
INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED 30 JUNE 2025

UNLOCKING PROSPERITY

EMPOWERING A FUTURE OF SMART GROWTH



National Development Bank PLC
CSE stock code: NDB.N0000 | Bloomberg: NDB SL | Reuters: NDB.CM
Released to Colombo Stock Exchange on: 14 August 2025

NDB bank
The future is banking on us

Table of Contents

***The financial statements presented herewith are the unaudited financial statements for the six months ended 30 June 2025 and are prepared in accordance with the Sri Lanka Financial Reporting Standards.**

.

NDB reports an institutional all-time high PAT of LKR 4.2 billion for H1-25

Highlights

- **Driven primarily by core banking operations, profit before all taxes and after tax grow by 32%**
- **Net loans, deposits and total assets expand by 21%, 10% and 15% respectively, with the highest-ever absolute net loans growth during a first-half period**
- **Net loans to SMEs crosses the LKR 100.0 billion-mark** accounting for close to 20% of the loan book
- **Solvency level continues to be sound with over 5.0% buffer in terms of CET1 and over 4.0% across Total CAR**

FINANCIAL PERFORMANCE

National Development Bank PLC, Sri Lanka's Premier Financial Services Provider, announced the results for six-month period ended June 30, 2025 reporting a total operating income and pre-tax profit of LKR 22.3 billion and LKR 8.6 billion, respectively (H1-2024: LKR 22.9 billion and LKR 6.5 billion).

Fund based income

Net interest income, which accounted for over 75% of the Bank's total operating income, amounted to LKR 16.9 billion for the semi-annual period; rising 2.7% over LKR 16.5 billion in H1-24. This was notwithstanding the sharp decline in interest rates where the one-year government Treasury Bill yield fell to 7.9% at end June, 2025 from being close to 10.3% at end June, 2024. NDB was able to maintain its Net Interest Margins broadly at 4.0% levels (2024: 4.3%) which, excluding items of a one-off nature, was 4.2% on a like for like basis (2024: 4.4%). At end June 2025, the Bank had close to LKR 50.3 billion in Loans and Deposits under a special arrangement with its customer(s) with a netting-off feature (end 2024: LKR 19.6 billion).

Non-fund based income

Net fee & commission income grew by 8.4% to reach LKR 3.6 billion whilst, the second quarter alone considered, it was an impressive 20.8% quarter-on-quarter growth; underlining the conscious and diligent efforts made to improve its overall contribution to income from non-funded sources. Growth in net fees stemmed from almost all aspects of its core business operations.

Credit and operating costs

Impairment charges of LKR 4.5 billion for the period saw a 46.7% YoY reduction from LKR 8.4 billion in the same period of 2024, attributable to greater focus of the Bank on improving credit

.

quality. This took the Bank's total impairment coverage ratio, excluding such one-off items of a special nature, to 8.7% (end 2024: 9.6%); which compared well relative to the industry average at the said period end. Operating expenses totaled LKR 9.2 billion - which, whilst increasing by 14.8% over H1- 2024 - stemmed primarily from staff related routine increments and realignments to the industry, and higher investments in IT infrastructure and those of a direct business development nature.

Investor key performance indicators

Return on average equity was 10.6% down from 12.2% in 2024 whilst Annualized Earnings per share was LKR 19.65 down from LKR 21.25 for 2024. Respective ratios at the Group level were 10.8% (2024: 12.5%) and LKR 21.23 (2024: LKR 23.05), respectively. The Bank's Pre-tax return on average assets was 2.0% (2024: 3.1%). Net asset value per share was LKR 186.81 (2024: LKR 186.91) and compared with a closing share price of LKR 120.25, which posted a 6.2% appreciation since end 2024. Group Net asset value per share was LKR 199.37 (2024: LKR 199.13).

FINANCIAL POSITION

The Bank's total deposits amounted to LKR 696.1 billion at June 30, 2025 (end 2024: LKR 631.7 billion, 10.2% growth) whilst net loans expanded to LKR 557.0 billion (end 2024: LKR 460.7 billion, 20.9% growth). Excluding transactions of a one off and special nature, this represented a normalized absolute net growth of 5.5% and 14.9% over end 2024, respectively. The Bank's CASA ratio on a normalized basis was 25.0% having improved from 22.5% at end 2024; ultimately reflecting the Bank's conscious efforts to improve its low cost funding.

The Bank's Impaired loans (Stage 3) to total loans ratio was 5.1% (end 2024: 5.2%) which compared well with the industry average. Its Stage 3 provision coverage was 53.4% (end 2024: 54.5%) which also was close to the industry norm.

LIQUIDITY AND SOLVENCY

Liquidity levels also remained strong with the Bank's Liquidity coverage ratios, across both Rupee and All currency, being 330.9% and 253.8%, respectively at June 30, 2025 (end 2024: 358.1% and 308.3%) and its Net stable funding ratio being 124.5% (end 2024: 152.4%) - all of which were well above the minimum regulatory requirements of 100.0%. The Bank's solvency levels as measured by CET1/ Tier I and Total CAR were 12.3% and 16.6%, respectively representing a strong over 5.0% buffer over its regulatory minimums from a CET1 perspective and over 4.0% buffer from a Total CAR perspective (end 2024: 13.7% and 19.1%).

OTHER NON-FINANCIAL INDICATORS

The branch network stood at 113 branches, supplemented by an ATM network of 60 and cash recycle machines (CRM) network of 106 spread across the island. Total staff as at the end of the period under review was 2,882 (2024: 2,920).

Commenting on the results for the first six months, the Bank's Director/ Chief Executive Officer Mr. Kelum Edirisinghe stated that: "Our results are testimony to our diligent, conscious and concerted effort to improve every aspect of our business whilst taking every measure

.

reasonably necessary to strengthen our overall risk guard rails on a continuous basis. Supported by the continued positive progress of the Sri Lankan economy - albeit several macro level headwinds stemming mostly from the global economic landscape - we are very pleased to witness the resurgence of much of our customers across retail and all business segments. With customer-centricity at the heart of our every endeavor, we focused on delivering impactful support across all our client segments to enable them move forward in this emerging environment.

For us, the first six months of this year marks many milestones. Amongst them all, one standout is our continued contribution to the SMEs in the country and one which is best reflected in our loan book crossing the LKR 100.0 billion mark and accounting for close to 20% of our total loans - a feat we are very proud of! NDB's recent recognition as Euromoney's Best Digital Bank for SMEs for the year 2025 provides further testimony to the success of this focused effort to serve this crucial and determinative segment of our economy.

Looking ahead, our focus is clear. We will continue to leverage on our deep rooted knowledge and experience in understanding customer behavior better, use our digital capabilities to create greater ease of access and use the diverse skills and capabilities of our staff at both a front end and back to adopt and adjust to an ever evolving business landscape in order to ultimately better enable us create sustained shareholder value over the longer haul. Conscious of also the challenges which may lie ahead, we remain confident of the Bank's continuing trajectory of growth in its core banking operations and realizing its vision for the future sooner rather than later".

NDB bank

STATEMENT OF PROFIT OR LOSS

	Bank					Group				
	Period ended 30/06/2025 LKR '000	**Period ended** 30/06/2024 LKR '000	**Change %**	**Quarter ended 30/06/2025 LKR '000**	Quarter ended 30/06/2024 LKR '000	**Period ended 30/06/2025 LKR '000**	Period ended 30/06/2024 LKR '000	**Change %**	**Quarter ended 30/06/2025 LKR '000**	Quarter ended 30/06/2024 LKR '000
Gross income	**47,716,088**	52,428,962	(9)	**24,277,429**	26,354,605	**49,009,676**	53,661,781	(9)	**24,976,744**	27,005,026
Interest income	**42,308,232**	45,980,187	(8)	**21,491,610**	21,914,566	**42,434,376**	46,112,075	(8)	**21,553,347**	21,990,494
Interest expenses	**25,362,532**	29,483,791	(14)	**12,978,366**	13,494,199	**25,356,637**	29,468,565	(14)	**12,975,256**	13,495,025
Net interest income	**16,945,700**	16,496,396	3	**8,513,244**	8,420,367	**17,077,739**	16,643,510	3	**8,578,091**	8,495,469
Fee and commission income	**3,691,689**	3,359,804	10	**1,912,015**	1,559,482	**4,751,604**	4,342,664	9	**2,440,536**	2,087,492
Less: Fee and commission expenses	**54,590**	5,335	923	**30,828**	1,978	**54,590**	5,335	923	**30,828**	1,978
Net Fee and commission income	**3,637,099**	3,354,469	8	**1,881,187**	1,557,504	**4,697,014**	4,337,329	8	**2,409,708**	2,085,514
Net gain/(loss) from trading	**578,755**	570,782	1	**252,288**	253,861	**578,755**	570,782	1	**252,288**	253,861
Net gain/(loss) from financial assets at fair value through profit or loss	**(8,781)**	(198,010)	96	**13,943**	(158,570)	**70,473**	(60,876)	216	**110,033**	(80,393)
Net gains/(losses) from de-recognition of financial assets										-
- at fair value through profit or loss	**86,214**	704,677	(88)	**41,028**	285,312	**118,556**	704,677	(83)	**61,404**	285,312
- at fair value through OCI	**468,416**	2,790,191	(83)	**281,430**	2,079,788	**468,494**	2,790,191	(83)	**281,430**	2,079,788
Other operating income	**591,563**	(778,669)	176	**285,115**	420,166	**587,418**	(797,732)	174	**277,706**	388,472
Total operating income	**22,298,966**	22,939,836	(3)	**11,268,235**	12,858,428	**23,598,449**	24,187,881	(2)	**11,970,660**	13,508,023
Less :Impairment charges/(reversals) on loans and other investments	**4,479,866**	8,397,291	(47)	**1,847,521**	4,040,812	**4,479,866**	8,388,243	(47)	**1,847,521**	4,031,764
Net operating income	**17,819,100**	14,542,545	23	**9,420,714**	8,817,616	**19,118,583**	15,799,638	21	**10,123,139**	9,476,259
Operating expenses										
Personnel expenses	**4,879,796**	4,343,453	12	**2,569,113**	2,250,937	**5,286,501**	4,749,912	11	**2,774,030**	2,472,112
Depreciation and amortization	**545,459**	523,544	4	**273,536**	265,254	**577,948**	545,193	6	**288,342**	270,322
Other expenses	**3,750,582**	3,129,193	20	**1,918,984**	1,584,187	**4,096,318**	3,488,484	17	**2,127,673**	1,767,054
Total operating expenses	**9,175,837**	7,996,190	15	**4,761,633**	4,100,378	**9,960,767**	8,783,589	13	**5,190,045**	4,509,488
Operating profit before tax on financial services	**8,643,263**	6,546,355	32	**4,659,081**	4,717,238	**9,157,816**	7,016,049	31	**4,933,094**	4,966,771
Less: Taxes on financial services	**2,229,383**	1,800,000	24	**1,165,684**	1,154,482	**2,229,383**	1,800,000	24	**1,165,684**	1,154,482
Operating profit after tax on financial services	**6,413,880**	4,746,355	35	**3,493,397**	3,562,756	**6,928,433**	5,216,049	33	**3,767,410**	3,812,289
Share of associate companies' profits/(losses)	**-**	-	-	**-**	-	**-**	-	-	**-**	-
Profit before taxation	**6,413,880**	4,746,355	35	**3,493,397**	3,562,756	**6,928,433**	5,216,049	33	**3,767,410**	3,812,289
Less : Income tax expenses	**2,188,996**	1,537,968	42	**1,193,671**	1,073,971	**2,418,385**	1,755,208	38	**1,313,036**	1,194,434
Profit for the period	**4,224,884**	3,208,387	32	**2,299,726**	2,488,785	**4,510,048**	3,460,841	30	**2,454,374**	2,617,855
Profit attributable to:										
Equity holders of the parent	**4,224,884**	3,208,387	32	**2,299,726**	2,488,785	**4,488,120**	3,445,986	30	**2,447,561**	2,608,335
Non controlling interests	**-**	-	-	**-**	-	**21,928**	14,855	48	**6,813**	9,520
	4,224,884	3,208,387	32	**2,299,726**	2,488,785	**4,510,048**	3,460,841	30	**2,454,374**	2,617,855
Basic earnings per share (in LKR)	**9.93**	**7.55**	32	**5.41**	**5.86**	**10.55**	8.11	30	**5.75**	6.14
Diluted earnings per share (in LKR)	**9.93**	**7.55**	32	**5.41**	**5.86**	**10.55**	8.11	30	**5.75**	6.14

STATEMENT OF COMPREHENSIVE INCOME

	Period ended 30/06/2025 LKR '000	Period ended 30/06/2024 LKR '000	**Change %**	**Quarter ended 30/06/2025 LKR '000**	Quarter ended 30/06/2024 LKR '000	**Period ended 30/06/2025 LKR '000**	Period ended 30/06/2024 LKR '000	**Change %**	**Quarter ended 30/06/2025 LKR '000**	Quarter ended 30/06/2024 LKR '000
Profit for the period	**4,224,884**	3,208,387	32	**2,299,726**	157,699	**4,510,048**	3,460,841	30	**2,454,374**	2,617,855
Items that will be reclassified to statement of profit or loss										
Exchange differences on translation of foreign operations	**-**	-	-	**-**	-	**1,430**	(31,899)	104	**1,311**	(7,858)
Net Gains/(losses) on Investments in debt Instruments measured at fair value through other comprehensive income	**132,252**	(1,920,286)	107	**685,061**	(2,631,699)	**148,478**	(1,891,935)	108	**683,439**	(2,642,443)
Changes in Impairment allowance for expected credit losses	**130,765**	-	100	**(37,828)**	-	**130,765**	-	100	**(37,828)**	-
Cash flow hedge reserve-SWAP	**(456,371)**	(495,206)	8	**(112,021)**	(87,429)	**(456,371)**	(495,206)	8	**(112,021)**	(87,429)
Less :Tax expense relating to items that will be reclassified to income statements	**97,235**	724,648	(87)	**(171,913)**	815,739	**98,789**	724,648	(86)	**(171,913)**	815,739
A	**(96,119)**	(1,690,844)	94	**363,299**	**(1,903,389)**	**(76,909)**	(1,694,392)	95	**362,988**	(1,921,991)
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	**15,979**	162,080	(90)	**159,789**	81,827	**15,979**	162,080	(90)	**159,789**	81,827
B	**15,979**	162,080	(90)	**159,789**	81,827	**15,979**	162,080	(90)	**159,789**	81,827
Total other comprehensive Income after Tax A + B	**(80,140)**	(1,528,764)	95	**523,088**	(1,821,562)	**(60,930)**	(1,532,312)	96	**522,777**	(1,840,164)
Total comprehensive income for the period	**4,144,744**	1,679,623	147	**2,822,814**	**667,223**	**4,449,118**	1,928,530	131	**2,977,152**	777,692
attributable to:										
Equity holders of the parent	**4,144,744**	1,679,623	147	**2,822,814**	667,223	**4,427,198**	1,922,121	130	**2,970,202**	772,310
Non controlling interests	**-**	-	-	**-**	-	**21,920**	6,409	242	**6,950**	5,382
	4,144,744	1,679,623	147	**2,822,814**	667,223	**4,449,118**	1,928,530	131	**2,977,152**	777,692

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	BANK			Group		
	Current Year	Previous Year		Current Year	Previous Year	
	As at 30/06/2025 LKR '000	As at 31/12/2024 (Audited) LKR '000	Change %	As at 30/06/2025 LKR '000	As at 31/12/2024 (Audited) LKR '000	Change %
Assets						
Cash and cash equivalents	16,869,185	18,037,627	(6)	17,812,111	18,682,376	(5)
Balances with the Central Bank of Sri Lanka	4,714,481	8,053,358	(41)	4,714,481	8,053,358	(41)
Placements with banks	14,240,156	22,098,832	(36)	14,240,156	22,098,832	(36)
Derivative financial instruments	930,637	1,146,236	(19)	930,637	1,146,236	(19)
Financial assets recognized through profit or loss measured at fair value	13,216,376	6,776,131	95	16,243,422	9,905,171	64
Financial assets at amortised cost -loans and receivables to other customers	557,020,839	460,707,258	21	557,090,738	460,780,610	21
Financial assets at amortised cost - debt and other instruments	204,849,296	166,190,761	23	205,302,434	166,355,792	23
Financial assets measured at fair value through other comprehensive income	81,504,181	94,245,415	(14)	81,841,916	94,659,106	(14)
Investments in subsidiary companies	1,031,037	1,031,037	-	-	-	-
Investment property	-	-	-	3,107,671	3,107,671	-
Intangible assets	1,630,818	1,766,615	(8)	1,678,517	1,814,985	(8)
Property, plant & equipment	3,364,246	3,147,459	7	4,295,941	4,070,740	6
Right of use assets	1,266,712	1,260,740	0	1,316,206	1,337,042	(2)
Current tax assets	-	-	-	31,545	33,727	(6)
Deferred tax Assets	5,088,386	4,158,040	22	5,150,597	4,216,721	22
Other assets	10,950,699	7,066,842	55	11,486,235	7,517,853	53
Total assets	**916,677,048**	795,686,351	15	**925,242,607**	803,780,220	15
Liabilities						
Due to banks	10,879,275	4,841,342	125	10,879,275	4,841,342	125
Derivative financial instruments	68,032	344,586	(80)	68,032	344,586	(80)
Financial liabilities at amortised cost -due to depositors	696,075,188	631,682,926	10	695,813,197	631,081,461	10
Financial liabilities at amortised cost						
- due to debt securities holders	54,868,919	8,002,850	586	54,868,919	8,002,850	586
- due to other borrowers	20,695,211	22,023,798	(6)	20,695,211	22,023,798	(6)
Debt securities issued	34,904,678	33,564,708	4	34,904,678	33,564,708	4
Retirement benefit obligations	1,481,520	1,413,872	5	1,622,271	1,556,937	4
Current tax liabilities	6,912,250	5,204,643	33	7,235,620	5,473,755	32
Deferred tax liabilities	-	-	-	976,965	976,244	0
Other liabilities	10,948,460	10,860,883	1	11,523,742	11,630,328	(1)
Dividends payable	125,301	81,988	53	125,301	81,988	53
Total liabilities	**836,958,834**	718,021,596	17	**838,713,211**	719,577,997	17
Equity						
Stated capital	23,023,437	21,756,865	6	23,023,437	21,756,865	6
Statutory reserve fund	3,521,479	3,521,479	-	3,521,479	3,521,479	-
Retained earnings	44,437,408	43,501,855	2	49,476,511	48,276,283	2
Other reserves	8,735,890	8,884,556	(2)	9,057,122	9,188,008	(1)
Total shareholders' equity	**79,718,214**	77,664,755	3	**85,078,549**	82,742,635	3
Non controlling interests	-	-	-	1,450,847	1,459,588	(1)
Total equity	**79,718,214**	77,664,755	3	**86,529,396**	84,202,223	3
Total liabilities and equity	**916,677,048**	795,686,351	15	**925,242,607**	803,780,220	15
Net book value per share (LKR)	**186.81**	186.91	(0)	**199.37**	199.13	0
Contingent liabilities and commitments	**323,087,260**	288,292,666	12	**323,829,087**	288,367,118	12

Certification:

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

(Sgd.)
Azzam A. Ahamat
Vice President - Finance

We, the undersigned, being the Chairman and the Chief Executive Officer of National Development Bank PLC certify jointly that:
(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka.
(b) The information contained in these statements have been extracted from the unaudited financial statements of the Bank and the Group unless indicated as audited.

(Sgd.)
Sriyan Cooray
Director/ Chairman

(Sgd.)
Kelum Edirisinghe
Director/ Chief Executive Officer

14 Aug 2025

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June	Stated Capital	Statutory reserve fund	Other Reserves					Retained earnings	Total	Non controlling interests	Total equity
			Revaluation reserve	Share based payment reserves	Fair value reserve	Cash flow hedge reserve	Special reserve ISB				
BANK	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**
Balance as at 01 January 2024	**20,738,231**	**3,046,479**	**1,501,603**	**44,479**	**2,954,169**	**835,416**	**-**	**41,027,500**	**70,147,877**	**-**	**70,147,877**
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	3,208,387	3,208,387	-	3,208,387
Other comprehensive income before tax	-	-	-	-	(1,758,206)	(495,206)	-	-	(2,253,412)	-	(2,253,412)
Tax on other comprehensive income	-	-	-	-	576,086	148,562	-	-	724,648	-	724,648
Total comprehensive income for the period	-	-	-	-	(1,182,120)	(346,644)	-	3,208,387	1,679,623	-	1,679,623
Transactions with equity holders											
Final dividends for year 2023 - Cash	-	-	-	-	-	-	-	(798,929)	(798,929)	-	(798,929)
Final dividends for year 2023 - Scrip	1,018,634	-	-	-	-	-	-	(1,198,393)	(179,759)	-	(179,759)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	-	17,155	17,155	-	17,155
Balance as at 30 June 2024	**21,756,865**	**3,046,479**	**1,501,603**	**44,479**	**1,772,049**	**488,772**	**-**	**42,255,723**	**70,865,970**	-	70,865,970
Balance as at 01 January 2025	**21,756,865**	**3,521,479**	**1,537,818**	**148,428**	**2,891,806**	**292,075**	**4,014,429**	**43,501,855**	**77,664,755**	**-**	**77,664,755**
Total Comprehensive Income for the period											
Profit for the period	-	-	-	-	-	-	-	4,224,884	4,224,884	-	4,224,884
Other Comprehensive Income before Tax	-	-	-	-	148,231	(456,371)	-	130,765	(177,375)	-	(177,375)
Tax on Other Comprehensive Income	-	-	-	-	(39,676)	136,911	-	-	97,235	-	97,235
Total comprehensive income for the period	-	-	-	-	108,555	(319,460)	-	4,355,649	4,144,744	-	4,144,744
Transactions with equity holders											
Issue of Shares	205,029	-	-	(61,123)	-	-	-	-	143,906	-	143,906
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	-	103,394	(103,394)	-		-
Adjustment to share based payment reserves	-	-	-	19,969	-	-	-	-	19,969	-	19,969
Final Dividends for year 2024 - Cash	-	-	-	-	-	-	-	(2,081,455)	(2,081,455)	-	(2,081,455)
Final Dividends for year 2024 - Scrip	1,061,542	-	-	-	-	-	-	(1,248,873)	(187,331)	-	(187,331)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	-	13,628	13,628	-	13,628
Balance as at 30 June 2025	**23,023,436**	**3,521,479**	**1,537,818**	**107,273**	**3,000,361**	**(27,385)**	**4,117,823**	**44,437,410**	**79,718,215**	**-**	**79,718,214**

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June	Stated Capital	Statutory Reserve Fund	Other Reserves: Revaluation Reserve	Other Reserves: Share Based Payment Reserves	Other Reserves: Fair Value Reserve	Other Reserves: Cash Flow Hedge Reserve	Other Reserves: Special reserve ISB	Retained Earnings LKR '000	Total	Non Controlling Interests	Total Equity
GROUP	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000	LKR '000		Rs '000	LKR '000	LKR '000
Balance as at 01 January 2024	**20,738,231**	**3,046,479**	**1,747,711**	**44,479**	**2,979,910**	**835,416**	**-**	**45,079,167**	**74,471,393**	**1,424,930**	**75,896,323**
Total Comprehensive Income for the period											
Profit for the period	-	-	-	-	-	-	-	3,445,986	3,445,986	14,855	3,460,841
Other Comprehensive Income before Tax	-	-	-	-	(1,729,855)	(495,206)	-	(23,451)	(2,248,512)	(8,446)	(2,256,958)
Tax on Other Comprehensive Income	-	-	-	-	576,086	148,562	-	-	724,648	-	724,648
Total Comprehensive Income for the period	-	-	-	-	(1,153,769)	(346,644)	-	3,422,535	1,922,122	6,409	1,928,531
Transactions with equity holders											
Final Dividends for year 2023 : Cash	-	-	-	-	-	-	-	(798,929)	(798,929)	-	(798,929)
Final Dividends for year 2023 : Scrip	1,018,634	-	-	-	-	-	-	(1,198,393)	(179,759)	-	(179,759)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	-	(40,228)	(40,228)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	-	17,155	17,155	-	17,155
Balance as at 30 June 2024	20,738,231	3,046,479	1,747,711	44,479	1,826,141	488,772	-	46,521,535	75,431,982	1,391,111	76,823,093
Balance as at 01 January 2025	**21,756,865**	**3,521,479**	**1,815,166**	**148,428**	**2,917,910**	**292,075**	**4,014,429**	**48,276,283**	**82,742,635**	**1,459,588**	**84,202,223**
Total Comprehensive Income for the period											
Profit for the period	-	-	-	-	-	-	-	4,488,120	4,488,120	21,928	4,510,048
Other Comprehensive Income before Tax	-	-	-	-	164,457	(456,371)	-	132,203	(159,711)	1,549	(158,163)
Tax on Other Comprehensive Income	-	-	-	-	(38,122)	136,911	-	-	98,789	-	98,789
Total Comprehensive Income for the period	-	-	-	-	126,335	(319,460)	-	4,620,323	4,427,198	23,477	4,450,674
Transactions with equity holders											
Issue of Shares	205,029	-	-	(61,123)	-	-	-	-	143,906	-	143,906
Transfer to statutory reserve fund	-	-	-	-	-	-	-	-	-	-	-
Transfer to special reserve on SLISBs - Step up Bonds	-	-	-	-	-	-	103,394	(103,394)	-	-	-
Adjustment to share based payment reserves	-	-	-	19,969	-	-	-	-	19,969	-	19,969
Final Dividends for year 2024 - Cash	-	-	-	-	-	-	-	(2,081,455)	(2,081,455)	-	(2,081,455)
Final Dividends for year 2024 - Scrip	1,061,542	-	-	-	-	-	-	(1,248,873)	(187,331)	-	(187,331)
Dividend attributable to non controlling interest	-	-	-	-	-	-	-	-	-	(32,218)	(32,218)
Reversal of dividends declared in prior periods	-	-	-	-	-	-	-	13,628	13,628	-	13,628
Balance as at 30 June 2025	**23,023,436**	**3,521,479**	**1,815,166**	**107,273**	**3,044,245**	**(27,385)**	**4,117,823**	**49,476,512**	**85,078,549**	**1,450,847**	**86,529,396**

STATEMENT OF CASH FLOW

For the period ended 30 June	BANK 2025 LKR '000	BANK 2024 LKR '000	GROUP 2025 LKR '000	GROUP 2024 LKR '000
Cash flows from operating activities				
Interest received	**43,331,945**	45,163,707	**43,473,724**	45,308,136
Fee based income received	**3,747,243**	3,462,605	**4,797,057**	4,411,971
Dividend income received	**118,014**	-	**147,688**	25,487
Other Operating income received	**1,494,216**	(318,460)	**1,531,340**	(261,354)
Interest paid	**(24,151,445)**	(38,076,232)	**(24,145,694)**	(38,076,035)
Personnel costs paid	**(4,719,468)**	(4,186,953)	**(5,090,790)**	(4,463,275)
Other expenses paid	**(3,403,572)**	(3,549,343)	**(3,892,543)**	(4,120,302)
Operating profit before changes in operating assets and liabilities	**16,416,933**	2,495,324	**16,820,782**	2,824,628
(Increase)/decrease in operating assets				
Deposits held for regulatory or monitory control purposes	**3,338,877**	(1,850,490)	**3,338,877**	(1,850,490)
Financial Assets at amortised cost -loans and receivables to other customers	**(101,084,147)**	(17,677,222)	**(101,084,147)**	(17,677,222)
Net (increase)/decrease in operating assets	**(3,916,034)**	395,005	**(4,002,380)**	405,715
(Increase)/decrease in operating liabilities				
Financial liabilities at amortised cost - due to depositors	**64,610,596**	12,346,131	**64,950,070**	12,497,639
Financial liabilities at amortised cost - due to debt securities holders	**46,866,069**	(7,033,631)	**46,866,069**	(7,033,631)
Financial liabilities at amortised cost - due to other borrowers	**5,307,553**	(3,586,929)	**5,307,553**	(3,586,929)
Repayment of principal portion of lease liabilities	**(282,333)**	(237,241)	**(294,473)**	(245,436)
Net increase/(decrease) in other liabilities	**(92,203)**	66,420	**(248,045)**	176,739
Net cash generated/(used in) from operating activities before taxation	**31,165,311**	(15,082,633)	**31,654,306**	(14,488,987)
Tax on Financial Services paid	**(1,858,958)**	(1,515,569)	**(1,858,958)**	(1,515,569)
Income taxes paid	**(1,795,290)**	(4,254,443)	**(1,955,015)**	(4,399,400)
Net cash generated/(used in) from operating activities	**27,511,063**	(20,852,645)	**27,840,333**	(20,403,956)
Cash flows from investing activities				
Net changes in financial investments	**(33,682,736)**	14,625,163	**(33,645,007)**	14,486,981
Purchase of Intangible assets	**-**	(132,480)	**(10,331)**	(140,368)
Purchase of property, plant & equipment	**(539,882)**	(305,730)	**(598,399)**	(348,541)
Proceeds from sale of property, plant & equipment	**3,780**	3,355	**3,806**	3,559
Net cash generated /(used in) from investing activities	**(34,218,838)**	14,190,308	**(34,249,931)**	14,001,631
Cash flows from financing activities				
Proceeds from issue of ordinary of shares	**143,906**	(5,561,200)	**143,906**	(5,561,200)
Interest paid on debts securities issued	**(687,658)**	(1,279,534)	**(687,658)**	(1,279,534)
Dividends paid to shareholders of the Bank	**(1,744,673)**	(696,390)	**(1,744,673)**	(696,390)
Net cash provided by /(used in) financing activities	**(2,288,425)**	(7,537,124)	**(2,288,425)**	(7,537,124)
Net increase in cash and cash equivalents	**(8,996,200)**	(14,199,461)	**(8,698,023)**	(13,939,449)
Cash and cash equivalents at the beginning of the period	**40,136,459**	61,844,117	**40,781,208**	62,324,278
Cash and cash equivalents at the end of the period	**31,140,259**	47,644,656	**32,083,185**	48,384,829
Reconciliation of cash and cash equivalents				
Cash and cash equivalents	**16,869,185**	24,269,279	**17,812,111**	25,009,452
Placements with banks	**14,240,156**	23,337,709	**14,240,156**	23,337,709
Cash and cash equivalents at the end of the period (Net)	**31,109,341**	47,606,988	**32,052,267**	48,347,161
Add: Impairment allowance	**30,918**	37,668	**30,918**	37,668
Cash and cash equivalents at the end of the period (Gross)	**31,140,259**	47,644,656	**32,083,185**	48,384,829

NDB bank

SEGMENTAL ANALYSIS- GROUP

For the period ended 30 June

	Banking		Capital Markets		Property Investment		Others		Consolidated	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
	LKR '000	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**	**LKR '000**
Revenue										
Interest Income	42,308,232	45,980,187	120,249	115,464	-	1,435	-	-	42,428,481	46,097,086
Fee and commission income	3,691,689	3,359,804	885,278	839,982	98,327	73,351	27,155	22,746	4,702,450	4,295,883
Net gain/(loss) from trading	578,755	570,782	-	-	-	-	-	-	578,755	570,782
Net gain/(loss) from financial assets at fair value through profit or loss	(8,781)	506,666	79,254	137,134	-	-	-	-	70,473	643,800
Net gains/(losses) from derecognition of financial assets - Fair Value through Profit or Loss	86,214	-	32,342	-	-	-	-	-	118,556	-
Net gains/(losses) from derecognition of financial assets - Fair Value Through Other Comprehensive Income	468,416	2,790,191	78	-	-	-	-	-	468,494	2,790,191
Other Operating Income	591,563	(778,669)	(4,145)	(19,063)	-	-	-	-	587,418	(797,732)
Total revenue from external customers	47,716,088	52,428,961	1,113,056	1,073,517	98,327	74,786	27,155	22,746	48,954,626	53,600,010
Inter-segment Revenue	-	-	20,067	24,836	34,983	36,931	-	-	55,050	61,767
Total Revenue	47,716,088	52,428,961	1,133,123	1,098,353	133,310	111,717	27,155	22,746	49,009,676	53,661,777
Impairment (charge) /reversal for										
Loans & other losses	(4,479,866)	(8,388,243)	-	-	-	-	-	-	(4,479,866)	(8,388,243)
Segment expenses	(34,573,757)	(37,456,783)	(758,056)	(760,800)	(21,452)	(14,403)	(18,727)	(25,497)	(35,371,992)	(38,257,483)
Total segment expenses	(39,053,623)	(45,845,026)	(758,056)	(760,800)	(21,452)	(14,403)	(18,727)	(25,502)	(39,851,860)	(46,645,728)
Inter-segment expenses			-	-					-	-
Segment results	8,662,465	6,583,935	375,067	337,553	111,858	97,314	8,428	(2,756)	9,157,816	7,016,049
Income tax expenses	-	-	-	-	-	-	-	-	2,418,385	1,755,208
Taxes on financial services	-	-	-	-	-	-	-	-	2,229,383	1,800,000
Profit after taxation									**4,510,048**	3,460,841
Other information										
Segment assets	916,667,191	764,464,305	4,450,941	3,703,958	4,063,979	3,630,644	60,496	48,169	925,242,607	771,847,076
Consolidated total assets									**925,242,607**	771,847,076
Segment liabilities	836,688,788	693,144,159	959,835	867,553	1,039,199	983,223	25,389	29,048	838,713,211	695,023,983
Consolidated total liabilities									**838,713,211**	695,023,983
Segmental Cash flows										
Cash flows from operating activities	27,511,063	(20,852,645)	334,011	485,278	2,627	(20,247)	(7,369)	(16,342)	27,840,333	(20,403,956)
Cash flows from investing activities	(34,218,838)	14,114,972	(16,419)	(170,270)	(14,674)	(18,408)	-	-	(34,249,931)	14,001,631
Cash flows from financing activities	(2,288,425)	(7,537,124)	(0)	-	0	-	-	-	(2,288,425)	(7,537,124)

Notes to the Financial Statements

1 The figures are extracted from the unaudited financial statements of the Bank and the Group.
The financial statements of the Bank and the Group have been prepared based on the accounting policies and methods which is in line with the requirements of Sri Lanka Accounting Standards (SLFRS / LKAS) issued by the Institute of Chartered Accountants of Sri Lanka.
There are no changes to the accounting policies and methods of computation since the publication of the last Annual Report.

2 These Financial Statements also comply with Sri Lanka Accounting Standard (LKAS) 34 - "Interim Financial Reporting" and provided the information as required in terms of Rule 7.4 of the Colombo Stock Exchange and Circular No 05 of 2024 of Central Bank of Sri Lanka.

3 **Expected Credit Losses**

The Bank assessed the Expected Credit Losses (ECL) of credit facilities based on two approaches of individual and collective basis. The customers who have been identified as individually significant were assessed under individual basis and they were staged based on the identified indicators of increase in credit risks.
The Expected Credit Losses assessed on collective impairment approach were based on Probability of Default (PD), Loss Given Default (LGD) and the Economic Factor Adjustment (EFA) by applying the recent forecasts and projections. Further, the Bank has accounted for management overlays to mitigate any expected losses by downgrading the staging of facilities included in the identified risk elevated industries where necessary to capture significant increases in credit risk due to stressed economic conditions.

4 From total debt investment portfolio ,the Bank has reclassified the Debt portfolio amounting to LKR 37.7 Bn, consisting of Sri Lanka Government Treasury Bonds of LKR 32.6 Bn and Sri Lanka USD Sovereign Bonds of USD 14 Mn held as “Fair Value through Other Comprehensive Income” to “Amortised cost” with effect from 01 April 2022. This reclassification is a one-time event in accordance with the Statement of Alternative Treatment (SoAT) on reclassification of debt portfolio issued by the Institute of Chartered Accountants of Sri Lanka and in line with the requirements of the SLFR 9-Financial Instruments paragraph 5.6.5. Sri Lanka USD Sovereign Bonds has been restructured in December 2024.
If these investments continued to be carried at fair value through other comprehensive income, the fair value of the remaining portfolio as at 30 June 2025 would have amounted to LKR 3.3 Bn and would have resulted in the recognition of fair value gain of LKR 126 Mn in other comprehensive income during the period.

5 **Dividends**

On 03 March 2025, the Board of Directors approved and declared a final Dividend of LKR 8.00 per share, of which LKR 5.00 was in the form of cash dividend and the balance LKR 3.00 was in the form of scrip dividend for the financial year ended 31 December 2024 . Accordingly 9,415,842 ordinary voting shares have been listed as scrip dividends on 24 March 2025. As a result, the stated capital of the Bank increased to LKR 22.9 Bn (31 December 2024 - LKR 21.7 Bn).

6 **Special Customer Arrangements within Loans, Advances, and Deposits**

As at the reporting date, the Bank’s portfolio of loans & advances, and deposits includes a total amount of LKR 50.3 billion (2024 year-end: LKR19.6 billion), which has been received from customer(s) under a special arrangement. This amount represents funds held on behalf of customer(s) in respect of a potential netting arrangement, wherein both lending and deposit positions are maintained concurrently.
These arrangements are subject to specific contractual terms that may allow for netting of obligations between the Bank and the customer(s) in the event of certain trigger events.

7 There were no other events that require adjustment to the Financial Statements or disclosure in the Financial Statements that has occurred subsequent to the date of the Statement of the Financial Position of the Bank and the Group .

NDB bank

Notes to the Financial Statements

8. ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT AS AT 30 JUNE 2025

8.1 Product wise Gross Loans and Receivables	Bank As at 30/06/2025 LKR '000	Bank As at 31/12/2024 LKR '000	Group As at 30/06/2025 LKR '000	Group As at 31/12/2024 LKR '000
By product-Domestic Currency				
Term loans	101,272,225	100,672,026	101,272,225	100,672,026
Medium and short term loans	94,148,843	84,404,438	94,148,843	84,404,438
Overdrafts	62,016,842	59,944,846	62,016,842	59,944,846
Trade Finance	23,287,009	18,928,605	23,287,009	18,928,605
Consumer loans	52,742,470	46,510,957	52,742,470	46,510,957
Lease rentals receivable and Hire Purchase	24,645,946	22,666,898	24,645,946	22,666,898
Housing loans	17,057,272	16,885,775	17,057,272	16,885,775
Pawning	21,386,577	16,370,797	21,386,577	16,370,797
Islamic Banking facilities	14,608,220	10,003,994	14,608,220	10,003,994
Credit cards	8,504,504	8,670,182	8,504,504	8,670,182
AF Loans	3,375,221	1,916,540	3,375,221	1,916,540
Staff loans	3,374,709	3,292,370	3,444,608	3,365,722
Sub total	**426,419,837**	**390,267,428**	**426,489,737**	**390,340,780**
By product-Foreign Currency				
Term loans	70,780,560	38,617,146	70,780,560	38,617,146
Overdrafts	35,714,453	7,357,932	35,714,453	7,357,932
Medium and short term loans	29,512,901	26,288,947	29,512,901	26,288,947
Trade Finance	38,647,627	39,341,594	38,647,627	39,341,594
Islamic Banking facilities	6,372,363	7,861,113	6,372,363	7,861,113
Housing loans	32,158	42,870	32,158	42,870
Sub total	**181,060,062**	**119,509,603**	**181,060,062**	**119,509,603**
Total	**607,479,899**	**509,777,031**	**607,549,799**	**509,850,383**

8.2 Product wise commitments and contingencies considered for Impairment	Bank As at 30/06/2025 LKR '000	Bank As at 31/12/2024 LKR '000	Group As at 30/06/2025 LKR '000	Group As at 31/12/2024 LKR '000
By product- Domestic Currency				
Guarantees	32,316,111	41,450,872	32,311,324	41,046,086
Performance Bonds	7,772,466	8,185,025	7,772,466	8,185,025
Documentary Credits	1,184,578	935,008	1,184,578	935,008
Acceptances	536,342	391,671	536,342	391,671
Undrawn commitments	168,165,937	145,480,200	168,165,937	145,230,200
Sub Total	**209,975,434**	**196,442,776**	**209,970,647**	**195,787,990**
By product- Foreign Currency				
Guarantees	5,690,370	4,022,566	5,690,370	4,022,566
Performance Bonds	2,864,372	2,602,881	2,864,372	2,602,881
Documentary Credits	20,041,852	8,922,803	20,041,852	8,922,803
Acceptances	8,537,565	8,301,696	8,537,565	8,301,696
Undrawn commitments	999,877	1,160,231	1,746,491	1,889,469
Sub Total	**38,134,036**	**25,010,177**	**38,880,650**	**25,739,415**
Total	**248,109,470**	**221,452,953**	**248,851,297**	**221,527,405**

	As at 30/06/2025 LKR '000	As at 31/12/2024 LKR '000	As at 30/06/2025 LKR '000	As at 31/12/2024 LKR '000
Gross loans and advances ,Commitments and Contingencies	855,589,369	731,229,984	856,401,096	731,377,788
(Less): Accumulated impairment under stage 1	7,090,714	6,095,524	7,090,714	6,095,524
Accumulated impairment under stage 2	4,338,949	5,394,651	4,338,949	5,394,651
Accumulated impairment under stage 3	41,304,714	39,443,878	41,304,714	39,443,878
Net value of loans and advances, commitments and contingencies	**802,854,992**	**680,295,931**	**803,666,719**	**680,443,735**

8.3 Movement of impairment during the period	Bank			Group
	As at 30/06/2025 LKR '000	As at 31/12/2024 LKR '000	As at 30/06/2025 LKR '000	As at 31/12/2024 LKR '000
Under stage 1				
Balance at 1 January	6,095,524	4,751,122	6,095,524	4,751,122
Charge/(Write back) to Statement of Profit or Loss	995,190	1,344,402	995,190	1,344,402
Write-off during the period	-	-	-	-
Closing balance	**7,090,714**	**6,095,524**	**7,090,714**	**6,095,524**
Under stage 2				
Balance at 1 January	5,394,651	6,307,902	5,394,651	6,307,902
Charge/(Write back) to Statement of Profit or Loss	(1,055,702)	(913,251)	(1,055,702)	(913,251)
Write-off during the period	-	-	-	-
Closing balance	**4,338,949**	**5,394,651**	**4,338,949**	**5,394,651**
Under stage 3				
Balance at 1 January	39,443,878	34,009,586	39,443,878	34,009,586
Charge/(Write back) to Statement of Profit or Loss	4,284,553	12,854,071	4,284,553	12,854,071
Write-off during the period	(2,423,717)	(7,419,779)	(2,423,717)	(7,419,779)
Other movement	-	-	-	-
Closing balance	**41,304,714**	**39,443,878**	**41,304,714**	**39,443,878**

9. ANALYSIS OF DEPOSITS

Due to Other Customers - By product	Bank		Group	
	As at 30/06/2025 LKR '000	As at 31/12/2024 LKR '000	As at 30/06/2025 LKR '000	As at 31/12/2024 LKR '000
By product-Domestic Currency				
Demand deposits	47,177,480	42,852,398	47,168,994	42,804,180
Savings deposits	95,185,670	81,378,640	95,104,850	81,016,288
Time deposits	349,392,709	346,074,563	349,255,003	345,910,656
Other deposits	1,754,877	997,857	1,754,877	997,857
Sub total	**493,510,736**	**471,303,458**	**493,283,725**	**470,728,981**
By product- Foreign Currency				
Demand deposits	41,578,734	10,270,852	41,578,734	10,269,393
Savings deposits	26,196,009	22,109,701	26,161,030	22,089,374
Time deposits	134,406,196	127,545,145	134,406,196	127,539,942
Other deposits	383,513	453,770	383,513	453,770
Sub total	**202,564,452**	**160,379,468**	**202,529,472**	**160,352,480**
Total	**696,075,188**	**631,682,926**	**695,813,197**	**631,081,461**

Selected Performance Indicators (As per regulatory Reporting)	BANK		GROUP	
	As at 30/06/2025	As at 31/12/2024	As at 30/06/2025	As at 31/12/2024
Regulatory Capital Adequacy (LKR '000)				
Common Equity Tier 1 Capital	63,012,546	62,094,115	67,082,197	66,298,084
Tier 1 Capital	63,012,546	62,094,115	67,082,197	66,298,084
Total Capital	84,911,248	86,665,636	88,888,416	90,776,819
Regulatory Capital Ratios (%)				
Common Equity Tier 1 Capital Ratio (Minimum Requirement - 7%)	12.29	13.68	12.79	14.24
Tier 1 Capital Ratio (Minimum Requirement - 8.5%)	12.29	13.68	12.79	14.24
Total Capital Ratio (Minimum Requirement - 12.5%)	16.56	19.09	16.95	19.50
Basel III Leverage Ratio (Minimum Requirement - 3%)	6.60	7.46	6.96	7.89
Regulatory Liquidity				
Liquidity Coverage Ratio (%) – Rupee (Minimum Requirement 100%)	330.89	358.12	N/A	N/A
Liquidity Coverage Ratio (%) – All Currency (Minimum Requirement 100%)	253.80	308.26	N/A	N/A
Net stable Funding Ratio (%) (Minimum Requirement 100%)	124.46	152.43	N/A	N/A
Asset Quality (Quality of the Loan Portfolio)				
Impaired Loans (Stage 3) to Total Loans Ratio (%)	5.07	5.18	5.07	5.18
Impairment (stage 3) to Stage 3 loans Ratio (%)	53.35	54.48	53.35	54.48
Income and Profitability				
Earnings Per Share (annualised) (LKR)	19.65	21.25	21.23	23.05
Return on Equity (%)	10.62	12.22	10.76	12.46
Return on Average Assets (after Tax (%)	0.98	1.15	1.04	1.23
Return on Average Assets (before Tax (%))	2.00	3.09	2.11	3.23
Net interest margin (%)	3.99	4.34	3.98	4.34
Cost to Income Ratio (%)	41.15	36.91	42.21	38.04
Debt Security - Related Ratios				
Interest Cover (Times)	1.67	1.64	1.67	1.64
Debt to Equity (Times)	10.25	9.01	9.60	8.45
Memorandum Information				
Credit Rating	A(lka) / Stable Outlook	A(lka) / Stable Outlook	N/A	N/A
Number of Employees	2,882	2,920	N/A	N/A
Number of Branches	113	113	N/A	N/A

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 30 JUNE 2025 - BANK (LKR '000)

ASSETS	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
Cash and cash equivalents	-	16,869,185	-	-	16,869,185
Balances with the Central Bank of Sri Lanka	-	4,714,481	-	-	4,714,481
Placements with banks	-	14,240,156	-	-	14,240,156
Derivative Financial Instruments	930,637	-	-	-	930,637
Financial assets recognized through profit or loss measured at fair value	13,216,376	-	-	-	13,216,376
Financial assets at amortised cost -loans and receivables to other customers	-	557,020,839	-	-	557,020,839
Financial Assets at amortised cost - debt and other instruments	-	204,849,296	-	-	204,849,296
Financial assets measured at fair value through other comprehensive income	-	-	81,504,181	-	81,504,181
Other Financial Assets	-	1,406,153	-	-	1,406,153
Total Financial Assets	**14,147,013**	**799,100,110**	**81,504,181**	**-**	**894,751,304**

LIABILITIES	At fair value through profit or loss	Amortized cost	Total
Due to Banks	-	10,879,275	10,879,275
Derivative Financial Instruments	68,032	-	68,032
Financial Liabilities at amortised cost -due to depositors	-	696,075,188	696,075,188
Financial Liabilities at amortised cost			
- due to debt securities holders	-	54,868,919	54,868,919
- due to other borrowers	-	20,695,211	20,695,211
Debt securities issued	-	34,904,678	34,904,678
Other Financial Liabilities	-	2,700,426	2,700,426
Total Financial Liabilities	**68,032**	**820,123,697**	**820,191,729**

MEASUREMENT OF FINANCIAL INSTRUMENTS AS AT 30 JUNE 2025 - GROUP (LKR '000)

ASSETS	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
Cash and cash equivalents	-	17,812,111	-	-	17,812,111
Balances with the Central Bank of Sri Lanka	-	4,714,481	-	-	4,714,481
Placements with banks	-	14,240,156	-	-	14,240,156
Derivative Financial Instruments	930,637	-	-	-	930,637
Financial assets recognized through profit or loss measured at fair value	16,243,422	-	-	-	16,243,422
Financial assets at amortised cost -loans and receivables to other customers	-	557,090,738	-	-	557,090,738
Financial Assets at amortised cost - debt and other instruments	-	205,302,434	-	-	205,302,434
Financial Assets measured at fair value through Other comprehensive income	-	-	81,841,916	-	81,841,916
Other Financial Assets	-	1,680,789	-	-	1,680,789
Total Financial Assets	**17,174,059**	**800,840,709**	**81,841,916**	**-**	**899,856,684**

LIABILITIES	At fair value through profit or loss	Amortized cost	Total
Due to Banks	-	10,879,275	10,879,275
Derivative Financial Instruments	68,032	-	68,032
Financial Liabilities at amortised cost -due to depositors	-	695,813,197	695,813,197
Financial Liabilities at amortised cost			
- due to debt securities holders	-	54,868,919	54,868,919
- due to other borrowers	-	20,695,211	20,695,211
Debt securities issued	-	34,904,678	34,904,678
Other Financial Liabilities	-	3,137,873	3,137,873
Total Financial Liabilities	**68,032**	**820,299,153**	**820,367,185**

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

ASSETS	At fair value through profit or loss	At amortised cost	comprehensive income	Others	Total
Cash and cash equivalents	-	18,037,627	-	-	18,037,627
Balances with the Central Bank of Sri Lanka	-	8,053,358	-	-	8,053,358
Placements with banks	-	22,098,832	-	-	22,098,832
Derivative Financial Instruments	1,146,236	-	-	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	6,776,131	-	-	-	6,776,131
Financial assets at amortised cost -loans and receivables to other customers	-	460,707,258	-	-	460,707,258
Financial Assets at amortised cost - debt and other instruments	-	166,190,761	-	-	166,190,761
Financial assets measured at fair value through other comprehensive income	-	-	94,245,415	-	94,245,415
Other Financial Assets	-	1,046,533	-	-	1,046,533
Total Financial Assets	7,922,367	676,134,369	94,245,415	-	778,302,151

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

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

ASSETS	At fair value through profit or loss	At amortised cost	At fair value through Other comprehensive income	Others	Total
Cash and cash equivalents	-	18,682,376	-	-	18,682,376
Balances with the Central Bank of Sri Lanka	-	8,053,358	-	-	8,053,358
Placements with banks	-	22,098,832	-	-	22,098,832
Derivative Financial Instruments	1,146,236	-	-	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	9,905,171	-	-	-	9,905,171
Financial assets at amortised cost -loans and receivables to other customers	-	460,780,610	-	-	460,780,610
Financial Assets at amortised cost - debt and other instruments	-	166,355,792	-	-	166,355,792
Financial Assets measured at fair value through Other comprehensive income	-	-	94,659,106	-	94,659,106
Other Financial Assets	-	1,321,169	-	-	1,321,169
Total Financial Assets	11,051,407	677,292,137	94,659,106	-	783,002,650

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1 - quoted market price (unadjusted): financial instruments with quoted prices in active markets
Level 2 - valuation techniques using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments are valued using models where all significant inputs are observable.
Level 3 - valuation techniques with significant unobservable inputs: This category includes all instruments valued using valuation techniques where one or more significant inputs are unobservable.

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

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

Bank	**2025 Fair Value Measurement Using**				2024 Fair Value Measurement Using			
	Quoted prices in active markets Level 1 30/06/2025 LKR '000	**Significant observable inputs Level 2 30/06/2025 LKR '000**	**Significant unobservable inputs Level 3 30/06/2025 LKR '000**	**Total 30/06/2025 LKR '000**	Quoted prices in active markets Level 1 31/12/2024 LKR '000	Significant observable inputs Level 2 31/12/2024 LKR '000	Significant unobservable inputs Level 3 31/12/2024 LKR '000	Total 31/12/2024 LKR '000
Financial Assets								
Derivative Financial Instruments	-	930,637	-	930,637	-	1,146,236	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	13,216,376	-	-	13,216,376	6,776,131	-	-	6,776,131
Financial assets measured at fair value through other comprehensive income	77,393,223	3,943,245	167,713	81,504,181	89,393,791	5,222,888	167,713	94,245,415
Total Financial Assets	90,609,599	4,873,882	167,713	95,651,194	96,169,922	6,369,124	167,713	102,167,782
Financial Liabilities								
Derivative Financial Instruments	-	68,032	-	68,032	-	344,586	-	344,586
Total Financial Liabilities	-	68,032	-	68,032	-	344,586	-	344,586

Group	**2025 Fair Value Measurement Using**				2024 Fair Value Measurement Using			
	Quoted prices in active markets Level 1 30/06/2025 LKR '000	**Significant observable inputs Level 2 30/06/2025 LKR '000**	**Significant unobservable inputs Level 3 30/06/2025 LKR '000**	**Total 30/06/2025 LKR '000**	Quoted prices in active markets Level 1 31/12/2024 LKR '000	Significant observable inputs Level 2 31/12/2024 LKR '000	Significant unobservable inputs Level 3 31/12/2024 LKR '000	Total 31/12/2024 LKR '000
Financial Assets								
Derivative Financial Instruments	-	930,637	-	930,637	-	1,146,236	-	1,146,236
Financial assets recognized through profit or loss measured at fair value	15,691,533	-	551,889	16,243,422	9,353,282	-	464,042	9,905,171
Financial assets measured at fair value through other comprehensive income	77,554,292	4,119,911	167,713	81,841,916	89,856,944	5,381,379	167,713	94,659,106
Total Financial Assets	93,245,825	5,050,548	719,602	99,015,975	99,210,226	5,942,173	631,755	105,710,513
Financial Liabilities								
Derivative Financial Instruments	-	68,032	-	68,032	-	344,586	-	344,586
Total Financial Liabilities	-	68,032	-	68,032	-	344,586	-	344,586

SHARE INFORMATION

SHARE PRICE

As at	30/06/2025	31/12/2024
Number of shares	426,728,096	415,513,426
Last traded price (LKR)	120.25	113.25
For the quarter ended	**30/06/2025**	**31/12/2024**
Highest price per share (LKR)	123.25	114.00
Lowest price per share (LKR)	94.00	76.00

TOP 20 REGISTERED SHAREHOLDERS OF NATIONAL DEVELOPMENT BANK PLC AS AT 30.06.2025

	Name	Number of Shares	%
1	STANDARD CHARTERED BANK MAURITIUS S/A NORFUND	42,448,674	9.95
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	SOFTLOGIC LIFE INSURANCE PLC ACCOUNT NUMBER 03/LIFE SHAREHOLDERS FUND	20,607,541	4.83
8	EMPLOYEES TRUST FUND BOARD	14,412,776	3.38
9	BNYM RE-TERRA GLOBAL OPPORTUNITY FUND, L.P	13,615,405	3.19
10	DR. S. YADDEHIGE	11,974,368	2.81
11	HATTON NATIONAL BANK PLC A/C NO 1	11,778,400	2.76
12	PERPETUAL TREASURIES LIMITED	10,395,291	2.44
13	SBI VEN HOLDINGS PTE LTD	10,314,556	2.42
14	COMMERCIAL BANK OF CEYLON PLC/METROCORP (PVT) LTD	9,036,816	2.12
15	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 05 (NON-PARTICIPATING FUND)	7,492,490	1.76
16	AKBAR BROTHERS PVT LTD A/C NO 1	5,920,204	1.39
17	HNB INVESTMENT BANK (PVT) LTD/ MR. ELAYATHAMBY THAVAGNANASOORIYAM & MR. ELAYATHAMBY THAVAGNANA SUNDRAM	5,110,252	1.20
18	ARPICO INSURANCE PLC-SHARE HOLDERS	4,039,426	0.95
19	SOFTLOGIC LIFE INSURANCE PLC-A/C NO. 04 (PARTICIPATING FUND)	3,611,014	0.85
20	PEOPLE'S LEASING & FINANCE PLC/MR. D. SCHAFFTER	3,429,114	0.8

PUBLIC HOLDING PERCENTAGE

	As at 30/06/2025
Float adjusted Market Capitalization in LKR ('000)	41,944,107
Percentage of shares held by the public	81.74%
Number of public shareholders	13,066
Option under which the Bank complies with the minimum Public Holding requirement	Option 1

DIRECTORS' INTEREST IN SHARES OF NDB AS AT 30.06.2025

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

Rated unsecured subordinated redeemable debentures

INFORMATION ON DEBENTURES- BANK											
Type of Debenture	CSE Listing	Interest payable frequency	Balance as at 30 June 2025 LKR mn	Market Value			Interest Rate		Interest rate of comparable Govt. Security %	Other ratios as at last trade	
				Highest LKR	Lowest LKR	Period end LKR	Coupon Rate %	Effective Annual Yield %		Interest Yield %	Yield To Maturity %
Fixed rate - Debenture December 2024											
A- Dec 2024/Dec 2029	Listed	Annually	4,853	Not traded during the quarter			13.00	12.30	10.75	Not traded during the quarter	
B- Dec 2024/Dec 2029		Quarterly	468	Not traded during the quarter			12.41	12.31		Not traded during the quarter	
Fixed rate - Debenture September 2024											
A- Sep 2024/Sep 2029	Listed	Annually	4,315	Not traded during the quarter			13.25	12.52	12.98	Not traded during the quarter	
B- Sep 2024/Sep 2029		Semi-annually	848	Not traded during the quarter			12.84	12.52		Not traded during the quarter	
C- Sep 2024/Sep 2029		Quarterly	268	Not traded during the quarter			12.64	12.53		Not traded during the quarter	
Fixed rate - Debenture December 2023											
A- Dec 2023/Dec 2028	Listed	Annually	3,596	Not traded during the quarter			15.00	14.05	14.52	Not traded during the quarter	
B - Dec 2023/Dec 2028	Listed	Quarterly	1,675	Not traded during the quarter			14.22	14.05		Not traded during the quarter	
Fixed rate - Debenture November 2021											
A- Nov 2021/Nov 2026	Listed	Semi-annually	7,970	Not traded during the quarter			11.90	11.66	11.14	Not traded during the quarter	
B- Nov 2021/Nov 2028		Semi-annually	117	Not traded during the quarter			12.00	11.73	11.61	Not traded during the quarter	
Fixed rate - Debenture September 2020											
Sep 2020/ Sep 2025	Listed	Annually	6,965	Not traded during the quarter			9.50	9.16	6.57	Not traded during the quarter	
Fixed rate - Debenture December 2013											
D - Dec 2013/Dec 2025	Listed	Annually	3,830	Not traded during the quarter			14.00	13.26	12.09	Not traded during the quarter	
Total Debentures			**34,905**								

Important Dates - 1H 2025 - Financial Results Release

Event	Date
Financial statements released to the Colombo Stock Exchange, together with a Performance Commentary	14 August 2025
Investor Webinar	19 August 2025
Updates to the investor relations web page within the Bank's corporate website www.ndbbank.com	14 August 2025
Edited Transcript and video playback of the Investor webinar released/ uploaded to the Bank's website	Within 10 working days from the date of the webinar
Financial statements published in selected newspapers in the three languages of Sinhala, Tamil and English	27 August 2025

Corporate Information

Name National Development Bank PLC **Legal Form** 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.	**Head Office/Registered Office** No. 40, Nawam Mawatha, Colombo 02 Tel: +94 11 2448448 Fax: +94 11 2341044 SWIFT Code: NDBSLKLX Web Page: www.ndbbank.com E-mail: contact@ndbbank.com VAT Registration No.: 409000266-7000 **Credit Rating:** Long-term National Rating: A(lka)/ Stable Outlook Fitch Ratings Lanka Limited
Registration No. PQ 27 **Accounting Year End** 31 December	**Auditors** M/s Ernst & Young, Rotunda Towers, No. 109, Galle Road, Colombo 03 **Company Secretary:** Ms. Shehani Ranasinghe - Vice President **Compliance Officer:** Ms. Vidisha Jayawardena - Vice President
Board of Directors Mr. Sriyan Cooray - Chair, Board of Directors Mr. Kelum Edirisinghe - Director/Chief Executive Officer Mr. Bernard Sinniah - Director Mr. Sujeewa Mudalige - Director Mr. Kushan D'Alwis, PC - Director Ms. Kasturi Chellaraja - Director Ms. Shweta Pandey - Director Mr. Hasitha Premaratne- Director Mr. Sanjaya Mohottala -Director	**Subsidiary Companies** NDB Capital Holdings Limited NDB Capital Limited (Bangladesh) Development Holdings (Private) Limited NDB Investment Bank Limited NDB Wealth Management Limited NDB Securities (Private) Limited NDB Zephyr Partners Limited (Mauritius) NDB Zephyr Partners Lanka (Private) Limited Ayojana Fund (Private) Limited (Under liquidation)
Investor Relations - Contact Details	
Company Secretarial Unit Ms. Shehani Ranasinghe Vice President - Company Secretary Email: shehani.ranasinghe@ndbbank.com Tel.: +94 (0)11 2448448 Ext: 35013	**Investor Relations Team** Mr. Azzam A Ahamat Vice President - Finance Email: azzam.ahamat@ndbbank.com investor.relations@ndbbank.com Tel.: +94(0)11 2448448 Ext: 35301

NDB bank

The future is banking on us

National Development Bank PLC, PQ 27
www.ndbbank.com