

25th January 2023

Mr. Renuka Wijewardhane
Chief Regulatory Officer
Colombo Stock Exchange
Level 4- 01 West Block
World Trade Centre, Echelon Square
Colombo 01

Dear Sir,

ISSUE OF BASEL III COMPLIANT – TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED, REDEEMABLE DEBENTURES WITH A NON- VIABILITY CONVERSION

We write to inform you that the Board of Directors of National Development Bank PLC (the Bank) at its meeting held on 24 January 2023 has approved that the Bank issues up to a maximum of One Hundred Million (100,000,000) Basel III Compliant – Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a Non- Viability Conversion (hereinafter referred to as “Debentures”) of Rupees Hundred (Rs.100/-) each, to raise a maximum sum of Rupees Ten Billion (LKR 10,000,000,000/-) as follows;

- The Debentures will be offered to “Qualified Investors” as defined under the Listing Rules of the CSE;
- The 100,000,000 Debentures will be issued in multiple issuances, the timing of which is within one year time frame from the date of obtaining shareholder approval for the issuance of the Debentures, subject to the approval of the Colombo Stock Exchange and will be decided by the Board of Directors of the Bank based on the requirements of the Bank and the prevailing market conditions ;
- The size, tenure/maturity period (minimum five years), coupon rate/s, frequency of coupon/s, etc., as determined by the Board as per the requirements of the Bank, will be notified prior to the opening of such multiple issuances planned. .

We confirm that the aforesaid multiple issues will be carried out subject to necessary regulatory approvals therefor and that the Bank proposes to have these Basel III Compliant Debentures quoted on the Colombo Stock Exchange.

Yours faithfully

NATIONAL DEVELOPMENT BANK PLC



Company Secretary