

17 June 2020

Mr Renuka Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
No 04 – 01 West Block
World Trade Centre
Echelon Square
Colombo 1

Dear Sir

ANNOUNCEMENT REGARDING THE RATING ACTIONS ON DEBT SECURITIES ISSUED BY NATIONAL DEVELOPMENT BANK PLC BY FITCH RATINGS LANKA LIMITED

In terms of Sections 8, 2.2 and 7.12 of the Listing Rules of the Colombo Stock Exchange, we wish to inform the following rating actions by Fitch Ratings Lanka Limited (Fitch) on 10 June 2020 on debt securities issued by National Development Bank PLC (NDB).

Basel II and Basel III compliant Sri Lankan rupee denominated subordinated debt
Revised to A- (lka) from A (lka)

This is driven by the change in Fitch's baseline notching for loss severity for the industry by two notches (from earlier one) compared to the entity rating for this type of debt.

In the meantime, we wish to state that NDB's entity rating was affirmed at A+ (lka) and the outlook revised upwards to 'Stable' from 'Negative'.

Thank you.

Yours faithfully

NATIONAL DEVELOPMENT BANK PLC



Dimantha Seneviratne

Director/Group Chief Executive Officer