DFCC BANK
Keep Growing

Basel III Compliant, GSS+ BOND ISSUE 2026

PROSPECTUS

Joint Managers and Financial Advisors to the Issue

CAL

NDB Investment Bank

Structuring Partner to the Issue

DFCC BANK
Keep Growing

DFCC BANK PLC

PROSPECTUS

AN INITIAL ISSUE BY DFCC BANK PLC OF UP TO SEVENTY MILLION (70,000,000) BASEL III COMPLIANT, TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED, REDEEMABLE 5 YEAR (2026/2031), 7 YEAR (2026/2033) AND 10 YEAR (2026/2036) GSS+ BONDS WITH A NON-VIABILITY CONVERSION FEATURE ('BASEL III COMPLIANT GSS+ BONDS') AND EACH OF THE PAR VALUE OF LKR 100/- TO RAISE UP TO SRI LANKAN RUPEES SEVEN BILLION (LKR 7,000,000,000/-) WITH AN OPTION TO ISSUE UP TO A FURTHER THIRTY MILLION (30,000,000) OF SAID BASEL III COMPLIANT GSS+ BONDS AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE, TO RAISE UP TO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES TEN BILLION (LKR 10,000,000,000/-).

TO BE LISTED ON THE
COLOMBO STOCK EXCHANGE
(SUBJECT TO THE COMPLIANCE WITH THE CSE LISTING RULES AT THE TIME OF LISTING)

RATED 'BBB+(LKA)' BY FITCH RATINGS LANKA LIMITED

ISSUE OPENS ON
6TH FEBRUARY 2026

ISSUE IS LIMITED ONLY TO 'QUALIFIED INVESTORS' AS DEFINED HEREIN

JOINT MANAGERS AND FINANCIAL ADVISORS TO THE ISSUE

STRUCTURING PARTNER TO THE ISSUE

PROSPECTUS

This Prospectus is dated 30th January 2026

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the 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 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.

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

If you are in a doubt regarding the contents of this document or of you require any clarification or advice in this regard, you should consult the Joint Managers and Financial Advisors to the Issue, your stockbroker, lawyer or any other professional advisor.

IMPORTANT

By acquiring any BASEL III Compliant GSS+ Bonds, each 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 affected 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 BASEL III Compliant 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 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 BASEL III Compliant 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.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared by the Joint Managers to the Issue, Capital Alliance Partners Limited and NDB Investment Bank Limited on behalf of DFCC Bank PLC (hereinafter referred to as "the Bank") based on available information.

The Directors of DFCC Bank PLC 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.

For enquiries, please contact the Joint Managers and Financial Advisors to the Issue.

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 Structuring Partner to the Issue for the inclusion of their names in the Prospectus as Structuring Partner to the Issue.
e) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
f) 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.
g) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
h) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
i) 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.
j) The written consent of the Joint Managers and Financial Advisors to the Issue for the inclusion of their names in the Prospectus as Joint Managers and Financial Advisors to the Issue.
k) 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, Joint Managers and Financial Advisors to the Issue, Structuring Partner to the Issue, Registrars to the Issue, Lawyers to the Issue, Independent External Reviewer to the Issue and 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.

Submission of the Prospectus to the Securities and Exchange Commission of Sri Lanka

A copy of the Prospectus has been delivered to the Securities and Exchange Commission of Sri Lanka prior in compliance with Section 82(2) of the Securities and Exchange Commission of Sri Lanka Act No.19 of 2021.

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, sales person, 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 Lankan 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 Bonds are required to be directly deposited in to 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 Participant of the CSE as set out in Annexure III or through any Custodian Bank as set out in Annexure IV of this Prospectus.

OFFER AT A GLANCE

<table>
<tr><td>Issuer</td><td>DFCC Bank PLC</td></tr>
<tr><td>Instrument</td><td>BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year (2026/2031), 7 Year (2026/2033) and 10 Year (2026/2036) GSS+ Bonds with a Non-Viability Conversion Feature</td></tr>
<tr><td>Listing</td><td>The BASEL III Compliant GSS+ Bonds will be listed on the Colombo Stock Exchange</td></tr>
<tr><td>Number of Bonds to be Issued</td><td>An initial issue of up to Seventy Million (70,000,000) BASEL III Compliant GSS+ Bonds, with an option to issue up to a further Thirty Million (30,000,000) of said BASEL III Compliant GSS+ Bonds at the discretion of the Bank in the event of an oversubscription of the initial issue to raise a maximum of One Hundred Million (100,000,000) of said BASEL III Compliant GSS+ Bonds in total.</td></tr>
<tr><td>Amount to be Raised</td><td>An initial sum of up to Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/-) with an option to issue up to a further Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-) at the discretion of the Bank in the event of an oversubscription of the initial issue to raise a maximum of Sri Lankan Rupees Ten Billion (LKR 10,000,000,000/-).</td></tr>
<tr><td>Entity Rating</td><td>‘A (lka)/ Stable’ by Fitch Ratings Lanka Limited</td></tr>
<tr><td>Issue Rating</td><td>‘BBB+(lka)’ by Fitch Ratings Lanka Limited</td></tr>
<tr><td>Issue Price</td><td>LKR 100/- (Sri Lankan Rupees One Hundred) per BASEL III Compliant GSS+ Bond</td></tr>
<tr><td>Par Value</td><td>LKR 100/- (Sri Lankan Rupees One Hundred) per BASEL III Compliant GSS+ Bond</td></tr>
<tr><td>Tenor</td><td>5 Year (2026/2031), 7 Year (2026/2033) and 10 Year (2026/2036)</td></tr>
<tr><td>Interest Rates</td><td>
<table>
<tr><th>Type</th><th>Type of Interest</th><th>Tenor</th><th>Interest Rate (per annum)</th><th>Annual Effective Rate (AER)</th><th>Interest Payment Frequency</th></tr>
<tr><td>Type A</td><td>Fixed</td><td>5 Years</td><td>11.50%</td><td>11.50%</td><td>Annual</td></tr>
<tr><td>Type B</td><td>Fixed</td><td>7 Years</td><td>11.75%</td><td>11.75%</td><td>Annual</td></tr>
<tr><td>Type C</td><td>Fixed</td><td>10 Years</td><td>12.00%</td><td>12.00%</td><td>Annual</td></tr>
</table>
</td></tr>
<tr><td>Minimum Subscription</td><td>Applicants are allowed to invest in 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 as given below.

The minimum subscription requirement applicable for a Qualified Investor applying for debt Securities shall be Rupees Ten Thousand (LKR 10,000/-).

Provided however, the minimum subscription requirement applicable for an Individual Qualified Investor applying for BASEL III Compliant Debt Securities shall be Rupees Five Million (LKR 5,000,000/-).

Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).</td></tr>
</table>

Interest Payment Date(s)	**For Type A, Type B and Type C BASEL III Compliant GSS+ Bonds:** The dates on which payments of interest in respect of the BASEL III Compliant GSS+ Bonds shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid not later than three (3) Working Days from each Interest Payment Date (Excluding such Interest Payment Date). The final interest payment will be paid together with the Principal Sum within three (3) Working Days from the Date of Redemption (Excluding the Date of Redemption).
Interest Period	**For Type A, Type B and Type 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).
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/CEFTS and RTGS where accurate bank account details are provided by the Bond Holders subject to the prevalent limitation with regard to SLIPS/CEFTS and RTGS or by cheque marked "Account Payee Only".
Issue Opening Date	6th February 2026
Closure Date of the Subscription List	Subject to the provisions contained below, the Subscription List for the BASEL III Compliant GSS+ Bonds will open at 9.30 am on 6th February 2026 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 pm on 25th February 2026. However, the subscription list will be closed on an earlier date at 4.30 pm with notification to the CSE on the occurrence of the following: • The maximum of One Hundred Million (100,000,000) 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 Seventy Million (70,000,000) 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 Thirty Million (30,000,000) BASEL III Compliant GSS+ Bonds (having subscribed the initial issue of Seventy Million (70,000,000) BASEL III Compliant GSS+ Bonds) but subsequently decides to close the Subscription List upon part of the further issue of Thirty Million (30,000,000) 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 Issue without the full subscription of the initial issue of Seventy Million (70,000,000) 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. Please refer Section 5.2 of this Prospectus for more information.
Date of Allotment	The date on which the BASEL III Compliant GSS+ Bonds will be allotted by the Bank to Applicants subscribing thereto.
Basis of Allotment	In the event of an oversubscription, the CEO or in his absence by the Deputy CEO or the SVP - Treasury, Wholesale and Investment Banking of the Bank will endeavor to decide the Basis of Allotment of the BASEL III Compliant GSS+ Bonds in a fair manner and equitable within seven (07) Market days from the closure of the Issue. **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 Prospectus on a preferential basis, to identified Qualified Investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future as future investors.** Number of BASEL III Compliant GSS+ Bonds to be allotted to identified Qualified 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 undersubscription from the other Qualified investors (Qualified Investors that do not fall under preferential category). In the event of such undersubscription from the other Qualified Investors, such other Qualified Investor category to be allotted in full and any remaining BASEL III Compliant GSS+ Bonds to be allotted to identified Qualified Investor/s.
Maturity Date	**For Type A BASEL III Compliant GSS+ Bonds:** 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. **For Type B BASEL III Compliant GSS+ Bonds:** 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. **For Type C BASEL III Compliant GSS+ Bonds:** On completion of ten (10) 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.
Trigger Event	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) and (b) of the Web Based Return Code 20.2.3.1.1.1

	of the Banking Act Direction No. 01 of 2016 dated 29th December 2016 (as may be amended from time to time) determines; (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 (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.
Non-Viability Conversion	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 Bond Holders, in compliance with BASEL III requirements. 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 any accrued and unpaid interest as at that date will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any 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.
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 (3) months period, immediately preceding the date of the Trigger Event.
Volume Weighted Average Price (VWAP)	The daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange.

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1.0 CORPORATE INFORMATION

Name of the Issuer/Bank	DFCC Bank PLC
Legal Status	A quoted public company with limited liability established by DFCC Bank Act No. 35 of 1955 and with the enactment of the DFCC Bank (Repeal and Consequential Provisions) Act No. 39 of 2014, incorporated under the Companies Act No. 07 of 2007 with the name 'DFCC Bank PLC' with effect from 6th January 2015. A licensed commercial bank under the Banking Act No. 30 of 1988.
Company Number	PQ 233
Place of Incorporation	Colombo, Sri Lanka
Registered Address	DFCC Bank PLC No. 73/5, Galle Road, Colombo 03 Tel: +94 11 2 442 442 Fax: +94 11 2 440 376 Email: care@dfccbank.com Website: www.dfcc.lk
Company Secretary	Ms. Nimali Ranaraja DFCC Bank PLC No. 73/5, Galle Road Colombo 03 Tel: +94 11 2 442 540 Fax: +94 11 2 440 376
Rating Agency	Fitch Ratings Lanka Limited No.15-04, East Tower, World Trade Centre, Colombo 01 Tel: +94 11 2 541 900 Fax: +94 11 2 541 903
Auditors	KPMG Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 Tel: +94 11 5 426 426 Fax: +94 11 2 445 872
Board of Directors	Mr. J. Durairatnam – Chairman and Independent Non-Executive Director Mr. N. H. T. I. Perera – Chief Executive Officer and Executive Director Ms. L. K. A. H. Fernando – Independent Non-Executive Director Mr. N. K. G. K. Nemmawatta – Independent Non-Executive Director Mr. H. A. J. De Silva Wijeyeratne – Independent Non-Executive Director Mr. N. Vasantha Kumar – Independent Non-Executive Director Ms. A. L. Thambiayah – Independent Non-Executive Director Mr. P. A. Jayatunga – Non – Independent Non-Executive Director

2.0 RELEVANT PARTIES TO THE ISSUE

Structuring Partner to the Issue	**Treasury and Investment Banking Unit** **DFCC Bank PLC** DFCC Building, P.O. Box 1397 No. 73/5, Galle Road Colombo 03 Tel: +94 11 2 442 442 Fax: +94 11 2 440 376
Joint Managers the Issue	**Capital Alliance Partners Limited** Level 5, "Millennium House", 46/58, Navam Mawatha, Colombo 02 Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 **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	**Nithya Partners** No. 97A, Galle Road, Colombo 03 Tel: +94 11 4 712 625 Fax: +94 11 2 328 817
Registrars to the Issue	**S S P Corporate Services (Private) Limited** No. 101, Inner Flower Road, Colombo 03 Tel: +94 11 2 573 894 Fax: +94 11 2 573 609
Trustee to the Issue	**People's Bank** No. 75, Sir Chittampalam A. Gardiner Mawatha Colombo 02 Tel: +94 11 2 481 481 Fax: +94 11 2 458 842

Company Secretary	**Ms. Nimali Ranaraja** DFCC Building, No. 73/5, Galle Road, Colombo 03 Tel: +94 11 2 442 540 Fax: +94 11 2 440 376
Rating Agency to the Issue	**Fitch Ratings Lanka Limited** No. 15-04, East Tower, World Trade Centre, Colombo 01 Tel: +94 11 2 541 900 Fax: +94 11 2 541 903
Bankers to the Issue	**DFCC Bank PLC** No. 73/5, Galle Road Colombo 03 Tel: +94 11 2 442 442 Fax: +94 11 2 440 376
Auditors and Reporting Accountants to the Issue	**KPMG** Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha Colombo 03 Tel: +94 11 5 426 426 Fax: +94 11 2 445 872
Independent External Reviewer to the Issue	**KPMG** Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha Colombo 03 Tel: +94 11 5 426 426 Fax: +94 11 2 445 872

3.0 LIST OF ABBREVIATIONS

AER	Annual Effective Rate
APLMA	Asia Pacific Loan Market Association
AWPLR	Average Weighted Prime Lending Rate
CAR	Capital Adequacy Ratio
CBI Standards	Climate Bond Initiative Standards
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Pvt) Limited
CEFTS	Common Electronic Fund Transfers Switch
CSE	Colombo Stock Exchange
DFCC/Issuer/Bank	DFCC Bank PLC
ESMC	Executive Sustainability Management Committee
E&S	Environmental and Social
FATCA	Foreign Account Tax Compliance Act
GBP	Green Bond Principles
GSS+	Green, Blue, Social, Sustainability and Sustainability linked
ICMA	International Capital Markets Association
IIA	Inward Investment Account
LMA	Loan Market Association
LSTA	Loan Syndications and Trading Association
NIC	National Identity Card
NSTC	National Sustainable Tourism Certification
POA	Power of Attorney
Rs. / LKR	Sri Lankan Rupees
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
SBP	Social Bond Principles
SBG	Sustainability Bond Guidelines
SLGFT	Sri Lanka Green Finance Taxonomy (May 2022)
SLIPS	Sri Lanka Inter-bank Payment System
SLL	Sustainability-Linked Loans
SLLBG	Guidelines for Sustainability-Linked Loans Financing Bonds
SLLP	Sustainability-Linked Loan Principles
UNSDG	United Nations Sustainable Development Goal
VWAP	Volume Weighted Average Price

4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant/s	Any Qualified Investor(s) 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	DFCC 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).
BASEL III Compliant GSS+ Bonds	BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year (2026/2031), 7 Year (2026/2033) and 10 Year (2026/2036) GSS+ Bonds with a Non-Viability Conversion Feature, to be issued pursuant to this Prospectus.
Board/Board of Directors/ Directors	The Board of Directors of DFCC Bank PLC
Closure Date	The date of Closure of the subscription list as set out in Section 5.2 of this Prospectus.
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 (03) months 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.
Bond Holder(s)	Any Qualified Investor(s) who is for the time being the holder of the BASEL III Compliant GSS+ Bonds and his/her/respective heirs, executors, administrators, or successors in title, as the case may be.
Entitlement Date	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Bond Holder would need to be recorded as being a Bond Holder on the list of Bond Holders provided by the CDS to the Bank in order to qualify for the payment of any interest or any redemption proceeds.
Interest Payment Date(s)	**For Type A, Type B and Type C BASEL III Compliant GSS+ Bonds:** The dates on which payments of interest in respect of the BASEL III Compliant GSS+ Bonds shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid not later than three (3) Working Days from each Interest Payment Date (Excluding such Interest Payment Date). The Final interest payment will be paid together with the Principal Sum within three (3) Working Days from the Date of Redemption (Excluding the Date of Redemption).
Interest Period	**For Type A, Type B and Type 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).
Issue	The offer of BASEL III Compliant GSS+ Bonds to Qualified Investors pursuant to this Prospectus.
Issue Price	LKR 100/- per each BASEL III Compliant GSS+ Bond
Independent External Reviewer	Means at a minimum, an entity that possesses expertise and experience in: • 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.
Market Day	Any day on which trading takes place at the CSE
Non-Resident(s)	Foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.
Non-Viability Conversion	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 Bond Holders in compliance with BASEL III requirements. 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 accrued and unpaid interest (if any) as at that date will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any 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.
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 30th January 2026 issued by DFCC Bank PLC
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/-
Redemption	Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a BASEL III Compliant GSS+ Bond to a Bond Holder by the Bank.
Registered Address	When used in relation to a Bond Holder means the address provided by the Bond Holders to the CDS.
Subordinated	Means the claims of the Bond Holders shall in the event of winding up of the Bank rank after all the claims of 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 BASEL III subordinated GSS+ Bond Holders/ Debenture holders and in priority to and over the claims and rights of the Shareholder/s of the Bank **unless there has been an issuance of shares to the Bond Holders upon the occurrence of a Trigger Event in which case a Bond Holder would cease to be a Bond Holder and become a shareholder of the Bank to the extent of such issuance.**
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	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) and (b) of the Web Based Return Code 20.2.3.1.1.1 of the Banking Act Direction No. 01 of 2016 dated 29th December 2016 (as may be amended from time to time) determines; (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 (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.
Trustee	People's Bank
Trust Deed	Trust Deed executed between the Bank and People's Bank on 19th January 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

5.0 PRINCIPAL FEATURES OF THE BASEL III COMPLIANT GSS+ BONDS

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of DFCC Bank PLC (hereinafter referred to as the "Board") at the Board Meeting held on 30th July 2025 resolved to raise a sum of Rupees Seven Billion (LKR 7,000,000,000/-) by an initial issue of up to Seventy Million (70,000,000) BASEL III Compliant GSS+ Bonds, each with a Par Value of LKR 100/- and to raise a further sum of Rupees Three Billion (LKR 3,000,000,000/-) by an issue of a further Thirty Million (30,000,000) 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 Ten Billion (LKR 10,000,000,000/-) would be raised by the issue of a maximum of One Hundred Million (100,000,000) BASEL III Compliant GSS+ Bonds each with the Par Value of LKR 100/.

DFCC hereby invites Qualified Investors to make Applications for the BASEL III Compliant GSS+ Bonds (Type A, Type B and Type C) which will rank equal and *pari passu* in all respects other than with respect to the rate of interest and tenor of the BASEL III Compliant GSS+ Bonds as more fully described in Section 5.3 and Section 5.5 of this Prospectus.

The rights of the 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 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 BASEL III subordinated GSS+ Bond Holders/ Debenture holders and in priority to and over the claims and rights of the Shareholder/s of the Bank. However, if there has been an issuance of ordinary voting shares to the Bond Holders upon the occurrence of a Trigger Event, a Bond Holder would cease to be 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 voting shareholders.

The Bank has obtained shareholders' approval through the special resolution passed at the Extra Ordinary General Meeting held on 30th October 2025 for the issuance of ordinary voting shares in the event of a non-viability conversion upon the occurrence of a Trigger Event.

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 on the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3(b) of the Listing Rules of the CSE.

As set out in Rule 2.2.1 (k) and Rule 2.2.1 (q) of the CSE Listing Rules and which are to be read together with the Definition Section of the CSE Listing Rules, only Qualified Investors would be eligible to invest in these 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 primary and secondary market investments 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 Bond Holders within thirty (30) days from the expiry of the said six (6) months period, notify such 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 and;

ii. Seek the approval of the 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 Bond Holders immediately following the date of the meeting of the 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 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 Bond Holders.

5.2 SUBSCRIPTION LIST AND CLOSURE DATE

Subject to the provisions contained below, the Subscription List for the BASEL III Compliant GSS+ Bonds will open at 9.30 am on 6th February 2026 and will remain open for fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 pm on 25th February 2026.

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

- The maximum of 100,000,000 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 Seventy Million (70,000,000) 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 Thirty Million (30,000,000) BASEL III Compliant GSS+ Bonds (having subscribed the initial issue of Seventy Million (70,000,000) BASEL III Compliant GSS+ Bonds) but subsequently decides to close the subscription list upon part of the further issue of Thirty Million (30,000,000) 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 Issue without the full subscription of the initial issue of Seventy Million (70,000,000) 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.

5.3 TYPES OF BASEL III Compliant GSS+ Bonds

The Issue consists of only three (3) types of BASEL III Compliant GSS+ Bonds and the details are as follows.

Type	Type of Interest	Tenor	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed	5 years	11.50%	11.50%	Annual
Type B	Fixed	7 years	11.75%	11.75%	Annual
Type C	Fixed	10 years	12.00%	12.00%	Annual

5.4 OBJECTIVES OF THE ISSUE & SPECIFIC RISK RELATING TO THE OBJECTIVES OF THE ISSUE

The funds generated from the BASEL III Compliant GSS+ Bond Issue will be utilized for the following purposes:

1) IMPROVE THE TIER 2 CAPITAL ADEQUACY RATIO (CAR)

The funds raised through this Issue are expected to improve the Bank's Capital Adequacy. The Subordinated nature of the medium to long term BASEL III Compliant GSS+ Bonds, which will be issued in compliance with BASEL III requirements and include a Non-Viability Conversion feature will qualify as Tier 2 Capital subject to CBSL approval. This will enable the Bank to strengthen the Tier 2 Capital Base as per BASEL III requirements and maintain its Capital Adequacy at satisfactory levels.

The Bank has obtained the approval from the Central Bank of Sri Lanka to include the BASEL III Compliant GSS+ Bonds under Tier 2 capital. The approval has been granted via the letter dated **12th January 2026** by CBSL subject to the conditions stated therein.

The Bank has complied with the CBSL BASEL III minimum Capital Adequacy requirement as at 30th September 2025 with Tier 1 Ratios of 11.81% and Total Capital Ratio of 14.28%.

The minimum Capital Adequacy requirements under BASEL III are as follows;

Components of Capital	Minimum Regulatory Requirements	Bank's Actual Position as at 30th September 2025*
Common Equity Tier I capital with Buffers	7.00%	11.81%
Total Tier 1 capital with Buffer	8.50%	11.81%
Total Capital Adequacy Ratio (Tier 1 + Tier 2) with Buffers	12.50%	14.28%

*Un-audited

The forecasted ratios considering the intended proceeds of the Issue computed under Basel III will be as follows:

Minimum CAR requirement to be maintained as at 30th September 2025 as per the Banking Act Direction No. 01 of 2016 (as amended)	Current CAR position of the Bank as at 30th September 2025*	Expected CAR position to be achieved by the Bank, subsequent to the Issue which will have a convertible feature in compliance with BASEL III requirement	
		As at 30th September 2025 with LKR 7 Bn	As at 30th September 2025 with LKR 10 Bn
12.50%	14.28%	15.62%	16.20%

*Un-audited

Further, the Bank is required to obtained shareholder approval by way of a Special Resolution for the issuance of ordinary voting shares which may be occasioned by the occurrence of a 'Trigger Event' in relation to the BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable GSS+ Bonds with a Non-Viability Conversion Feature. In accordance with Rule 2.2.1 (p) of the CSE Listing Rules, the Bank has obtained the Shareholder approval by way of a Special Resolution at the Extraordinary General Meeting of the Bank held on 30th October 2025 for the issuance of the said BASEL III Compliant GSS+ Bonds. Furthermore, the Bank has also obtained relevant approvals from CSE.

While the Bank currently maintains a CAR above the minimum regulatory requirement, the rationale for issuing fresh BASEL III Compliant GSS+ Bonds is to strengthen the Bank's capital position in light of business expansion and the impending maturity of existing Tier 2 Debentures. As a result of the Bank's loan book growth, the Bank's CAR has gradually declined in recent years and is expected to decline further by March 2026 under the BASEL III framework. Accordingly, the Bank considers it prudent to maintain its CAR at a level comfortably above the minimum requirement to support the anticipated growth in its asset base.

2) SUPPORT THE BANK'S BALANCE SHEET GROWTH THROUGH FINANCING AND/OR REFINANCING GSS+ PROJECTS

The Bank intends to fully utilize the funds generated through the BASEL III Compliant GSS+ Bond Issue to finance or refinance new and/or existing eligible Green, Blue, Social, Gender, Sustainability projects and Sustainability Linked Loans as per the Sustainable Bond Framework of the Bank (collectively known as 'GSS+ Projects' hereafter) which complies with the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (SLGFT) (May 2022) issued by the Central Bank of Sri Lanka to support the lending activities of the Bank as part of its normal course of business.

The Sustainable Bond Framework published in December 2025 will supersede and replace the "Sustainable Bond Framework" initially created and published by the Bank in October 2025 and will be applicable from December 2025 onwards. The Sustainable Bond Framework (December 2025) will be made publicly available on the CSE website *www.cse.lk* and the Bank's website *www.dfcc.lk* for the perusal of interested parties.

Based on the past performance of the lending growth, Bank is confident of utilizing the funds generated through the Issue as stated within a period of 18 months. The monthly average disbursement of funds for the months of July, August, and September 2025 is LKR 36.5 billion.

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. Please refer to Section 8.2 for the composition of the Related Party Transactions Review Committee as at the date of Prospectus.

The objectives of the Issue do not fall within the definition of a Major Transaction in terms of Section 185 of the Companies Act no 7 of 2007.

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 the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and Sri Lanka Green Finance Taxonomy (SLGFT) (May 2022) issued by the Central Bank of Sri Lanka where applicable, prior to the BASEL III Compliant GSS+ Bond issuance. The Bank has obtained the same.

Principles and Guidelines Applicable for GSS+ Projects

The International Capital Market Association (ICMA), Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) have established a set of globally recognized principles and guidelines that promote transparency, integrity and accountability in the sustainable bond market.

The Bank's Sustainable 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 (GBP) *(June 2025)*
- Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide - *September 2023*
- Social Bond Principals (SBP) *(June 2025)*
- Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality *(November 2021)*
- Sustainability Bond Guidelines (SBG) *(June 2021)*

Issued by ICMA and LMA

- Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) *(June 2024)* including the June 2025 FAQ Annex

Issued by LMA, APLMA and LSTA

- Sustainability-Linked Loan Principles (SLLP) *(March 2025)*

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 this 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.

The key areas of focus under the above principles and guidelines are summarized below:

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

And for heightened transparency:

- External Review

1. Use of Proceeds

The proceeds of the Issue must be exclusively applied to finance or refinance eligible Green, Blue, Social, Gender, Sustainability projects and Sustainability Linked Loans (SLL) 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, LMA, APLMA and LSTA, the UNSDG and the SLGFT.

2. Process for Project Evaluation and Selection

Issuers should clearly communicate the objectives of the Green, Blue, Social, Gender, Sustainability projects, 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).

3. Management of Proceeds

The proceeds from the Issue 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.

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.

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

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 Sustainable Bond Framework, include the following:

Eligible Projects

Eligible Main Category	Key Category	Use of Proceed
Renewable Energy	• Green • Blue	Financing or refinancing directed towards construction, operation, acquisition, installation, and maintenance of electricity generation facilities from following renewable sources, including mounting structures, transmission infrastructure, grid connections and other supporting infrastructure, including inverters, transformers, energy storage systems and control systems: • Ground mounted, floating and rooftop solar PV electricity generation projects • Wind energy generation projects • Run-of-the-river hydro power generation projects • Marine renewable energy (offshore renewable energy production, that support other sustainable blue economy sectors while safeguarding the marine environment (offshore wind (both fixed and floating installations/ wave /floating solar)
Energy Efficiency	• Green	Financing or refinancing to support the development, manufacture, repair, maintenance, or installation of energy efficiency technologies, products, and systems, including: • Energy-efficient heating and cooling systems, lighting, and appliances • Energy efficient products, appliances and equipment • Industrial and commercial energy efficiency transition initiatives • Rechargeable batteries, battery packs, and accumulators for transport, stationary, and off-grid energy storage, including component manufacturing (active materials, cells, casings, electronics) and end-of-life battery recycling
Green Buildings	• Green	Financing or refinancing green building investments, including financing greening of existing buildings, construction of new green buildings and acquisition of buildings that meet regional, national, or internationally recognized standards or certifications for environmental performance. • Commercial buildings • Residential buildings • Property upgrades
Clean Transportation	• Green • Blue	Financing or refinancing: • Zero emission electric passenger and cargo vehicle investments such as buses, trucks, three-wheelers, cars and van fleets for sectors such as tourism, logistics, taxi companies etc. • Zero emission and non-fossil fuel public transport investments • EV charging infrastructure • Battery charging stations /Battery swapping stations • Sustainable marine transport projects focus on enhancing environmental performance by leveraging alternative technologies to promote low-carbon transportation solutions/ ballast water management/retrofitting the vessels with advanced technologies

Eligible Main Category	Key Category	Use of Proceed
Sustainable Resource and Land Use	• Green	Financing or refinancing climate-smart agriculture projects (e.g., crop diversification & precision farming, biological crop protection, drip-irrigation, rainwater harvesting, agro forestry, adoption of Sri Lanka Good Agricultural Practices (SL-GAP) certification etc.)
Coastal Climate Adaptation and Resilience	• Blue • Social • Sustainability	Financing or refinancing projects that support ecological and community resilience and adaptation to climate change including using nature-based solutions *[Projects must be within 5 km of the coast or within the marine environment]*
Marine Ecosystem Management, Conservation, and Restoration, including Sustainable Marine Value Chains	• Blue • Social • Sustainability	Financing or refinancing: i) Projects that manage, conserve, and restore the health of coastal and marine ecosystems *[Projects must be within the marine environment or within 15 km of the coast]* ii) Projects that improve the environmental sustainability of marine value chains • Sustainable marine fisheries management • Sustainable aquaculture operations (algae, bivalves, fish, and seagrass) • Seafood supply chain sustainability
Sustainable Coastal and Marine Tourism	• Blue	Financing or refinancing projects that improve the environmental sustainability of coastal and marine tourism. *[Projects must be within 5 km of the coast or within the marine environment]*
Marine Pollution Prevention	• Blue • Social • Sustainability	Financing or refinancing projects that prevent, control, and reduce waste from entering the coastal and marine environments. • Wastewater management • Solid waste management • Resource efficiency and circular economy (Waste prevention and reduction) • Non-point source pollution management [For wastewater management, projects must be within 5km of the coast. *[For solid waste management, projects must be within 25 km of the coast or a river that drains to the ocean].* *[For non-point source pollution management, projects must be within 15km of the coast or within 10 km of rivers (and their tributaries) that flow to the ocean].*
Affordable Basic Infrastructure	• Green • Blue • Social • Sustainability	**Clean Drinking Water** • Financing or refinancing of water supply infrastructure projects for expanding access to clean drinking water in under-served regions. **Pollution Control & Sanitation** • Financing or refinancing of waste-to-energy plants • Financing or refinancing of waste management companies who provide services for local municipalities • Financing or refinancing investments in waste recycling companies • Financing or refinancing investments in construction and operation of wastewater treatment plants in compliance with local industrial and environmental standards • Financing or refinancing waste to energy projects **Transport**

Eligible Main Category	Key Category	Use of Proceed
		• Financing or refinancing investments in the construction of public road infrastructure, such as expressways Energy **Energy** • Financing or refinancing investments for utility providers in electricity transmission & distribution upgrades, grid strengthening projects & battery energy storage systems to enhance energy reliability & accessibility.
Access to Essential Services	• Social	**Health & Medical Services** • Financing or refinancing establishment and expansion of private healthcare facilities, including diagnostic centers, nursing homes, and hospitals (small to large scale), to complement public healthcare systems **Education & Vocational Training** • Financing or refinancing construction, expansion, or acquisition of buildings, facilities, and equipment relating to provision of child, youth or adult education and vocational training services, including schools and universities • Financial support to access education - e.g. Student loans **Financing & Financial Services** • On-lending for non-bank finance companies and microfinance institutions to improve access to credit for the general population
Employment Generation & Unemployment Alleviation	• Social	**Lending programs for MSMEs** • Financing or refinancing for micro, small, and medium-sized enterprises (MSMEs) based on the Central Bank of Sri Lanka's definitions, enabling economic growth and job creation. Loans are structured to align with turnover thresholds: Micro (up to Rs. 15Mn), Small (up to Rs. 250Mn), and Medium (up to Rs. 1,000Mn)
Food Security and Sustainable Food Systems	• Green • Social • Sustainability	**Climate Resilient Agricultural Livelihoods** • Financing or refinancing for sustainable agricultural practices that improve resilience to climate change, including drought -resistant crops, efficient irrigation systems & renewable energy solutions like solar-powered water pumps **Supply Chain Resilience** • Loans supporting the development of traceable, fair trade supply chains and the adoption of post-harvest loss reduction technologies to minimize food waste
Socioeconomic Advancement and Empowerment	• Gender • Social	Financing or refinancing projects for promoting the participation and enhancement of underrepresented groups in accessing and controlling assets, services, resources, and opportunities, to foster their integration into the market and society. • Women •Aging population • Vulnerable groups including youth
Women Empowerment	• Gender • Social	**Leadership** Financing or refinancing projects to increase representation in • Gender diversity of leadership • Strengthening pipeline of female talent for board, leadership, and management positions **Employees** Financing or refinancing projects to • Strengthen representation in gender diversity of workforce • Provide a safe, supportive and respectful workplace

Eligible Main Category	Key Category	Use of Proceed
		Supply chain • Provide access to financial services for women-owned or women-led businesses • Financing or refinancing projects to women entrepreneurs who have limited access **Products/services** • Financing or refinancing products and services designed to meet the needs of women consumers or users **Community Engagement** • Financing or refinancing opportunities for targeted engagement that focus on women and girls in the community

Sustainability Linked Loans Financing

Sustainability-Linked Loans may include term loans, project loans, and revolving credit facilities whose economic terms can change based on the borrower's achievement of ambitious, material, and measurable sustainability performance targets. These loans are selected based on predefined sustainability or ESG objectives and are evaluated through Key Performance Indicators (KPIs), assessed against Sustainability Performance Targets (SPTs).

Through the financing and refinancing of these SLLs the Bank targets;

- Borrowers in hard-to-abate or other decarbonization-critical sectors, where operational transition is more impactful than asset-specific financing;
- Borrowers whose sustainability objectives primarily depend on improvements across their value chain rather than significant investment in fixed assets;
- Borrowers aiming to enhance sustainability performance in other material areas relevant to their operations

Measures will be in place to ensure that there is no double counting of assets within eligible projects qualified for SLLs. Specifically, the loans will be separately tagged under each eligible category, where a loan contains both green/social and sustainability-linked components and is already included as an eligible green/social/sustainability asset under the Bank's framework for green, social or sustainability projects, it will not be counted again under a SLL. Furthermore, all credit proposals are screened against the Exclusion List under Annexure 1 of the Sustainable Bond Framework. Any credit proposal falling under the Exclusion List is not entertained by the Bank.

The core KPI identified for eligible SLL under the Bank's Framework is GHG emissions reduction. The selection of GHG-related KPIs enables DFCC to align SLLs with internationally recognised climate pathways, including the goals of the Paris Agreement, and to support borrowers in transitioning toward lower-carbon business models. In addition to Core GHG KPIs, DFCC may adopt Secondary KPIs addressing other material ESG factors critical to the borrower's sustainability profile and transition strategy.

For each eligible Sustainability-Linked Loan (SLL), the Bank will establish a clear and transparent baseline against which the Sustainability Performance Targets (SPTs) are calibrated. Such SPTs will be time-bound, measurable, and clearly defined, with intermediate milestones where appropriate. The Bank's assessment of the ambition of the SPTs will be conducted through a structured internal review process, in accordance with the supplementary internal process document established under the Bank's Sustainable Bond Framework. This assessment will consider the following factors:

- Materiality – whether the SPT addresses a sustainability issue material to the borrower's core business;

- Benchmarking – comparison of proposed targets against peers, sector pathways, regulatory expectations and/or recognised climate trajectories;
- Historical performance – assessment of improvement relative to past performance;
- Forward-looking ambition – confirmation that targets exceed business-as-usual and support a credible transition pathway.

2. Use of proceeds and criteria for the 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 exclusion criteria under Annexure 1 of the Sustainable Bond Framework.

3. Contribution to the United Nations Sustainable Development Goals (UNSDG)

    - SDG 1: No Poverty
    - SDG 2: Zero Hunger
    - SDG 3: Good Health and Well-Being
    - SDG 4: Quality Education
    - SDG 5: Gender Equality
    - 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 10: Reduced Inequality
    - 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
    - SDG 16: Peace, Justice and Strong Institutions

Evaluation and Selection of Eligible Projects

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

- **Eligibility and Screening**: For new projects, applications for funding are initially screened against the Bank's Exclusion List as outlined in Annexure 1 of the Sustainable Bond Framework by the lending units. Lending units conduct credit evaluations and recommend suitable projects to the Sustainability Department, which then screens them against the Bank's Environmental and Social (E&S) Safeguard Standards, the eligibility under the Sri Lanka Green Finance Taxonomy (SLGFT) and the Sustainable Bond Framework. Eligible projects are earmarked for financing via GSS+ Bonds.
  Existing projects are also screened against the Bank's Exclusion List, the Bank's E&S Safeguard Standards and the SLGFT in accordance with the Bank's lending process by the lending units and proposed for refinancing. The lending units recommend the projects, and the Sustainability Department evaluates them for eligibility under the Sustainable Bond Framework. Approved projects are then earmarked for refinancing via the BASEL III Compliant GSS+ Bond proceeds.

- **Excluded Categories**: Projects listed in the Bank's Exclusion List are automatically ineligible. Projects that fail to meet E&S safeguards or sustainability criteria are also excluded.

- **Evaluation Committee**: Lending units recommend projects, whether new or refinancing. The Sustainability Department evaluates eligibility under E&S safeguards, the eligibility under the SLGFT and the Sustainable Bond Framework. The Integrated Risk Management Department performs an overall risk evaluation. Final approval of credit facilities is made by the Board of DFCC Bank PLC or the relevant delegated authority.

- **Eligibility Assessment**: Projects, whether new or refinancing, are assessed for compliance with E&S safeguards, SLGFT, and alignment with the Sustainable Bond Framework objectives. Projects that fail during implementation due to technical, managerial, regulatory, or E&S issues are removed and replaced with approved alternatives by the Sustainability Unit.

- **Approval Process**: After screening and risk evaluation, the credit facility is submitted for approval by the Board of DFCC Bank PLC or the relevant delegated authority. Continuous monitoring ensures that all projects, whether new or refinancing, remain compliant with E&S safeguards.

Sustainability-Linked Loans Financing

Notwithstanding the procedure enumerated above, when assessing SLL, additional aspects such as the ambition level of the SPT, alignment of SPTs with the borrower's overarching sustainability objectives or strategy, the benchmarking of SPT and borrower's proposed approach to achieving the SPTs are considered. These additional aspects are assessed by the Sustainability Department in coordination with the Lending Department and the Treasury Department.

Eligibility assessments will be conducted prior to inclusion in the SLL portfolio and reviewed annually. If an eligible SLL fails to meet its SPTs at the observation date specified in the loan documentation, it will be removed from the eligible portfolio until compliance is restored, in line with Bank's internal procedures.

This comprehensive process ensures that only projects with clear sustainable economic benefits are selected, promoting responsible and impactful finance.

Management and Reporting on the Proceeds and Utilization of Proceeds

Management of Proceeds

The Bank ensures transparency and accountability in managing the proceeds from BASEL III Compliant GSS+ Bonds. The Treasury will allocate funds to eligible projects based on recommendations from the Sustainability Department, while maintaining a schedule of financed and refinanced projects. Once disbursed, the Credit Services Department will tag these projects in the Bank's core banking system.

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 Sustainable Bond Framework. The proceeds are expected to be fully allocated within 18 months of issuance, with refinancing limited to projects implemented within the past three years and capped at 60% of net proceeds. Remaining proceeds will be utilized for financing of new projects with a minimum 40% allocation of net proceeds. Management of proceeds will follow the Bank's internal procedure manuals.

The proceeds of the LKR 10 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
Green (including Blue)	LKR 500 Mn
Social (including gender)	LKR 500 Mn
Sustainability	LKR 500 Mn
Sustainability-Linked	LKR 25 Mn

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.

Management of Unallocated Proceeds

Unallocated proceeds will be temporarily invested in cash and cash equivalents or Sri Lanka Government securities in line with the Bank's cash management policies and will not be directed to activities that conflict with BASEL III Compliant GSS+ Bond's environmental and social objectives. The unallocated proceeds will be tracked in a separate internal accounting system.

Monitoring and Substitution

The Bank will continuously monitor the use of proceeds, and if any project becomes ineligible or is prematurely concluded, it will be replaced with another eligible project from any of the Project categories of Green, Blue, Social, Gender, Sustainability or SLLs adhering to the minimum proceeds allocated for the respective project category to ensure continued alignment with the Sustainable Bond Framework.

Reporting

The Bank will ensure transparency in reporting the allocation and impact of proceeds from BASEL III Compliant GSS+ Bonds. The Treasury and Sustainability Department will jointly prepare annual allocation and impact reports for submission to the ESMC comprising of Senior Management and headed by the Chief Executive Officer, and the Board. Any portfolio changes, including the addition or removal of projects, will require clearance from the Sustainability Department. The Bank will publicly disclose the allocation of proceeds and overall impact in its Annual Report on an aggregate portfolio basis (without product-wise breakdowns), including the proportion of proceeds by BASEL III Compliant GSS+ Bond category, without naming individual projects. The Annual Report will be published on Bank's website and the Colombo Stock Exchange website, with up-to-date information on the use of proceeds made available for review in the event of material development.

Allocation Reporting

A detailed internal report will be generated by the Treasury and prepared together with the Sustainability Department on a quarterly basis until full allocation of proceeds, and thereafter on an annual basis. The following information will be included in the internal report:

- Projects on an aggregate portfolio basis to which the BASEL III Compliant GSS+ Bond proceeds have been allocated, with specific information related to the projects, allocated amounts etc.
- Proportion of new and refinanced projects
- Remaining unallocated proceeds

Impact Reporting

The Bank will measure the impact of funded projects using quantitative and qualitative indicators, disclosing key underlying methodologies and assumptions used. Where applicable, Bank will adopt the guidance and impact reporting template provided in the ICMA Harmonized Frameworks for Impact Reporting (June 2024) and the ICMA Harmonized Frameworks for Impact Reporting for Social Bonds (June 2025). Impact data will be collected annually and reported on a portfolio basis with indicative metrics by eligible category as follows:

	Eligible Main Category	**Impact Reporting Indicators**
1	Renewable Energy	• Capacity/Additional Capacity of the renewable energy power generation plant in kW/MW • Annual electricity generation data kWh/MWh • Annual GHG emissions reduced/avoided in tCO2e • Qualitative Information (e.g., Area of land remediated/rehabilitated (m2/ha)/ Remediation actions to preserve natural resources/ Number of permanent full-time jobs created by the projects)
2	Energy Efficiency	• Annual energy savings in kWh/MWh • Annual GHG emissions reduced/avoided in tCO2 e
3	Green Buildings	• kWh/m² of GBA p.a., and % of Energy use reduced/avoided • m³/m² of GBA p.a., and Annual absolute (gross) water use before and after the project in m³/a (for retrofitted buildings), and/or % of water reduced/avoided • kgCO2/m² of GBA p.a./ Annual GHG emissions reduced/avoided in tCO2e, and/or % of carbon emissions reduced/avoided • Sustainability Certification Compliance - (GREENSL® Rating System – Developed by the Green Building Council of Sri Lanka (GBCSL) / LEED (Leadership in Energy and Environmental Design)
4	Clean Transportation	• Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent • Passenger-kilometers and/or passengers; or tonne-kilometers and/or tonnes • Number of charging stations; or Number of users • No of vessels with new measures
5	Sustainable Resource and Land use	• Number of farmers and agribusinesses supported through financing • Area of land cultivated adopting (ha or acres) • Number of loans for climate smart agriculture projects • Qualitative Information (No of farmers with SL-GAP certification/Geographical outreach/ Employment generation/ No of beneficiaries /uplifted lifestyles)
6	Coastal Climate Adaptation and Resilience	• Area of protected or restored habitat (ha) • Mangrove forest under improved conservation and/or restoration (ha) • Area of newly restored beach because of investment (ha) • Number of people and/or enterprises (e.g., companies or farms) benefitting from measures to mitigate the consequences of floods
7	Marine Ecosystem Management, Conservation, and Restoration, including Sustainable Marine Value Chains	• Area of marine environment with improved management (ha) • Coastal or marine area under improved management, conservation, or restoration (ha) • Production of sustainable aquaculture, algaculture, and/or mariculture (tons) • Revenue to fishers increased
8	Sustainable Coastal and Marine Tourism	• Number of entities with improved management of energy and water resources • Operators (number) certified to NSTC
9	Marine Pollution Prevention	• New or Additional wastewater management and solid waste management capacity installed or implemented (liters/ tons)

	Eligible Main Category	Impact Reporting Indicators
		• Solutions to enhance plastic pollution control and resource efficiency implemented (number)
10	Affordable Basic Infrastructure	• Number of infrastructure project built/upgraded • Number of new household water connections • Tons of waste processed • New or Additional wastewater management and capacity installed or implemented (liters/ tons) • Kilometers of feeder roads rehabilitated/constructed • Annual energy generation from non-recyclable waste in energy/emission efficient waste to energy facilities in MWh
11	Access to Essential Services	• Additional healthcare infrastructure funded • Additional new schools/education institutions funded • Number of loans • Geographical outreach • Sector distribution
12	Employment Generation & Unemployment Alleviation	• Number of SME loans allocated to businesses in economically disadvantaged regions. • Qualitative information on socioeconomic advancement and empowerment (Geographical outreach, Sector distribution, Number of employments created, Amount of capital allocated to green and sustainable finance initiatives)
13	Food Security and Sustainable Food Systems	• Total amount of loans allocated to climate-resilient agricultural projects • Number of farmers and agribusinesses supported through financing • Social impact metrics upon availability
14	Socioeconomic Advancement and Empowerment	• Number and value of loans issued to underserved communities, MSMEs, women entrepreneurs, and low-income individuals • Number of permanent full-time jobs created
15	Women Empowerment	• Number of loans to businesses with majority women in senior management or ownership positions • Number of women provided with access to equal pay employment opportunities • % of women in the workforce

Sustainability-Linked Loans Financing

With respect to Sustainability-Linked Loan financing, the Bank will establish a structured process for the ongoing monitoring and reporting of the eligible SLL portfolio. Impact data relating to SLLs will be collected on an annual basis and reported through the evaluation of the following Key Performance Indicators (KPIs) against the corresponding Sustainability Performance Targets (SPTs). Data collection is coordinated by the lending units and reviewed by the Sustainability Department of the Bank.

<table>
<tr><th colspan="2">Key Performance Indicators (KPIs)</th><th>Calibration of Sustainability Performance Targets (SPTs)</th><th>SPT Coverage</th></tr>
<tr><td rowspan="2">Core KPIs
Selected eligible Sustainability-Linked Loans must have at least one Core KPI. The Core KPI(s) directly addresses borrower's GHG Emissions</td><td>Scope 1 & 2 GHG emissions
- For borrowers where Scope 1 and 2 emissions represent 40% or more of the GHG emissions</td><td rowspan="2">• Emission Reduction Scope
- Emission reductions shall cover material scopes that deliver a significant and potentially transformational impact
• Alignment with Climate Pathways
- There must be an alignment with the Paris Agreement objectives and follow either a 1.5°C pathway or the World Bank 2°C trajectory, applied to the relevant carbon emission scopes</td><td>At least 95% of Scope 1 & 2 emissions (measured by absolute or intensity targets)</td></tr>
<tr><td>Scope 1, 2 & 3 GHG emissions</td><td>At least 90% of Scope 1,2 & 3 emissions</td></tr>
</table>

		• **Level of Ambition** - There should be a demonstration of a strong level of ambition by meeting one or more of the following criteria: o Exceeding recognized benchmarks; o Aligning with borrower's best-in-class peers; o Representing a substantial improvement over the borrower's historical performance in accordance with the KPI; o Aligning, where applicable, with a science-based trajectory consistent with the KPI.	(measured by absolute or intensity targets)

Further information pertaining to Impact Reporting of Sustainability-Linked Loans is set out in the Sustainable Bond Framework of the Bank.

External Review

The Bank has obtained an Independent External Verification in the form of a Pre-Assurance Report to confirm alignment of its Sustainable Bond Framework with the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 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 in abridged form on the Bank's website and will be submitted to the CSE in due course.

Sustainability-Linked Loans Financing

With respect to SLL financing, the Sustainability Department in coordination with the Lending Department, Treasury Department and the Finance Department will ensure the credibility and integrity of its SLL portfolio through appropriate verification mechanisms. Borrowers will generally be required to obtain independent sustainability confirmation statements, assurance reports, or equivalent forms of external verification covering performance against the relevant KPIs and SPTs. The Bank will disclose, at a portfolio level, the proportion of SLL supported by external verification and the general nature of the assurance obtained.

Specific Risks Relating to Objectives of the Issue

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.

The risk of undersubscription of the Issue will be greatly mitigated through appointing experienced Joint Managers and Financial Advisors to the Issue, pre-marketing and building a pipeline of potential Qualified Investors.

The Bank's portfolio of loans and advances recorded a growth of LKR 100.9 billion in the first nine months of 2025. As such, based on Banks past experience and the growth achieved as at date there is no specific risk factor that may lead to non-achievement of expanding the Bank's loans and advances portfolio within the specified time line via the proceeds of the Issue up to a maximum of LKR 10 billion. If there are any approvals pending on the GSS+ Projects being assessed or if the project does not fall under the ICMA guidelines for GSS+ Projects, the bank will replace the project/s with alternative ICMA compliant GSS+ projects.

However, in the highly unlikely event that the Bank is unable to allocate the BASEL III Compliant GSS+ Bond proceeds due to unforeseen circumstances, such funds will be temporarily invested in cash, cash equivalents, Sri Lanka Government Securities, excluding any socially or environmentally harmful activities listed in the Exclusion List. It is expected that the proceeds will be fully allocated within 18 months from the date of BASEL III Compliant GSS+ Bond issuance.

Utilization of BASEL III Compliant GSS+ Bond Proceeds

The Bank will submit a report on the utilization of proceeds (in the format outlined below) of the BASEL III Compliant GSS+ Bonds to the CSE as per the tracking done by the Bank using the internal process duly signed by two directors of the Bank for dissemination to the market on a quarterly basis along with the quarterly financial statements of the Bank and within twelve (12) months from the date of issuance of the BASEL III Compliant GSS+ Bonds and thereafter on an annual basis along with the Annual Report of the Bank until the proceeds allocated to the GSS+ Project/s are fully utilized.

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 Utilization as per Prospectus	Amount allocated upon the receipt of proceeds in (LKR) (A)	As a % of Total Proceeds	Amount Utilized in Objectives (LKR) (B)	% of Utilize against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (e.g.: whether lent to related parties, etc.)
1	Improve the Tier 2 Capital Adequacy Ratio (CAR)	LKR 10.0 Bn	Immediately	To be disclosed in the Annual Report and the Interim Financial Statements				
2	Support the Bank's Balance Sheet Growth Through Financing and/or Refinancing GSS+ Projects		Over a period of 18 months from the Date of Allotment	To be disclosed in the Annual Report and the Interim Financial Statements				

In the event the funds raised through the 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.

The Bank will make immediate disclosures in the instances which are specified under item 34 of Appendix 8A of Section 8 of the CSE listing Rules. The Bank will comply with the requirements stipulated under continuous listing rules of the CSE specifically applicable to BASEL III Compliant GSS+ Bonds.

5.5 PAYMENT OF INTEREST

The BASEL III Compliant GSS+ Bonds will carry a fixed rate of interest as described below, payable on the respective Interest Payment Dates:

Type	Type of Interest	Tenor	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed	5 years	11.50%	11.50%	Annual
Type B	Fixed	7 years	11.75%	11.75%	Annual
Type C	Fixed	10 years	12.00%	12.00%	Annual

The interest rates have been determined giving consideration to the Bank's entity rating as Issuer, the instrument rating, market conditions and features of the instruments, including the "convertible feature" inherent in BASEL III Compliant instruments.

Interest on the Bonds accruing on a daily basis will be paid annually 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 (3) Working Days from each Interest Payment Date.

In order to accommodate the interest cycles of the BASEL III Compliant GSS+ Bonds in the CDS System of the CSE, the payment of interest on a particular Interest Payment Date will include 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 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 accrued and unpaid interest. As such upon issuance of ordinary voting shares as above, no interest will be accrued on GSS+ Bonds thereafter, **as the BASEL III Compliant GSS+ Bonds will cease to exist.**

Please refer to Section 5.6 for details on taxes applicable for BASEL III Compliant GSS+ Bonds.

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 Bond Holders.

Qualified Investors are advised to obtain clarifications in this regard from their tax advisors.

5.7 REDEMPTION OF 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 for 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 (3) 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.

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 of the Trust Deed. The 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+ Bonds. However, if a Trigger Event occurs prior to maturity, the 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 of CBSL; 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 of the CBSL".

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 and unpaid Interest (if any) as at the date, will be permanently 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 (3) months period, immediately preceding the date of the Trigger Event.

Averaging out of the VWAP over a period of three (3) months preceding the Trigger Event as opposed to a shorter window closer to the Trigger Event, is aimed at smoothing out price effects and the consequent conversion price would be fair and equitable to the Bank and to the existing shareholders.

If the prevailing three (3) month 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 Bond Holders. Alternately, where a higher three (3) month Volume Weighted Average Share Price prevails at the time of the Trigger Event it would result in a comparatively lower number of ordinary voting shares being issued to 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 including the total Par Value of BASEL III Compliant GSS+ Bonds plus accrued and unpaid Interest (if any) as at that date, will be permanently converted to ordinary voting shares, which will be listed on the CSE. If a Trigger Event occurs and thereafter a Conversion to

ordinary voting shares takes place, the BASEL III Compliant GSS+ Bonds will cease to exist. In the event of any 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.

The Non-Viability Conversion is beneficial for the Bank, as the conversion is perceived more positively by the potential Qualified Investors compared to a write-down. Furthermore, the BASEL III regulations require the Bank to maintain robust capital levels to absorb losses during financial stress and conversion of the BASEL III Compliant GSS+ Bonds to ordinary voting shares helps the Bank to meet such capital requirements more effectively than a write-down, which could be beneficial for the Bank and Qualified Investors in the long term.

Applicable Timelines

Upon the occurrence of the Trigger Event as determined by the Governing Board of the CBSL, 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 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 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 ten (10) Market Days from the Date of Allotment of such shares. In the event of any 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 CBSL 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 BASEL III Compliant GSS+ Bonds will be redeemed after 5 years, Type B BASEL III Compliant GSS+ Bonds will be redeemed after 7 years and Type C BASEL III Compliant GSS+ Bonds will be redeemed after 10 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 (3) 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 Lankan Rupees to the registered Bond Holders only as of the Entitlement Date. In the case of joint Bond Holders, the payment of Principal Sum and interest will be made to the one whose name stands first in the register of Bond Holders on the date of payment.

In the event accurate bank account details are provided to the CDS by the Bond Holders, the payment of Principal Sum and interest shall be made to Bond Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS (In the event of the need to repeat such electronic fund transfers due to an error made by the Qualified Investor and such reasons beyond the Bank's control arranged only at the expense of the Qualified Investor) or

SLIPS/CEFTS. 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/CEFTS transfers.

If the 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 Bond Holder will be posted to the address registered with the CDS through registered post to the Bond Holder, by crossed cheques marked "Account Payee Only". Interest payable on BASEL III Compliant GSS+ Bonds will be made only by cheques within Three (3) Working Days from the end of each period.

In the event of there being any delay in the Redemption of the BASEL III Compliant GSS+ Bonds or the payment of interest thereon due to a default by the Bank, the Bank shall pay default interest at the Rate of Interest plus Two per centum (2%) per annum from the Date of Redemption or the Interest Payment Date as the case may be. (As per Clause 4.1 (a) (v) of the Trust Deed)

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 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 and who is in compliance with the requirements Rule 2.2.1 (n) (ii), (iii), (iv) and (v) of the CSE Listing Rules. 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 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 Lankan Rupees Four Hundred Fifteen Thousand (LKR 415,000/-) per annum plus statutory levies. Trustee/its directors have no conflict of interest with the Bank, except that the Trustee is one of the Bank's rendering banking related services to the Bank.

5.10 INDEPENDENT EXTERNAL REVIEWER

The Bank has appointed KPMG Sri Lanka as the Independent External Reviewer for the issuance. The Independent External Reviewer has provided an Independent External Verification in the form of a Pre-Assurance Report (Annexure II) for DFCC Bank PLC's Sustainable Bond Framework, in accordance with the pre-issuance assurance requirements of the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable. The Independent External Reviewer has no conflict of interest with the Bank and remains fully independent until the BASEL III Compliant GSS+ Bonds reach maturity.

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

- Pyumi Sumanasekara (Partner)
- Shazaad Ninzer (Director)
- Gergő Wieder (Director)
- Fahima Mohideen (Manager)
- Amrithaa Chandrakumar (Assistant Manager)
- Bálint Toronyai (Lead Consultant)

Past Experience of the Independent External Reviewer:

KPMG in Sri Lanka, established in 1897, has extensive experience in ESG projects locally and globally. Its sustainability practice, launched in 2007, began with sustainability assurance aligned with the Global Reporting Initiative (GRI) and has since expanded to provide a range of ESG advisory services, including ESG framework development, sustainability strategy, reporting, and ESG due diligence. KPMG is a trusted partner in advancing sustainable development and responsible business practices in Sri Lanka and beyond.

Client (Anonymized)	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
DFCC Bank PLC	2024	Green Bond in alignment with the Green Bond Principles (June 2021, with June 2022 Appendix) published by the ICMA	ICMA GBP	Eligible Projects / Criteria: Ground and rooftop mounted Solar PV electricity generation projects conforming to the requirements of the Sri Lanka Green Finance Taxonomy (May 2022) (including mounting structures, transmission infrastructure, grid connections and other supporting infrastructure including inverters, transformers, energy storage systems and control systems)
DFCC Bank PLC	2025	Blue Bond in alignment with the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable	ICMA GBP, SBP, SBG, Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide & Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable	Eligible Projects / Criteria: • Renewable Energy • Energy Efficiency • Green Buildings • Clean Transportation • Sustainable Resource and Land Use • Coastal Climate Adaptation and Resilience • Marine Ecosystem Management, Conservation, and Restoration, including Sustainable Marine Value Chains • Sustainable Coastal and Marine Tourism • Marine Pollution Prevention • Affordable Basic Infrastructure • Access to Essential Services • Employment Generation & Unemployment Alleviation

Client (Anonymized)	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
				• Food Security and Sustainable Food Systems • Socioeconomic Advancement and Empowerment • Women Empowerment
Hatton National Bank PLC	2025	Sustainable Bond in alignment with Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable	ICMA GBP, SBP, SBG	Eligible Projects / Criteria: • Renewable Energy • Energy Efficiency • Green Buildings • Sustainable Water and Wastewater Management • Waste management and Resource efficiency • Clean Transportation: • Environmentally sustainable management of living natural resources and land use • Circular economy adapted products, production technologies and processes • Affordable Housing • Access to Essential Services Socio-economic advancement and empowerment
Large state-owned Bank	2025	Sustainable Bond in alignment with Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable	ICMA GBP, SBP, SBG	• Employment Generation, and Programs Designed to Prevent and/or Alleviate Unemployment Stemming from Socioeconomic Crises • Food Security and Sustainable Food Systems • Access to Essential Services (Healthcare & Education) • Affordable Basic Infrastructure
Alfa Equity Holding in Hungary	2021	Green Bond in alignment with the Green Bond Principles published by the ICMA	ICMA GBP	Eligible Projects / Criteria: Projects for green financing including renewable energy
Erste Mortgage Bank in Hungary	2021	Pre and Post Issuance Assurance on green mortgage bond	Climate Bonds Standard	Eligible Projects / Criteria: Projects for green financing including renewable energy

Client (Anonymized)	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
OTP Bank PLC in Hungary	2023	Second party opinion on extended Green Loan Framework	LMA Green Loan Principles	Eligible Projects / Criteria: Projects for green financing including renewable energy

Key members who are involved in the external review for DFCC Bank PLC possess experience in delivering ESG and sustainability assurance services across several industries including financial institutions.

The scope of the pre-issuance assurance engagement was to provide limited assurance on material aspects of the Sustainable Bond Framework which formed the basis for the proposed BASEL III Compliant GSS+ Bonds based on the Pre-Issuance Requirements set out in the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable, for the areas listed below: :

Four Core Components of the ICMA Principles for Use-of Proceeds for GSS+ Projects s:

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

Five Core Components of the Sustainability-Linked Loan Principles (SLLP) issued by the APLMA, LMA and LSTA and ICMA:

- Selection of Key Performance Indicators (KPIs)
- Calibration of Sustainability Performance Targets (SPTs)
- Loan Characteristics
- Reporting
- Verification

5.11 RATING OF THE BASEL III COMPLIANT GSS+ BONDS

Fitch Ratings Lanka Limited has assigned a final National Long-Term Rating of 'BBB+(lka)' to the BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable GSS+ Bonds with a Non-Viability Conversion Feature. A copy of the rating report is attached in Annexure I of this Prospectus.

'BBB' Ratings denote good credit quality and expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to

impair this capacity. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

Source: www.fitchratings.com/products/rating-definitions#about-rating-definitions

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

(a) Bond Holders are entitled to the following rights.

- Receive the interest on the Interest Payment Dates at the interest rates 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, subject to the provisions contained in this Prospectus regarding the occurrence of a Trigger Event.
- Call and attend meetings of Bond Holders as set out in the Trust Deed.
- Receive a copy of the Annual Report within five (5) 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 Bond Holders will rank after all the claims of the secured and other unsecured creditors of the Bank and the preferential claims under any Statutes governing the Bank, but shall rank *pari passu* with other BASEL III subordinated GSS+ Bond Holders/Debenture holders and 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 Bond Holders upon the occurrence of a Trigger Event in which case a Bond Holder would cease to be a debt 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 voting shareholders.

(b) Bond Holders do not have the following rights:

- Attend and vote at meetings of holders of shares and other Debentures.
- 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 voting shares at their option

However, in the event the 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 Bond Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each 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 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 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 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.

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 Bonds resulting from a rise in interest rates.

(b) Reinvestment Risk

Interest on the Type A, Type B and Type C BASEL III Compliant GSS+ Bonds are payable annually. A Qualified Investor may choose to reinvest these interest payments and earn additional returns from the reinvestment date onwards. However, depending on the prevailing interest rates at the time of reinvestment, the actual returns generated from such reinvestments may be higher or lower than the original yield offered by BASEL III Compliant GSS+ Bonds. This uncertainty is referred to 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, Bond Holders should be aware that, upon the occurrence of a Trigger Event, all the Bank's obligations under the BASEL III Compliant GSS+ Bonds shall be deemed paid in full by the issuance of ordinary voting shares upon a Non-Viability Conversion, and each Bondholder 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 Bond 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+ Bonds 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 an National 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 Bond Holders will be able to sell the 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) Risks associated with the GSS+ nature of these Bonds

Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable serve as a key benchmark for assessing the credentials of GSS+ Bonds.

When issuing a GSS+ Bond on the Colombo Stock Exchange, in terms of Rule 2.2.1 (o) c of the CSE Listing Rules, issuers are required to obtain a written report from an external reviewer in the form of either a Consultant's Review / Second Party Opinion, Verification, or Green Bond Rating to confirm that the GSS+ Bonds comply with the applicable GSS+ standards. However, there may be challenges in evaluating the actual environmental and social benefits claimed by 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 described in the 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 Bond Holders of these BASEL III Compliant GSS+ Bonds 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 Bond Holders.

Additional risks arising from the GSS+ Bonds being a BASEL III Non-Viability Conversion Instrument

(h) 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 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 Debenture or the Trust Deed.

Potential Qualified Investors in BASEL III Compliant GSS+ Bonds should understand that, if a Trigger Event occurs and 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 these 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, Qualified Investors in these 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, 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 other types of Subordinated BASEL III Compliant GSS+ Bonds, 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 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) A Qualified 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.

(i) 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, Section 30 and 30(9) of the Monetary Law Act No.58 of 1949 (as amended) and Part VII (A) and Part VIII of the Banking Act No.30 of 1988 (as amended) specifies 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-Liability 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.

(j) 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 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 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 among Qualified Investors 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 on 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 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 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+ Bonds.

(d) Any person becoming entitled to any BASEL III Compliant GSS+ Bonds in consequence of bankruptcy or winding up of any 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 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. 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 CSE reserves the right to revoke such approval granted, in the circumstances set out in Rule 2.3 of the CSE Listing Rules. 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 or omitted statements or opinions expressed or reports included in this 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, advertising and other costs connected with the Issue will be approximately LKR 59.7 million. (if LKR 10 billion 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 Participant of the CSE or any other party identified by the Bank and/or Joint Managers 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 (5) financial years ended 31st December 2024 (i.e. the five (5) financial years immediately preceding the date of this Prospectus), Interim Financial Statements for the quarter ended 30th September 2025 and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered or in the case of contracts not reduced into writing, a memorandum giving full particulars thereof by the Bank if any, would be made available for inspection by the public during normal working hours, seven (7) Market Days prior to the date of opening of the subscription list at the registered office of the Bank at DFCC Bank PLC, No. 73/5 Galle Road, Colombo 03 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 the CSE, *www.cse.lk* and the website of the Bank, *www.dfcc.lk* from at least four (4) Market Days prior to the Opening Date 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 DFCC Bank PLC made up to 31st December 2024, Interim Financial Statements as at 30th September 2025 and the five-year summary of Financial Statements will be available on the website of the CSE, *www.cse.lk* and the website of the Bank, *www.dfcc.lk*.

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 (4) 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.dfcc.lk*.

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 10th November 2025 the Bank requested a waiver 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 made by the Bank, 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.

6.0 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 as defined in the Listing Rules of the Colombo Stock Exchange.

(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.

Please note that Applications made by individuals less than 18 years of age or those in the names of sole proprietorships, partnerships, un-incorporated trusts and non-corporate bodies will be rejected.

"Persons resident outside Sri Lanka" will have the same meaning as in the notice published under Section 31 of the Foreign Exchange Act No. 12 of 2017 in Gazette No.2213/40 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 Debentures 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/ digitally signed 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 for inspection from the website of the CSE, *www.cse.lk*, the website of the Bank, *www.dfcc.lk*. The Application Form can be downloaded from the website of CSE, *www.cse.lk*, the website of the Bank, *www.dfcc.lk* until the Closure Date.

The Prospectus will be made available and can be downloaded from the website of CSE, *www.cse.lk* and the website of the Bank, *www.dfcc.lk* until the Date of Redemption of the BASEL III Compliant GSS+ Bonds.

The Bank has formally requested a waiver of Rule 2.4(f) of the CSE Listing Rules, which pertains to the printing of the Prospectus, through a letter addressed to the CSE dated 10th November 2025. 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 24th December 2025, 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+ Bond (i.e. either BASEL III Compliant GSS+ Bonds of Type A, Type B, and 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+ Bond, 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+ Bond will not be accepted. If more than one Application Forms are submitted for one Type of BASEL III Compliant GSS+ Bond 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 (3) natural persons as joint holders of any 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/ passport 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 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 if not remitted through RTGS transfer should be enclosed in an envelope Marked "**DFCC BANK PLC – 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 dfccdebentures@ndbib.com at least by 4.30 pm on the Issue Closing Date.

Applications sent by post or courier or delivered by hand 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, No. 101, Inner Flower Road, Colombo 03 at least by 4.30 pm 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 to the Issue or sent via email to dfccdebentures@ndbib.com after the Closure Date of the Issue will 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 are allowed to invest in 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 subscription requirement applicable for a Qualified Investor applying for Debt Securities shall be Rupees Ten Thousand (LKR 10, 000/-).
- Provided however, the minimum subscription requirement applicable for an Individual Qualified Investor applying for Basel III Compliant Debt Securities shall be Rupees Five Million (LKR 5,000,000/-).
- Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).

An Applicant should apply for only one Type of BASEL III Compliant GSS+ Bond 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 Internal Direct Transfer, as the case may be, subject to the following:

(b) Payments for Applications **for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)** should be supported by either a;
- Bank guarantee issued by a licensed commercial bank; or
- 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 Lankan Rupees One Hundred Million (LKR 100,000,000/-); or
- RTGS / Internal Direct Transfer with value on the Issue Opening Date.

(c) Payments for Applications **for values below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)** should be supported by either a;
- Bank guarantee issued by a licensed commercial bank; or
- Bank drafts/ cheques drawn upon any licensed commercial bank operating in Sri Lanka ONLY.

Multiple bank guarantees or bank drafts/ cheques or payment methods such as RTGS and Internal Direct Transfers <u>will not be accepted</u> for Applications for values below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-).

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

(d) Cheques or bank drafts should be made payable to **"DFCC Bank PLC – GSS+ Bond Issue 2026"** 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 "**DFCC Bank PLC – GSS+ Bond Issue 2026**" in a manner acceptable to the Bank, and be valid for a minimum of One (01) month from the Issue Opening Date (6th February 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 Lankan Rupees One Hundred Million (LKR 100,000,000/-), such 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	:	DFCC Bank PLC – GSS+ Bond Issue 2026
Account Number	:	109925244211
Bank	:	DFCC Bank PLC
Bank Code	:	7454
Branch	:	Ramanayake Mawatha Branch
Branch Code	:	001

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

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.

(g) 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 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 are not realized before 4.30 pm of the Closure Date of the Subscription List. Furthermore, even if such RTGS/ Internal Direct Transfers are affected prior to the Issue Opening Date, no interest will be paid for the period prior to the Issue Opening Date.

(h) 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.

(i) In the event that cheques are not realized within one (1) 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.

(j) The amount payable should be calculated by multiplying the number of BASEL III Compliant GSS+ Bonds applied for by the Par Value (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.

(k) 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 of the Subscription List.

6.5 REJECTION OF APPLICATIONS

- Application Forms and the accompanying cheques/bank drafts/bank guarantees/ RTGS/ Internal Direct Transfers, 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 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+ Bond by an Applicant will not be accepted. If more than one Application Form is submitted under one type of BASEL III Compliant GSS+ Bond 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 (3) 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 dfccdebentures@ndbib.com after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 pm 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 pm 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 (1) Market Day of deposit and realized after such date, the monies will be refunded and no allotment of 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 or bank guarantees received in respect of Applications will not be banked or called on 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.

6.7 BASIS OF ALLOTMENT OF BASEL III COMPLIANT GSS+ BONDS

In the event of an oversubscription, CEO or in his absence the Deputy CEO or the SVP - Treasury, Wholesale and Investment Banking as authorized by the Board of Directors of the Bank via the Board Resolution dated 30th July 2025 will endeavor 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. Upon the allotments being decided, an announcement will be made to the CSE within seven (7) Market Days from the Closure Date.

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 identified Qualified 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 Qualified Investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds to be issued under this Prospectus under any circumstances, unless there is an undersubscription from the other Qualified Investors (Qualified Investors that do not fall under preferential category). In the event of such undersubscription from the other Qualified Investors, such other investor category to be allotted in full and any remaining BASEL III Compliant GSS+ Bonds to be allotted to identified Qualified Investor/s.

The number of BASEL III Compliant GSS+ Bonds to be issued under Type A, Type B and Type C will be in accordance with the basis of allotment which will be decided at the discretion of the CEO or in his absence the Deputy CEO or the SVP-Treasury, Wholesale and Investment Banking of the Bank in a fair and equitable manner in the event of an oversubscription.

The allotment of Bonds as above will be done subject to the provisions in 3.3.5 (ii) (a) (i) & (ii) of the CSE Listing Rules.

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

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/CEFTS/ RTGS or cheque).

If the Applicant has provided accurate and complete details of his/ her 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/CEFTS and a payment will be made via 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 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 Applications, 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 RTGS transfers at the following website; https://www.lankaclear.com/products-and-services/slips/#slips-member

Refunds on Applications rejected or partly allotted Bonds would be made within eight (8) 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 CBSL 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 (2) 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 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".

7.0 THE BANK

7.1 BACKGROUND

Established in 1955 under an Act of Parliament, DFCC Bank is one of Asia's oldest development banks and has been a catalyst for Sri Lanka's private sector growth for seven decades. Founded to spearhead post-independence industrialisation, the Bank provided long-term capital to build industries, create jobs, and strengthen the national economy.

Over time, DFCC Bank evolved into a fully-fledged commercial bank, while preserving its development finance DNA. The amalgamation with DFCC Vardhana Bank in 2015 reinforced its dual role as both a universal and development-focused financial institution. Today, DFCC Bank serves customers across Sri Lanka with a nationwide footprint, innovative digital platforms, and a diversified portfolio spanning retail, SME, corporate, and international banking.

The Bank has consistently pioneered financial innovation - from financing the country's first private sector grid connected renewable energy projects to issuing Sri Lanka's first Green Bond, listed across Colombo, Luxembourg, and India's Gujarat International Finance Tec (GIFT) City. DFCC Bank is committed to continuing this legacy, aligning capital markets with sustainability priorities while reaffirming its role as a trusted partner in the nation's long-term progress.

7.2 NATURE OF BUSINESS

DFCC Bank operates within a broad ecosystem comprising multiple stakeholders, including customers, shareholders, employees, regulators, communities, and the environment. The Bank's operations have a direct and wide-ranging impact on these stakeholders, depending on how effectively it manages its activities and resources.

To create sustainable value, DFCC Bank leverages various forms of capital in the form of financial, human, intellectual, social and natural capital which are continuously transformed and enhanced through the Bank's business activities. These activities generate both tangible and intangible outcomes that benefit all stakeholders. The Bank's on-balance sheet activities, such as loans and investments, not only deliver financial value to shareholders and customers but also contribute to broader economic growth and social development.

Licenses to carry out banking business do not have a date of expiry.

7.3 FINANCIAL YEAR

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

7.4 STATED CAPITAL

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

Stated Capital	As at 31st December 2024	As at 30th September 2025*
Balance (LKR)	14,710,454,000	15,445,973,463
Number of Shares	432,658,011	438,404,250

*Un-audited

The Bank does not have non - voting, preference, or any other classes of shares in issue. The Bank also does not have any outstanding convertible debt securities other than the BASEL III Compliant Debentures with a Non-Viability Conversion issued in 2020 and 2024.

7.5 MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2025*

Twenty (20) largest shareholders of the Bank as at 30th September 2025 are given below:

No	Name	No. of Shares	%
1	HATTON NATIONAL BANK PLC A/C NO 1	54,681,654	12.47
2	BANK OF CEYLON-NO2 A/C (BOC PTF)	45,862,822	10.46
3	SEYLAN BANK PLC/PHANTOM INVESTMENTS (PVT) LTD	42,659,140	9.73
4	MR. M.A. YASEEN	36,553,899	8.33
5	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	33,248,337	7.58
6	COMMERCIAL BANK OF CEYLON PLC/ AMBEON HOLDINGS PLC	27,000,000	6.15
7	MELSTACORP PLC	26,986,746	6.15
8	EMPLOYEE'S PROVIDENT FUND	26,549,225	6.05
9	SEAFELD INTERNATIONAL LIMITED	21,360,204	4.87
10	RENUKA CITY HOTELS PLC	8,876,674	2.02
11	AMBEON HOLDINGS PLC	5,290,016	1.2
12	COLOMBO CITY HOLDINGS PLC	5,167,734	1.17
13	RENUKA HOTELS PLC	4,911,033	1.12
14	EMPLOYEES TRUST FUND BOARD	4,758,061	1.08
15	CARGO BOAT DEVELOPMENT COMPANY PLC	3,320,705	0.75
16	SAMPATH BANK PLC/ AMBEON HOLDINGS PLC	3,000,000	0.68
17	AKBAR BROTHERS PVT LTD A/C NO 1	2,649,330	0.6
18	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	2,596,656	0.59
19	STASSEN EXPORTS (PVT) LIMITED	2,286,858	0.52
20	PEOPLE S LEASING AND FINANCE PLC/ M. E. AMARASINGHE	2,167,022	0.49
	Total Shares Held by the Top 20 Shareholders	**359,926,116**	**82.01**
	Balance held by Other Shareholders	78,478,134	17.99
	Total Number of Shares in Issue	**438,404,250**	**100.00**

*Un-audited

7.6 DETAILS OF OTHER DEBENTURES IN ISSUE

The details of other listed Debentures issued by DFCC Bank PLC as at the date of this Prospectus are given in the table below;

Debenture Code	Year of Issuance	Ranking	Tenor	Issue Value (Mn)	Interest Rate (p.a.)	Issue Date	Maturity Date
DFCC-BD28/03/26-C2418-13.75	2019	Senior	7 years	1,784.07	13.75%	28-Mar-2019	28-Mar-2026
DFCC-BD 28/03/29 - C2417-13.9	2019	Senior	10 years	4,411.17	13.90%	28-Mar-2019	28-Mar-2029
DFCC-BD23/10/27-C2457-9.25	2020	Subordinated*	7 years	205.00	9.25%	23-Oct-2020	23-Oct-2027
DFCC-BD-16/01/29-C2523- 15.25	2024	Subordinated*	5 years	7,945.23	15.25%	16-Jan-2024	16-Jan-2029
DFCC-BD-16/01/31-C2524- 14.75	2024	Subordinated*	7 years	54.77	14.75%	16-Jan-2024	16-Jan-2031
DFCC-BD-24/09/27-C2550-12	2024	Senior	3 years	2,500	12.00%	24-Sep-2024	24-Sep-2027
DFCC-BD-21/11/28-C2599-9.75	2025	Senior	3 years	131.60	9.75%	21-Nov-2025	21-Nov-2028
DFCC-BD-21/11/28-C2600-0	2025	Senior	3 years	20.85	9.75%	21-Nov-2025	21-Nov-2028
DFCC-BD-21/11/29-C2603-10.25	2025	Senior	4 years	842.05	10.25%	21-Nov-2025	21-Nov-2029
DFCC-BD-21/11/29-C2604-0	2025	Senior	4 years	182.72	10.25%	21-Nov-2025	21-Nov-2029
DFCC-BD-21/11/30-C2601-10.5	2025	Senior	5 years	1,592.04	10.50%	21-Nov-2025	21-Nov-2030
DFCC-BD-21/11/30-C2602-0	2025	Senior	5 years	83.02	10.50%	21-Nov-2025	21-Nov-2030

*Please note that these Subordinated Debentures are Basel III Compliant Debentures with Non-Viability Conversion options.

The 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 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 Senior Debenture holders will be ranked after preferential claims under Section 365 of the Companies Act No.7 of 2007 and *pari passu* with all claims of the Senior debt holders of the Bank but in priority to the claims of Subordinated debt holders and claims and rights of the Shareholders of the Bank.

In the event of liquidation or winding up, the claims of the above-mentioned BASEL III Compliant 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 and *pari passu* with all claims of the other BASEL III Compliant subordinated debt holders of the Bank but in priority to the claims and rights of the Shareholders of the Bank.

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

As at 31st December 2023, 31st December 2024, and 30th September 2025 the outstanding long-term loan and other borrowings balances are given in the table below;

Category	**LKR '000**
Balance as at 31st December 2023	**150,200,040**
New borrowings / (settlements)	(13,270,307)
Balance as at 31st December 2024	**136,829,833**
New borrowings / (settlements)	25,264,813
Balance as at 30th September 2025*	**162,094,646**

*Un-audited

Borrowing of the Bank as at 31st December 2024 and 30th September 2025 comprise of the following categories.

	As at 31st December 2024 LKR '000	**As at 30th September 2025* LKR '000**
Due to banks	7,149,474	8,117,254
Other borrowing	96,755,632	131,125,598
Debt securities issued	14,690,723	9,115,158
Subordinated term debt	18,234,054	13,736,636
Total	**136,829,833**	**162,094,646**

*Un-audited

7.8 DEBENTURE INTEREST PAYMENT DETAILS OF THE BANK

LKR (Mn)	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	30.09.2025*
Gross Interest due on Debentures	4,168.21	4,114.79	3,998.53	3,607.55	3,749.34	2,452.88
Debenture interest paid on or before due date	4,168.21	4,114.79	3,998.53	3,607.55	3,749.34	2,452.88
Debenture interest paid after the due date	N/A	N/A	N/A	N/A	N/A	N/A
Debenture interest not paid as of due date	N/A	N/A	N/A	N/A	N/A	N/A

*un-audited

7.9 CONTINGENT LIABILITIES OF THE BANK

The details of the contingent liabilities as at 31st December 2024 and 30th September 2025 and litigation against the Bank as at the date of the Prospectus are given below.

Commitments and Contingencies	As at 31st December 2024 LKR '000	As at 30th September 2025* LKR '000
Acceptances	8,534,343	12,446,170
Guarantees	25,672,702	30,983,521
Bid Bond	942,853	1,570,845
Documentary letters of Credit	13,820,343	38,995,143
Forward Contracts	82,943,485	59,182,530
Commitments for unutilized credit facilities	89,963,162	120,256,641
Other capital expenditure commitments	661,124	311,326
Total	**222,538,011**	**263,746,176**

*un-audited

7.10 LITIGATION AGAINST THE BANK

As at 30th September 2025, apart from legal proceedings in the normal course of its banking business, the Bank is not a party to any litigation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration that, if decided adversely to 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.

7.11 KEY FINANCIAL RATIOS

Capital Adequacy Ratio (CAR)

	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	30.09.2025*
Capital Adequacy - Tier 1 Capital Ratio % ****	10.82	9.31	10.09	11.49	12.40	11.81
Capital Adequacy - Total capital ratio % ****	15.76	13.03	13.15	13.51	15.76	14.28

Interest Cover and Debt to Equity Ratio

	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	30.09.2025*
Debt / Equity Ratio (Times) **	2.06	2.26	2.51	2.54	2.01	2.03
Interest Cover Ratio (Times) ***	1.52	1.85	1.47	2.27v	2.78	3.23

*un-audited

*** Debt/ Equity Ratio* = $\frac{\textit{Long Term Borrowings}}{\textit{Total Equity}}$

**** Interest Cover Ratio* = $\frac{\textit{Profit before Tax + Depreciation + Amortization + Impairment + Interest Expense}}{\textit{Interest Expense}}$

**** Minimum Statutory requirement of core capital and total capital ratio for the year 2025 was 8.50% and 12.50% respectively.

7.12 TAXATION

The Bank is not enjoying any tax exemptions as at the date of the Prospectus.

7.13 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

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

- Audited financial statements of DFCC Bank PLC as at 31st December 2024
- Interim Financial Statements of DFCC Bank PLC as at 30th September 2025
- Summarized financial statement for the five years ended 31st December 2020 to 31st December 2024 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.

8.0 BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

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

Name of Director	Designation
Mr. J. Durairatnam	Chairman and Independent Non-Executive Director
Mr. N. H. T. I Perera	Chief Executive Officer and Executive Director
Ms. L. K. A. H. Fernando	Independent Non-Executive Director
Mr. N. K. G. K. Nemmawatta	Independent Non-Executive Director
Mr. H. A. J. de Silva Wijeyeratne	Independent Non-Executive Director
Mr. N. Vasantha Kumar	Independent Non-Executive Director
Ms. A. L. Thambaiyah	Independent Non-Executive Director
Mr. P. A. Jayathunga	Non-Independent Non-Executive Director

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 Section 9 of the CSE Listing Rules.

Composition of the Related Party Transactions Review Committee as at 30th September 2025 is as follows.

Name	Membership Status	Directorship Status
Mr. N. K. G. K. Nemmawatta	Chairman	Independent Non-Executive
Mr. J. Durairatnam	Member	Independent Non-Executive
Ms. A. L. Thambiayah	Member	Independent Non-Executive

9.0 STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Directors of DFCC Bank PLC hereby declare and confirm that we have read the provisions of 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 Issue including Lawyers, Auditors, Registrars, Company Secretary, Rating Agency, Independent External Reviewer, Structuring Partners and Joint Managers 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.

An application has been made to the CSE for permission to deal in and for a listing for BASEL III Compliant GSS+ Bonds issued by the Bank and those 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 Director	Designation	Signature
Mr. J. Durairatnam	Chairman and Independent Non-Executive Director	Sgd.
Mr. N. H. T. I Perera	Chief Executive Officer and Executive Director	Sgd.
Ms. L. K. A. H. Fernando	Independent Non-Executive Director	Sgd.
Mr. N. K. G. K. Nemmawatta	Independent Non-Executive Director	Sgd.
Mr. H. A. J. de Silva Wijeyeratne	Independent Non-Executive Director	Sgd.
Mr. N. Vasantha Kumar	Independent Non-Executive Director	Sgd.
Ms. A. L. Thambaiyah	Independent Non-Executive Director	Sgd.
Mr. P. A. Jayathunga	Non-Independent Non-Executive Director	Sgd.

9.2 STATUTORY DECLARATION BY THE JOINT MANAGERS AND FINANCIAL ADVISORS TO THE ISSUE

We, Capital Alliance Partners Limited, of Level 5, Millennium House, 46/58, Navam Mawatha, Colombo 02, who are named in the Prospectus as the Joint Managers and Financial Advisors to the Issue hereby declare and confirm that to the best of our knowledge and belief based on the information provided to us by DFCC Bank PLC, the Prospectus constitutes full and true disclosure of all material facts about the Issue and DFCC Bank PLC whose BASEL III Compliant GSS+ Bonds are being listed.

Signed by two Directors of Capital Alliance Partners Limited, being duly authorised thereto, at Colombo on this 30th January 2026.

Sgd.	Sgd.
Director	Director

We, NDB Investment Bank Limited of No. 135, Bauddhaloka Mawatha, Colombo 04, who are named in the Prospectus as the Joint Managers and Financial Advisors to the Issue hereby declare and confirm that to the best of our knowledge and belief based on the information provided to us by DFCC Bank PLC, the Prospectus constitutes full and true disclosure of all material facts about the Issue and DFCC 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 30th January 2026.

Sgd.	Sgd.
Director	Director

10.0 FINANCIAL INFORMATION

10.1 ACCOUNTANTS' REPORT AND FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
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Internet www.kpmg.com/lk

The Board of Directors
DFCC Bank PLC
No. 73/5, Galle Road
Colombo 03

19th September 2025

Dear Members of the Board,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF DFCC BANK PLC

This report has been prepared for the inclusion in the prospectus issued in connection with the issuance up to One Hundred Million (100,000,000) Basel III Compliant, Subordinated, Listed, Rated, Unsecured, Redeemable GSS+ Bonds with a non – viability conversion option, each at an issue price (par value) of LKR 100/- with a term of up to 10 years and it is annually couponed. This instrument will be listed in the CSE and rated by Fitch Ratings. The proceeds of the proposed GSS+ Bonds will be used specifically for the purpose of,

a) Improving the Tier II Capital Adequacy Ratio (CAR) of DFCC Bank PLC

Funds raised through this Bond issue are expected to improve the capital adequacy of the bank. The medium to long term duration of the Bond and the subordinated nature of the instrument issued in compliance with Basel III requirements will enable the bank to strengthen the tier II capital base as per Basel III requirements. Approval will be obtained from the Central Bank of Sri Lanka to include the Basel III compliant Bond under tier II capital.

b) Financing / Re-financing New or Existing Eligible GSS+ Projects

The Bank intends to fully utilize the funds generated through the Bond issue to finance or re-finance new and/or existing eligible GSS+ projects as per the principles and guidelines issued by the International Capital Market Association (ICMA), the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka.

We have examined the financial statements included in the annual reports of the Bank, for the financial years ended 31st December 2020 to 31st December 2024. Extracts from the annual reports of the respective years, included in the prospectus and report as follows.

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C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA
T.J.S. Rajakarier FCA
W.K.D.C. Abgyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahekoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Zlyard FCMA (UK), FCIT,
K. Somasundaram ACMA (UK), Ms. D Coreé Dharmaratne

KPMG

1. INCORPORATION

DFCC Bank PLC ("the Bank") is a limited liability company incorporated and domiciled in Sri Lanka. It was incorporated in 1955 under DFCC Bank Act No. 35 of 1955. Consequent to the enactment of the DFCC Bank (Repeal and Consequential Provisions) Act No. 39 of 2014, the DFCC Bank Act No. 35 of 1955 was repealed and the Bank was incorporated under the Companies Act No. 07 of 2007 as a public limited company listed in the Colombo Stock Exchange with the name 'DFCC Bank PLC' with effect from 6th January 2015.

DFCC Bank PLC (DFCC) also obtained a commercial banking license from the Monetary Board of the Central Bank of Sri Lanka in terms of the Banking Act No. 30 of 1988, as amended, and accordingly, upon the amalgamation now operates as a licensed commercial bank.

The registered office of the Bank is at 73/5, Galle Road, Colombo 3.

The Bank is engaged in provisioning range of financial services such as accepting deposits, corporate credit and retail banking, personal financial services, project financing, investment banking, foreign currency operations, trade finance, and dealing in Government Securities and Treasury-related products. The Bank does not have an identifiable parent of its own.

2. FINANCIAL STATEMENTS

2.1. Five-Year Summary of Financial Statements

A summary of Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flow of the Bank for the financial years ended 31st December 2020 to 31st December 2024, based on the audited financial statements of the Bank are set out in Annexure 1.

Summaries presented for operating results, assets, liabilities and shareholders' funds for financial years ended 31st December 2020 to 31st December 2024 are based on the financial statements prepared in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs), effective from 1st January 2012 in the annual reports of the respective years.

2.2. Audit Report

We have audited the financial statements of the Bank for the years ended 31st December 2020 to 31st December 2024. Unqualified audit opinions have been issued for the said financial reporting years.

2.3. Application of Accounting Standards and Accounting Policies

The financial statements of the Bank for the financial years ended 31st December 2020 to 31st December 2024 prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS") laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007.

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The accounting policies of the Bank are stated in detail in the audited financial statements of DFCC Bank PLC for the year ended 31st December 2024. The adoption of revised / new accounting standards and a summary of related amendments to the accounting policies of the Bank for the financial years ended 31st December 2020 to 31st December 2024 is set out in Annexure 2.

2.4. Dividends

The Bank has paid the following dividends in respect of Ordinary Shares during the financial years ended 31st December 2020 to 31st December 2024.

Year/ Period ended	Dividend Paid (Rs. Mn)	Dividend Per Share (Rs.)
31st December 2020	913	3*
31st December 2021	918	3**
31st December 2022	962	3**
31st December 2023	805	2**
31st December 2024	2,110	5***

* Rs. 2.50 per share cash dividend and Rs. 0.50 per share scrip dividend.
** Scrip dividend.
*** Rs. 3 per share cash dividend and Rs. 2 per share scrip dividend.

2.5. Events after the Reporting Date (as at 31st December 2024)

- **First and Final Dividend**

The Directors have approved the payment of a first and final dividend of LKR 6.00 per share which will consist of LKR 4.00 per share in cash and LKR 2.00 in the form of a scrip dividend, for the financial year ended 31 December 2024. The Board of Directors confirms that the Bank has satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007 and has obtained the certificate from the Auditor.

- **Sale of 50% Stake in Acuity Partners (Pvt) Ltd (Joint Venture of DFCC Bank PLC and Hatton National Bank PLC)**

DFCC Bank PLC sold 75,500,001 number of ordinary voting shares issued and fully paid up representing 50% stake held by DFCC Bank PLC in Acuity Partners (Pvt) Ltd for a consideration of Rupee Six Billion Five Hundred Million (Rs. 6,500,000,000). Following the successful disposal, DFCC Bank PLC does not hold any share of Acuity Partners (Pvt) Ltd.

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2.6. Restriction on Use

This report is prepared solely for the purpose of the Board of Directors of DFCC Bank PLC for inclusion in the prospectus in connection with the issuance up to One Hundred Million (100,000,000) Basel III Compliant, Subordinated, Listed, Rated, Unsecured, Redeemable GSS + Bonds with a non – viability conversion option, each at an issue price (par value) of LKR 100/- with a term of up to 10 years and it is annually couponed.

Yours faithfully,



CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

Annexure 1 - Five-year summary of Financial Statements (Bank)

Description	Years ended 31st December				
	2024 (Rs. Mn)	2023 (Rs. Mn)	2022 (Rs. Mn)	2021 (Rs. Mn)	2020 (Rs. Mn)
Operating results					
Gross income	89,559	106,883	74,960	42,649	43,300
Interest income	76,907	96,922	69,863	36,599	39,090
Interest expenses	48,786	65,697	43,342	23,946	28,083
Net interest income	28,121	31,224	26,521	12,653	11,007
Non-Interest Income	11,246	9,273	4,330	5,757	4,078
Operating profit before taxes on financial services	17,914	14,146	3,693	5,544	4,400
Operating profit after taxes on financial services	13,498	10,960	2,439	4,326	3,398
Profit for the year	8,353	7,220	2,513	3,222	2,388
Financial Position					
Assets					
Cash and cash equivalents	13,505	14,478	16,123	10,688	7,724
Balances with Central Bank of Sri Lanka	2,328	2,108	9,031	9,359	4,902
Placements with banks	11,229	29,138	15,225	6,288	15,414
Derivative financial assets	9,643	16,499	20,474	280	835
Financial assets measured at fair value through profit or loss	7,416	1,741	1,429	219	610
Financial assets at amortised cost – Loans and advances to banks	1,500	-	-	-	4,153
Financial assets at amortised cost – Loans and advances to customers	394,361	348,767	369,072	365,901	301,909
Financial assets at amortised cost – Debt and other instruments	105,642	68,031	50,948	26,675	31,604
Financial assets measured at fair value through other comprehensive income	138,258	134,903	63,319	54,329	88,718
Investments in subsidiaries	237	237	237	217	217
Investments in associate	33	33	33	35	35
Investments in joint venture	-	755	755	755	755
Investment property	10	10	10	10	10
Property, plant and equipment	3,873	3,500	3,199	3,237	3,407
Intangible assets and goodwill	2,002	1,926	2,198	2,228	1,713
Deferred tax asset	4,893	5,408	4,138	1,359	
Other assets	7,821	13,416	9,751	3,925	3,070
Asset held for sale	755	-	-	-	-
Total assets	**703,508**	**640,950**	**565,940**	**485,505**	**465,077**
Liabilities					
Due to banks	7,149	52,793	15,858	3,845	14,910
Derivative financial liabilities	909	382	85	814	268
Financial liabilities at amortised cost – Due to depositors	465,153	407,225	370,314	319,861	310,027
Financial liabilities at amortised cost – Due to other borrowers	96,756	72,023	81,146	69,094	46,847
Debt securities in issue	14,691	16,312	16,304	16,297	16,291
Retirement benefit obligation	1,409	1,371	592	689	643
Current tax liabilities	3,067	4,427	2,480	952	1,013
Deferred tax liability	-	-	-	-	244
Other liabilities	12,107	9,605	10,041	6,580	6,120
Subordinated term debt	18,234	9,072	18,400	18,387	19,357
Total liabilities	**619,475**	**573,209**	**515,219**	**436,519**	**415,720**
Equity					
Stated capital	14,710	13,867	13,182	8,600	7,682
Statutory reserve	3,658	3,240	2,875	2,747	2,584
Retained earnings	35,835	28,250	22,601	22,092	19,652
Other reserves	29,830	22,384	12,063	15,547	19,439
Total equity attributable to equity holders of the Bank	84,033	67,741	50,721	48,986	49,357
Total equity	**84,033**	**67,741**	**50,721**	**48,986**	**49,357**
Total equity and liabilities	**703,508**	**640,950**	**565,940**	**485,505**	**465,077**
Contingent liabilities and commitments	222,538	193,993	169,133	144,278	130,764



Annexure 1 - Five-year summary of Financial Statements (Bank) - Cont.

Description	Years ended 31st December				
	2024 (Rs. Mn)	2023 (Rs. Mn)	2022 (Rs. Mn)	2021 (Rs. Mn)	2020 (Rs. Mn)
Statement of cash flows					
Operating cash flows before changes in operating assets and liabilities	14,452	26,214	20,483	488	(1,162)
(Increase)/decrease in operating assets: and operating liabilities:	15,766	48,696	33,093	(58,200)	33,625
Net cash flows (used in)/from operating activities before income tax	30,218	74,910	53,577	57,711	32,464
Surcharge tax paid	-	-	(1,232)	-	-
Income tax paid	(5,992)	(4,306)	(1,531)	(1,621)	(615)
Net cash flows (used in)/from operating activities	24,227	70,605	50,813	(59,333)	31,848
Net cash flows used in investing activities	(29,180)	(84,293)	(31,257)	42,670	(7,397)
Net cash flows from/(used in) financing activities	(13,929)	25,958	(5,185)	10,500	(6,928)
Net increase/(decrease) in cash and cash equivalents	(18,882)	12,269	14,371	(6,162)	17,523
Cash and cash equivalents at the beginning of year	43,617	31,347	16,976	23,139	5,615
Cash and cash equivalents at the end of year	24,734	43,617	31,347	16,976	23,139
Reconciliation of cash and cash equivalents with items reported in the statement of financial position					
Cash and cash equivalents	13,505	14,478	16,123	10,688	7,724
Placements with banks	11,229	29,138	15,225	6,288	15,414
Cash and cash equivalents at the end of year	24,734	43,617	31,347	16,976	23,139



Annexure 2	The adoption of revised / new accounting standards and a summary of related amendments to the accounting policies of the Bank for the financial years ended 31st December 2020 to 31st December 2024
Financial year ended	**Adoption of revised Accounting Standards and related changes in Accounting Policies**
31st December 2020	**SLFRS 3 – ' Business Combinations'** The Bank has adopted Definition of a Business (Amendments to SLFRS 3) from 1st January 2020 to business combinations whose dates of acquisition are on or after 1st January 2020 in assessing whether it had acquired a business or a group of assets.
31st December 2021	**Interest Rates Benchmark Reform -Phase 2 (Amendments to SLFRS 9, LKAS 39, LKAS 39, SLRFS 7)** Interest Rates Benchmark Reform -Phase 2 (Amendments to SLFRS 9, LKAS 39, SLRFS 7 become effective on 1st January 2021.
31st December 2023	**Disclosure of Accounting Policies – Amendments to LKAS 1 and SLFRS Practice Statement 2** The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1st January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements from 1st January 2023. **Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction - Amendments to LKAS 12** The Group has adopted deferred tax related to assets and liabilities arising from a single transaction (Amendments to LKAS 12) from 1st January 2023.



Fitch Ratings Lanka Ltd



Authorized Signatory

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates DFCC Bank's Basel III Subordinated Green, Social and Sustainable Bond Final 'BBB+(lka)'

Wed 21 Jan, 2026 - 4:40 AM ET

Fitch Ratings - Colombo/Singapore - 21 Jan 2026: Fitch Ratings has assigned DFCC Bank PLC's (A(lka)/Stable) proposed Basel III-compliant subordinated, unsecured, green, social, sustainability/sustainability linked (GSS+) bonds of up to LKR10 billion a final National Long-Term Rating of 'BBB+(lka)'.

The final rating is the same as the expected rating assigned on 10 November 2025 and follows the receipt of documents conforming to information already received.

KEY RATING DRIVERS

The proposed bonds will mature in five, seven and 10 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 to support its 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 the bank's National Long-Term Rating. This reflects Fitch's baseline notching for loss severity for this type of debt and our expectation of poor recoveries. There is no additional notching for non-performance risk, as the proposed notes do not incorporate going-concern loss-absorption features.

DFCC'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 DFCC's ratings with no rating action on 8 September 2025. See our latest rating action commentary, Fitch Upgrades 10 Sri Lankan Banks' National Ratings and Affirms Five after Scale Recalibration, published on 21 January 2025, for the 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 the 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 the 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
DFCC Bank PLC				
subordinated	Natl LT	BBB+(lka)	New Rating	BBB+(EXP)(lka)

VIEW ADDITIONAL RATING DETAILS

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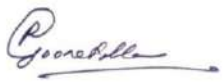

Additional information is available on www.fitchratings.com

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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)

ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

Potential Conflicts Resulting from Revenue Concentrations

ENDORSEMENT STATUS

DFCC Bank PLC -

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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.

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Independent Limited Assurance Report

Conclusion

We have performed a limited assurance engagement on whether the Sustainable Bond Framework ("Subject Matter Information") of DFCC Bank PLC ("the Issuer" / "the Bank") has been prepared in alignment with the pre-issuance requirements of the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable ("Criteria").

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Issuer's Sustainable Bond Framework which will form the basis for its Green/Blue/Social/Gender/Sustainability/Sustainability-Linked Loans financing Bonds/Sustainability-Linked Loans proposed to be issued, is not, in all material respects, prepared in accordance with the Criteria. Our conclusion on the Sustainable Bond Framework of DFCC Bank PLC does not extend to any other information that accompanies or contains the Sustainable Bond Framework of DFCC Bank PLC and our report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (SLSAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

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).

The firm applies Sri Lanka Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Guidelines for Sustainability-Linked Loans Financing Bonds (SLLBG) (June 2024) including the June 2025 FAQ Annex issued by the Loan Market Association (LMA) and the International Capital Market Association (ICMA), the Sustainability-Linked Loan Principles (SLLP) (March 2025) issued by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA), the Green Bond Principles (GBP) (June 2025), Bonds to Finance the Sustainable Blue Economy: A Practitioner's Guide (September 2023), Social Bond Principles (SBP) (June 2025), Bonds to Bridge the Gender Gap: A Practitioner's Guide to Using Sustainable Debt for Gender Equality (November 2021), Sustainability Bond Guidelines (SBG) (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable ("Criteria").

Other Matters

The maintenance and integrity of the issuer's website is the responsibility of the Issuer's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Issuer's website. Our conclusion is not modified in respect of this matter.

Intended purpose of our Report

We have been engaged by the Management of DFCC Bank PLC ("the Bank") to provide limited assurance on whether the Sustainable Bond Framework of the Bank has been prepared in alignment with the Criteria.

Restriction on use or distribution of our Report

This report has been prepared for the Directors of DFCC Bank PLC for the purpose of providing an assurance conclusion on whether the Sustainable Bond Framework of the Bank has been prepared in alignment with the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Bank, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than DFCC Bank PLC, for any purpose or in any other context. Any party other than DFCC Bank PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than DFCC Bank PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Management's responsibility

The Management of the Issuer is responsible for:

- Designing, implementing and maintaining internal controls relevant to the preparation of the Sustainable Bond Framework such that it is free from material misstatement, whether due to fraud or error.
- Selecting suitable criteria for preparing the Sustainable Bond Framework and appropriately referring to or describing the criteria used;
- Preparing the Sustainable Bond Framework in accordance with the Criteria.
- Ensuring that the Issuer and its Proposed Green/Blue/Social/Gender/Sustainability/Sustainability-Linked Loans financing Bonds/Sustainability-Linked Loans including the Sustainable Bond Framework complies with Criteria. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of bond proceeds and for the evaluation process related to the selection of eligible projects.

- Preventing and detecting fraud and for identifying and ensuring that the Issuer complies with laws and regulations applicable to its activities; and
- Ensuring that staff involved with the preparation and presentation of the description in the Issuer's Sustainable Bond Framework are properly trained, and information systems are properly updated.

Inherent Limitations in Preparing the Subject Matter Information

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements & economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer

Our work was not designed to opine on the design, implementation or operating effectiveness of controls employed by the Issuer to ensure ongoing compliance with the Issuer's Sustainable Bond Framework and, accordingly, we do not express a conclusion thereon.

Our Responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Issuer's Sustainable Bond Framework is prepared in accordance with the Criteria;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of DFCC Bank PLC.

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in carrying out assurance engagements on environmental, social and economic information in line with the requirements of SLSAE 3000 standard.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainable Bond Framework that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Issuer's Sustainable Bond Framework and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Interviews with management and key staff of the Issuer responsible for the Green/Blue/Social/Gender/Sustainability/Sustainability-Linked Loans financing Bonds/Sustainability-Linked Loans to obtain an understanding of the processes, systems and controls in place for preparation of the Bond Framework and management of bond proceeds;
- Inspection of the Issuer's Sustainable Bond Framework that describes processes, systems and controls in place for management of bond proceeds; investment areas for bond proceeds and intended management of unallocated proceeds; and
- Inspection of the planned technical specification of the Issuer's Sustainable Bond Framework defined projects, which will qualify to be associated with the Green/Blue/Social/Gender/Sustainability/Sustainability-Linked Loans financing Bonds/Sustainability-Linked Loans and assessment of their conformance with the eligibility requirements set out in the Criteria.
- Assessment of the suitability of the Criteria used by the Issuer in preparing the Sustainable Bond Framework

KPMG

The scope of our pre-issuance assurance engagement was to provide assurance on information on material aspects of the Sustainable Bond Framework which formed the basis for the proposed Green/Blue/Social/Gender/Sustainability/Sustainability-Linked Loans financing Bonds/Sustainability-Linked Loans based on the Criteria, for the areas listed below:

Four Core Components of the ICMA Principles for Use-of Proceeds Bonds:

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

Five Core Components of the Sustainability-Linked Loan Principles (SLLP) issued by the APLMA, LMA and LSTA:

- Selection of Key Performance Indicators (KPIs)
- Calibration of Sustainability Performance Targets (SPTs)
- Loan Characteristics
- Reporting
- Verification

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed were based on our professional judgment and included, as appropriate, inquiries, inspection of documents and evaluating the appropriateness of reporting policies.

Our engagement included assessing the appropriateness of the subject matter information, the Issuer's Sustainable Bond Framework for suitability with the Criteria. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and 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. Accordingly, we do not express a reasonable assurance conclusion on the Issuer's Sustainable Bond Framework.

kpmg

CHARTERED ACCOUNTANTS
Colombo
31st December 2025

ANNEXURE III - COLLECTION POINTS

Printed copies of the Application Form can be obtained free of charge, upon request, from the following Collection Points.

<table>
<tr><td>Issuer

DFCC Bank PLC
No. 73/5, Galle Road
Colombo 03

Tel: +94 11 2 442 442
Fax: +94 11 2 440 376</td><td>Joint Managers to the Issue

Capital Alliance Partners Limited
Level 5, “Millennium House”,
46/58, Navam Mawatha, Colombo 02

Tel: +94 11 2 317 777
Fax: +94 11 2 317 788

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</td></tr>
<tr><td>Registrars to the Issue

S S P Corporate Services (Private) Limited
No. 101, Inner Flower Road,
Colombo 03

Tel: +94-11 2 573 894
Fax: +94-11 2 573 609</td><td>Bankers to the Issue

DFCC Bank PLC
No. 73/5, Galle Road,
Colombo 03

Tel: +94 11 2 442 442
Fax: +94 11 2 440 376</td></tr>
</table>

Branch Network of DFCC Bank PLC

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

Trading Participants of the CSE

Asha Securities Limited No. 60, 5th Lane, Colombo 03. Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net	**Almas Equities (Private) Limited** Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 08. Tel: +94 707 144 551 Fax: +94 11 2 673 908 E-mail: info@almasequities.com
Asia Securities (Private) Limited 4th Floor, Lee Hedges Tower, No. 349, Galle Road, Colombo 03. Tel: +94 11 7 722 000 Fax: +94 11 2 584 864 E-mail: inquiries@asiasecurities.lk	**ACS Capital (Private) Limited** No. 44, Guildford Crescent, Colombo 07. Tel: +94 11 7 898 302 E-mail: info@acscapital.lk
Bartleet Religare Securities (Private) Limited Level "G", "Bartleet House", No. 65, Braybrooke Place, Colombo 02. Tel: +94 11 4 221 000 Fax: +94 11 2 434 985 E-mail: info@bartleetreligare.com	**Capital Trust Securities (Private) Limited** No. 42, Sir Mohamed Macan Markar Mawatha, Colombo 03. Tel: +94 70 5 666 777 / +94 11 2 174 174 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk
CT SMITH Securities (Private) Limited 4-14, Majestic City, No. 10, Station Road, Colombo 04. Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctsmith.lk	**First Capital Equities (Pvt) Limited** Level 12, Vallible Property Building, No. 480, Galle Road, Colombo 03. Tel: +94 11 2 123 901 E-mail: equity@firstcapital.lk
HNB Stockbrokers (Private) Limited No. 53, Dharmapala Mawatha, Colombo 03. Tel: +94 11 2 206 206 Fax: +94 11 2 206 298 / 9 E-mail: sales@hnbstockbrokers.lk	**J B Securities (Private) Limited** No. 150, St. Joseph Street, Colombo 14. Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk

John Keells Stock Brokers (Private) Limited No. 186, Vauxhall Street, Colombo 02. Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com	**Lanka Securities (Private) Limited** 3rd Floor," M2M Veranda Offices", No. 34, W.A.D. Ramanayeke Mawatha, Colombo 02. Tel: +94 11 4 706 757/ +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com
NDB Securities (Private) Limited Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk	**Sampath Securities (Private) Limited** 5th Floor, No. 26B, Alwis Place, Colombo 03. Tel: +94 11 4 711 000 / +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk
Somerville Stockbrokers (Private) Limited No. 410/95,1/1, Bauddhaloka Mawatha, Colombo 07. Tel: +94-11 2 502 858/ +94 11 2 502 862 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk	

Ambeon Securities (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08. Tel: +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk	**ACAP Stock Brokers (Private) Limited** No. 46/46, Greenlanka Building, 6th Floor, Nawam Mawatha, Colombo 02. Tel: +94 70 4 779 500 Fax: +94 11 2 331 756 E-mail: info@acapstockbrokers.lk
Capital Alliance Securities (Private) Limited Level 5, "Millennium House" 46/58, Navam Mawatha, Colombo 02. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk	**Enterprise Ceylon Capital (Private) Limited** 2nd Floor-4B, Liberty Plaza, No. 250, R A De Mel Mawatha, Colombo 03. Tel: +94 11 2 445 644 E-mail: info@ecc.lk

First Guardian Equities (Private) Limited 32nd Floor, East Tower, World Trade Centre, Colombo 01. Tel: +94 11 4 464 400 E-mail: info@fge.lk	**LOLC Securities Limited** No. 481, T.B. Jayah Mawatha, Colombo 10. Tel: +94 11 7 582 000 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com
Nestor Stock Brokers (Private) Limited The Landmark Building, No. 385, Galle Road, Colombo 03. Tel: +94 11 4 758 813 Fax: +94 11 2 550 100 E-mail: info@nestorstockbrokers.lk	**Richard Pieris Securities (Private) Limited** No. 310, High Level Road, Nawinna, Maharagama. Tel: +94 11 4 310 500 Fax: +94 11 2 802 385 E-mail: communication@rpsecurities.com
Senfin Securities Limited 4th Floor, No. 180, Bauddhaloka Mawatha, Colombo 04. Tel: +94 72 9 499 400 Fax: +94 11 2 305 522 E-mail: ceo@senfinsecurities.com	**Softlogic Stockbrokers (Private) Limited** Level 16, One Galle Face Tower, Colombo 02. Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: info@softlogicstockbrokers.lk

Trading Participants – Debt

Seylan Bank PLC Level 3, Seylan Towers, No. 90, Galle Road, Colombo 03. Tel: +94 11 2 456 300 Fax: +94 11 2 452 215 E-mail: info@seylan.lk	**Capital Alliance PLC** Level 5, "Millenium House" 46/58, Nawam Mawatha, Colombo 02. Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-mail: info@cal.lk
WealthTrust Securities Limited No. 102/1, Dr. N. M. Perera Mawatha, Colombo 08. Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-mail: info@wealthtrust.lk	

ANNEXURE IV - CUSTODIAN BANKS

Bank of Ceylon (Head Office) 11th Floor, No. 04, Bank of Ceylon Mawatha, Colombo 01. T: +94 11 2 203 642	**Citi Bank N. A.** No. 65 C, Dharmapala Mawatha, Colombo 07. T: +94 11 4 794 733
Commercial Bank of Ceylon PLC Commercial House, No. 21, Sir Razik Fareed Mawatha, Colombo 01. T: +94 11 2 486 000	**Deutsche Bank** Level 21, One Galle Face Tower, No. 1A, Centre Road, Galle Face, Colombo 02. T: +94 11 4 791 103
DFCC Bank PLC No. 73/5, Galle Road, Colombo 03. T: +94 112 442 031	**Hatton National Bank PLC** HNB Towers, No. 479, T. B. Jayah Mawatha, Colombo 10. T: +94 77 7 712 406
Hong Kong & Shanghai Banking Corporation Limited No. 24, Sir Baron Jayathilake Mawatha, Colombo 01. T: +94 11 4 451 275	**Nations Trust Bank PLC** No. 46/58, Nawam Mawatha, Colombo 02. T: +94 11 4 313 131
National Development Bank PLC No. 40, Navam Mawatha, Colombo 02. T: +94 2 448 448	**Pan Asia Banking Corporation PLC (Head Office)** No. 450, Galle Road, Colombo 03. T: +94 11 2 565 565
People's Bank (Head Office) Treasury, 5th Floor, No. 75, Sir Chittampalam A Gardiner Mawatha, Colombo 02. T: +94 11 2 206 782	**Sampath Bank PLC** No. 110, Sir James Peiris Mawatha, Colombo 02. T: +94 11 5 406 939
Seylan Bank PLC Level 7, Seylan Towers, 90, Galle Road, Colombo 03. T: +94 11 2 456 701	**Standard Chartered Bank** No. 37, York Street, Colombo 01. T: +94 11 2 480 450
State Bank of India No. 16, Sir Baron Jayathilake Mawatha, P O Box 93, Colombo 01. T: +94 11 4 622 350	**Union Bank of Colombo PLC** No. 64, Galle Road, Colombo 03. T: +94 11 2 374 205

ANNEXURE V – FATCA DECLARATION

Manager

DFCC 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 DFCC 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 DFCC 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 Applicant/s