NDB bank

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

Date: 26th March 2026

Mrs. Kanishka Munasinghe
Vice President - Listing
Colombo Stock Exchange
Level 4, 4-1, West Tower
World Trade Centre
Echelon Square
Colombo 1

Dear Madam,

NATIONAL DEVELOPMENT BANK PLC (NDB)- SCRIP DIVIDEND

Further to your letter dated 26th March 2026 addressed to the Company Secretary of NDB, wherein you have granted 'in principle' approval to NDB for the listing of 5,308,377 Ordinary Voting shares by way of a scrip dividend, we wish to confirm that the XD Date and Record Date for the Scrip Dividend will be **27th March** and **30th March 2026**, respectively. These dates are the same as those announced to the market on 18th March 2026, for the Cash Dividend.

Accordingly, the shareholders of NDB as at end of trading on 30th March 2026 (Entitlement date) shall be entitled to be issued shares arising from the scrip dividend.

We further wish to state that the residual fractions arising from the scrip dividend, will be aggregated and the total of fractional shares arising therefrom will, be allotted to a Trustee as nominated by the Chief Executive Officer of NDB, as empowered by a resolution adopted by the Board of Directors of NDB on 18th March 2026. The said Trustee so nominated shall hold the said shares in trust until they are sold in the market on the trading floor of the Colombo Stock Exchange (CSE). The sale proceeds arising there from shall be distributed to a charity/charities approved by the Chief Executive Officer of NDB, as empowered by a resolution adopted by the Board of Directors of NDB on 18th March 2026. The sale of such shares will be effected by NDB within a reasonable period of time / depending on market conditions, from the date of submission of the Declaration to the CSE pertaining to the listing of shares arising from the scrip dividend.

The Central Depository Systems (Private) Limited (CDS) accounts of shareholders whose shares are deposited with the CDS would be directly uploaded with the new number of shares by 10th April 2026. Pursuant to the direction issued by the Securities and Exchange Commission regarding the dematerializing of the listed securities, shareholders who hold shares in certificate form, as per the books of NDB will not be issued share certificates for the new shares to be issued to them. Such shareholders are requested to deposit their share certificates in the CDS prior to 27th March 2026 which will enable NDB to directly deposit the shares issued under the scrip dividend.

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National Development Bank PLC. (Company Reg No. PQ 27)

In the event a shareholder fails to deposit the shares in the CDS prior to the said date, such shareholder's entitlement of new shares will be deposited by NDB after such shareholder has opened a CDS account and has informed the Company Secretary in writing of the shareholder's CDS account number. Until such time a CDS account is opened by a shareholder as aforementioned, the new shares that are allotted will be registered in such shareholder's name in the Share Register maintained by NDB. Consequent to the opening of the CDS account by such shareholder, the new shares will be credited to the relevant CDS account.

The consideration for which the shares are to be issued for the Scrip dividend is, in the opinion of the Board of Directors of the Bank, fair and reasonable to the Bank and all other existing shareholders of the Bank, as per a resolution adopted by the Board of Directors of NDB on 18th March 2026.

Yours faithfully
National Development Bank PLC

Shehani Ranasinghe
Company Secretary