NDB bank

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

18th March 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
Level 4, 4-1, West Tower
World Trade Centre
Echelon Square
Colombo 1

Dear Madam,

NATIONAL DEVELOPMENT BANK PLC
FINAL DIVIDEND PAYMENT FOR THE YEAR ENDED 31 DECEMBER 2025- CASH AND SCRIP DIVIDEND

As empowered by Article 19 of the Articles of Association of the Bank to declare Dividends, the Directors of National Development Bank PLC (Bank) have authorized and approved a distribution to the shareholders by way of a final Dividend of LKR 8.50 per Share on the Ordinary Shares in issue of the Bank for the Financial Year ended 31 December 2025 to be paid, of which LKR 6.46 will be in the form of cash dividend and the balance LKR 2.04 will be in the form of scrip dividend.

We also confirm that the final dividend of LKR 8.50 per ordinary share will be paid out as follows;

Out of dividend received (free of tax)	LKR 0.40
Out of current year's profits	LKR 8.10

The dividend received referred above (LKR 0.40 per share) will be utilized to pay scrip dividend.

We confirm that, in terms of Article 19 of the Articles of Association of the Bank, payment of any dividend is not subject to the approval of the shareholders.

The XD Date shall be the 7th Market Day from and excluding the date of announcement (i.e. 27th March 2026). The Record Date shall be the 1st Market Day from and excluding the XD Date (i.e. 30th March 2026). The Date of Dispatch of the Dividend Payment shall be within 12 Market Days from and excluding the Record Date (i.e. by 21st April 2026).

The ratio for the final scrip dividend will be one scrip issue for every 80.4180744886808 shares held. The number of shares to be issued on the aforesaid basis is 5,308,377 ordinary voting shares.

The weighted average share price used for the calculations was LKR 144.27. There will be no reserves to be capitalized as the consideration amounting to LKR 870,854,492.28 (in respect of the Scrip dividend) will be from the profits for the financial year ended 31st December 2025. Hence, the amount of scrip dividend to be paid from the tax liable profits is LKR 700,098,709.48. Accordingly the amount considered for scrip dividend/amount to be capitalized (net of WHT 15%) is LKR 765,839,685.86.

All shares listed on the Exchange are only denominated in LKR.

The current Stated Capital of the Bank is LKR 23,042,558,236.93 whilst subsequent to the issue of the scrip dividend shares the Stated Capital, will be LKR 23,808,397,922.79.

The scrip dividend is subject to the Colombo Stock Exchange approving in principle, the issue and listing of shares.

Taking into account the most recent financial statements of the Bank and the circumstances which might affect the value of the Bank's assets and liabilities, the Bank could satisfy the Solvency Test immediately after distributing the final dividend. The Directors who voted in favour of the said distribution have certified the Solvency Certificate prepared in accordance with Section 56(2) of the Companies Act No.7 of 2007 and a certified copy of same is forwarded herewith. The Certificate of Solvency from the Auditors has been requested from Messers Ernst & Young, Auditors of the Bank and copy of the same shall be submitted to Colombo Stock Exchange in due course, prior to the dispatch of the dividend.

The transfer books of the Bank will be kept open.

By order of the Board

Shehani Ranasinghe
Company Secretary