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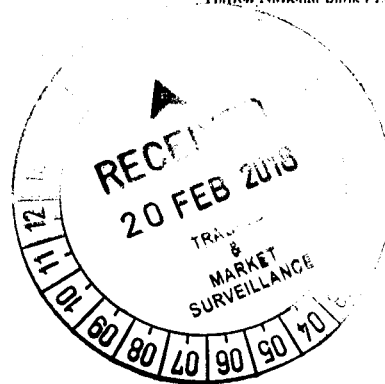


# Hatton National Bank

Hatton National Bank PLC (PQ82)

February 20, 2018

Mr Renuke Wijayawardhane  
Chief Operating Officer  
Colombo Stock Exchange  
# 04-01 West Block  
World Trade Centre  
COLOMBO 1



*MC*  
*PLS circulate.*  
*OW*  
*20/2*

Dear Sir

## ANNOUNCEMENT

**RE: SECOND INTERIM DIVIDEND & A FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER 2017  
HATTON NATIONAL BANK PLC (PQ 82)**

We are pleased to announce that the Board of Directors of the Bank has decided to make the undemoted dividend payments to the Members (voting & non-voting), for the **financial year ended 31<sup>st</sup> December 2017**, having paid the first interim dividend on 21<sup>st</sup> December 2017. The decision was made at a Meeting held this afternoon.

**(1) SECOND INTERIM DIVIDEND FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER 2017**

Second interim dividend of Rs. 5.00 per share to the Members (voting & non-voting), for the financial year ended 31<sup>st</sup> December 2017. Please note that :-

- in terms of the Articles of Association of the Bank, the payment of a **second interim dividend** is within the Board's authority and does **not** require shareholder approval.
- the dividend will be paid on **Monday the 12<sup>th</sup> of March 2018**.
- the **Transfer Books** of the Bank will **not** be closed in respect of the dividend payment.

**(2) FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER 2017**

**Final dividend of Rs. 2.00 per share in the form of a scrip dividend**, on both voting and non-voting shares of the Bank, for the financial year ended 31<sup>st</sup> December 2017.

The following table reflects the number of shares to be issued, the proportion and consideration at which shares are to be issued out of the profits earned during the year which is to be set aside for the scrip dividends based on the number of issued shares as at 20<sup>th</sup> February 2018. However, the number of voting and non-voting shares to be allotted will be varied since it is required to accommodate the new shares to be allotted under the ESOP scheme in progress from 23<sup>rd</sup> March 2018, up to 4 market days prior to the effective ex-dividend date, which is to be notified later.



	Voting	Non-Voting
Existing Ordinary shares as at 19.02.2018	392,304,558	96,249,132
The number of shares to be issued (this is on the basis of Rs. 2.00 per existing share after providing for 14% withholding tax)	2,794,053	866,746
Amount to be capitalized	Rs. 784,609,116	Rs. 192,498,264
Value* of a share as at 19.02.2018 – last trading day prior to the Board Meeting	Rs. 241.50	Rs. 191.00
The proportion with which the shares are to be issued	1 for 140.4069851216	1 for 111.0465257411

Please note that:-

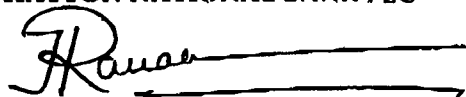
- in terms of the Articles of Association of the Bank, the payment of a final dividend requires the approval of the shareholders.
- the Annual General Meeting will be convened on Wednesday, 28<sup>th</sup> of March 2018, at which the approval of the Membership will be obtained to declare the dividend.
- the stated capital of the Bank as at the date of this letter is Rs. 31,409,119,000/-
- The scrip dividend is subject to the Colombo Stock Exchange approving in principle the issue and listing of shares and obtaining shareholder approval in terms of the Bank's Articles of Association.
- the **Share Transfer Books** of the Bank will **not** be closed in respect of the dividend payment.

A copy of the Certificate of Solvency given by the Bank's Auditors, M/s Ernst & Young – Chartered Accountants, for the aforesaid payments would follow, conforming to the CSE requirements.

An extract of the resolution adopted by the Board of Directors is annexed hereto.

The announcement is made in terms of the Corporate Disclosure provisions of the Listing Rules of the CSE.

Yours faithfully  
HATTON NATIONAL BANK PLC



K A L T Ranaweera (Mrs)  
DEPUTY GENERAL MANAGER (LEGAL)/BOARD SECRETARY

TR/OK