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Hatton National Bank

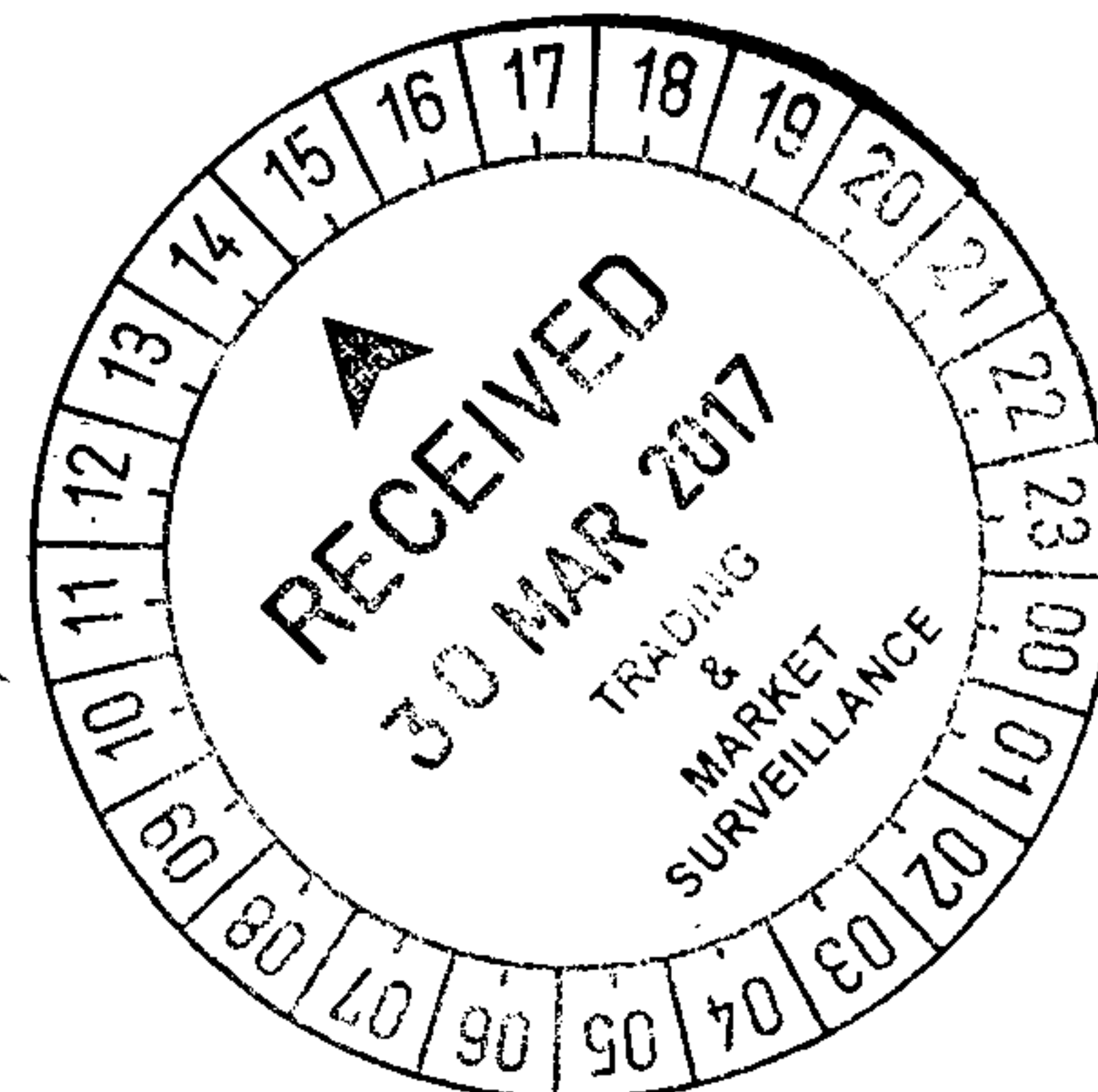
Hatton National Bank PLC (FQ82)

March 30, 2017

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

Dear Sir

**HATTON NATIONAL BANK PLC
CSE – CONTINUING LISTING REQUIREMENTS**



We are pleased to notify that –

- 1) the 48th Annual General Meeting of the Bank was held today and
- 2) as intimated to you by our letter dated 3rd March 2017, the relevant announcement was made on 24th March 2017 and the undernoted resolutions were duly passed by the General Membership :-

(1) Ordinary Resolution – Declaration of Dividend and approval of its method of satisfaction

1) FINAL DIVIDEND

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2016

- (a) THAT a final dividend of Rupees Seven (Rs 7/-) per share constituting a total sum of Rs. 2,902,591,139/- be paid on the issued and fully paid ordinary (voting) and (non-voting) shares of the Bank for the financial year ended 31st December 2016 based on the issued ordinary voting shares and ordinary non-voting shares as at February 23, 2017, subject to any necessary revision being made to such amount to be distributed in order to include and accommodate the dividends pertaining to any new shares to be issued by the Bank to its employees under the Hatton National Bank PLC ESOP scheme;
- (b) THAT such dividend be paid out of exempt dividends received (if any), dividends received on which Withholding Tax has already been paid by the paying companies (if any), and the balance out of the profits of the Bank, which balance would be liable to a Withholding Tax of ten per centum (10%);
- (c) THAT the shareholders entitled to such dividend would be those shareholders (holders of both ordinary voting shares and ordinary non-voting shares), whose names have been duly registered in the Register of Shareholders and those shareholders whose names appear on the Central Depository Systems (Pot) Ltd ('CDS') as at end of trading on the date on which the requisite resolution of the Shareholders in regard to the final dividend is passed ('entitled Shareholders');
- (d) THAT the said final dividend of Rs. 7/- per share be distributed and satisfied partly by the payment of cash and partly by the allotment and issue of new ordinary voting shares and

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ordinary non-voting shares (the "distribution scheme") based on the share prices of ordinary voting shares and ordinary non-voting shares as at February 23, 2017 in the following manner, subject however to any necessary revision being made to the amount of dividends to be distributed and the number of shares to be issued, (i) in order to include and accommodate the dividends pertaining to any new shares that may be issued by the Bank to its employees under the Hatton National Bank PLC ESOP scheme and/or (ii) pursuant to any changes to the applicable law:

(i) **By way of a cash distribution**

A cash distribution of (A) a sum of Rs 1,160,081,580/- be made to the holders of ordinary voting shares and (B) a sum of Rs 291,213,989.50 be made to the holders of ordinary non-voting shares respectively, on the basis of Rupees Three and Cents Fifty (Rs 3/50) per each share (less withholding tax);

(ii) **By way of the allotment of and issue of new shares**

A. **For voting shares:**

THAT a sum of Rs 1,160,081,580/- (less any withholding tax) be distributed to the holders of ordinary voting shares in the form of a scrip dividend at the rate of Rupees Three and Cents Fifty (Rs 3/50) per each share, by the issue of a total of 4,519,797 ordinary voting shares computed on the basis of one (1) ordinary voting share for every 73.3333456014) ordinary voting shares currently in issue (which computation is based on a valuation of Rs. 231/- per each ordinary voting share).

B. **For non-voting shares**

THAT a sum of Rs 291,213,989/50 (less any withholding tax) be distributed to the holders of ordinary non-voting shares in the form of a scrip dividend at the rate of Rupees Three and Cents Fifty (Rs 3.50) per each share, by the issue of 1,310,462 ordinary non-voting shares computed on the basis of one (1) ordinary non-voting share for every 63.4920828574) non-voting shares currently in issue (which computation is based on a valuation of Rs. 200/- per each ordinary non-voting share).

- (e) THAT the shares arising from the aggregation of the residual fractions consequent to the scrip dividend be disposed of in the market by a trustee(s) to be nominated by the Board of Directors and the proceeds to be distributed to a charitable organization.
- (f) THAT (a) the new ordinary voting shares to be issued in pursuance of the distribution scheme shall, immediately consequent to the allotment thereof to the entitled Shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary voting shares of the Bank and (b) the new ordinary non-voting shares to be issued in pursuance of the distribution scheme shall, immediately consequent to the allotment thereof to the entitled Shareholders rank equal and pari passu in all respects with the existing issued and fully paid ordinary non-voting shares of the Bank, and shall be listed on the Colombo Stock Exchange.
- (g) THAT the new ordinary voting shares and ordinary non-voting shares to be so allotted and issued shall not be eligible for the payment of dividend declared hereby.

(h) THAT accordingly the Bank's management be and is hereby authorized to take all necessary steps to give effect to the aforesaid proposed issue of new ordinary voting shares and ordinary non-voting shares of the Bank.

(2) Special Resolution – Approval of the holders of voting shares under Section 99 of the Companies Act No. 7 of 2007 for the issue of shares by scrip dividend

➤ THAT the issue by the Bank of (a) 4,519,797 ordinary voting shares to the holders of ordinary voting shares on the basis of one (1) ordinary voting share for every 73.3333456014 ordinary voting shares currently in issue and (b) 1,310,462 ordinary non-voting shares to the holders of ordinary non-voting shares on the basis of one (1) ordinary non-voting share for every 63.4920828574 ordinary non-voting shares currently in issue, by way of a scrip dividend [subject to any necessary revision being made to the number of shares to be so issued (i) to include and accommodate any dividends pertaining to any new shares to be issued by the Bank to its employees under the Hatton National Bank PLC ESOP scheme and/or (ii) pursuant to any changes to the applicable law] be and is hereby approved.

2) We wish to confirm that :

i) the undernoted Directors were unanimously re-elected :-

- Miss Sanjivani Jayawardena
- Mr Rusi Captain and

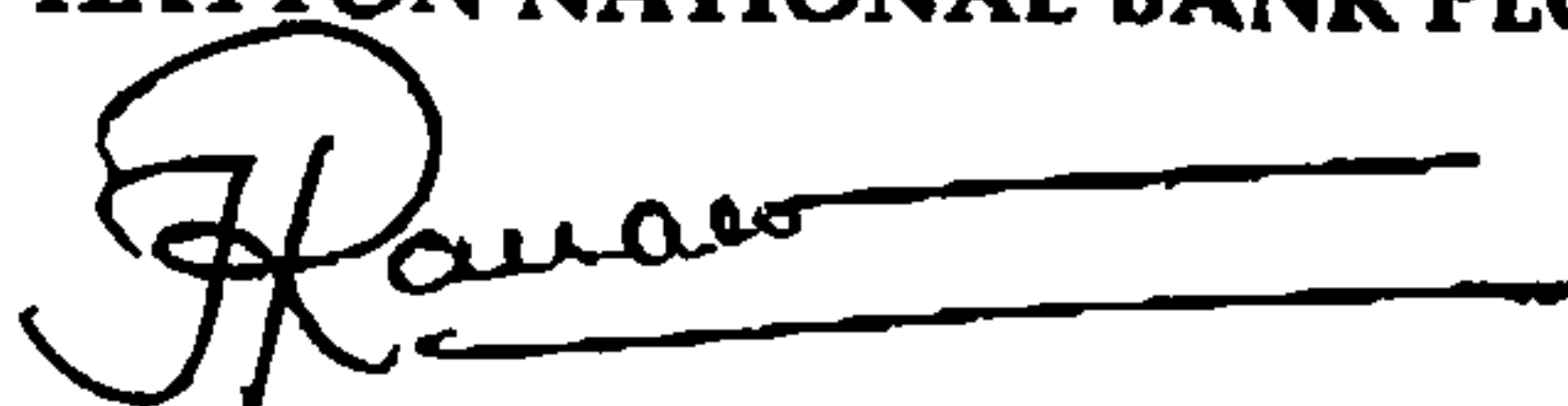
ii) the undernoted Director was re-elected by a majority vote of the shareholders :

- Mr Amal Cabraal

3) M/s Ernst & Young, Chartered Accountants, were appointed as the Bank's Auditors for the ensuing year.

The above conforms to the Rules of the Colombo Stock Exchange (vide Rule 7.2).

Yours faithfully
HATTON NATIONAL BANK PLC



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

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