



**NATIONAL DEVELOPMENT BANK PLC**  
**[Company Registration No. PQ 27]**

***EXTRAORDINARY GENERAL MEETING***

***TO BE HELD VIRTUALLY ON 09<sup>TH</sup> APRIL 2021 AT 3.00PM***

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Circular to Shareholders  
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Registration Form

*National Development Bank PLC*  
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**CIRCULAR TO SHAREHOLDERS**



**NATIONAL DEVELOPMENT BANK PLC  
(PQ 27)**

March 10, 2021

Dear Shareholders,

**RIGHTS ISSUE OF UP TO 106,780,489 NEW ORDINARY VOTING SHARES\* EACH ISSUED AT LKR 75/- PER SHARE AND PROPOSED PRIVATE PLACEMENT OF UP TO 37,671,181 NEW ORDINARY VOTING SHARES\* EACH TO BE ISSUED AT LKR 82.50 PER SHARE**

*(\*which number may be upwardly adjusted in the event shares are issued to eligible employees of NDB in terms of the ESOS 2016 Scheme/Shareholder Circular dated March 1, 2016 as detailed in Section 2 hereof)*

## **1. RECENT PERFORMANCE OF NATIONAL DEVELOPMENT BANK PLC**

### **Financial Performance**

National Development Bank PLC (the Bank or NDB) has financially empowered millions of Sri Lankans since its inception in 1979. The Bank serves its customers through a physical branch network of 113 spread across the country including two “phygital” branches, and a dynamic digital banking proposition featuring NDB NEOS Mobile Banking App, NDB NEOS online banking, Bank2U branchless banking, ATMs, Cash Recycle Machines (CRMs) and NEOSPAY. The Bank is also the parent company of the NDB Group, comprising of subsidiaries engaged in capital market activities, which makes NDB a part of a unique financial services group of companies, providing fully-fledged services in both banking and capital markets.

Given below is an overview of the Bank’s financial performance for the twelve months ended December 31, 2020.

## Income and Profitability

Gross income growth moderated to 3% in 2020 compared to 2019 (YoY) to LKR 60.7 Bn, reflecting reduced business volumes in the year, impact of interest rates concessions and interest deferrals stemming from moratoria granted - phenomena experienced across the industry due to the effects of the pandemic. The Bank also accounted for modification losses on such moratoria where significant interest concessions were given, as prescribed by SLFRS 09: Financial Instruments. As a result, Net Interest Income (NII) was LKR 17.7 Bn, with a narrow growth compared to 2019. Interest income slightly dipped over that of 2019, to LKR 53 Bn, whilst interest expenses reduced by 1% to LKR 35 Bn, largely attributable to the rate reductions led by the Central Bank of Sri Lanka (CBSL) as stimulus to economic growth. Pressure exerted on the Net Interest Margin (NIM) by interest rate concessions on loans brought the ratio down to 3.07% (2019: 3.53%).

However, net fee and commission income bolstered overall income with a growth of 9% YoY to LKR 4 Bn. Exponential growth in the use of digital banking services, driven by the pandemic impact and the user-friendly features available in the NDB NEOS digital banking platform together with the Bank's continued focus on enhancing fee based income, were key contributors in this aspect. Net gains from trading for FY 2020 was LKR 967 Mn a marginal decrease of 2% YoY. However, the Bank realized capital gains from Government Securities portfolio, as reflected under net gains from de-recognition of financial assets amounting to LKR 1.5 Bn. Accordingly, Total Operating Income recorded a healthy growth of 7% to LKR 25.4 Bn.

Impairment charges for loans and other losses for FY 2020 was LKR 6.8 Bn, an increase of 63% YoY. Provision charges increased in line with the growth in the loan book and provisions made at both collective and individual levels in response to elevated risks caused by the pandemic and other stresses. The regulatory Non-Performing Loan (NPL) ratio for 2020 was 5.35% (2019: 4.77%) which is on a gradual increase, reflecting the wider industry NPL behaviour. The Bank also made significant provisions for financial investments owing to the decline in macroeconomic indicators.

Despite the hive of operations carried out, operating expenses recorded a marginal reduction in 2020 compared to 2019 and was LKR 9.4 Bn. The Organization Efficiency and Effectiveness Improvement program launched, migration of a large number of processes to automated platforms (using workflow and Robotic Process Automation) and conversion of transactions performed by customers to digital platforms (80% of total transactions) supported this cost management drive. Resultantly, the cost to income ratio improved to 37.0% (2019: 39.9%), one of the best in the industry.

The total tax charge of the Bank for FY 2020 was LKR 3.7 Bn (2019: LKR 4.9 Bn) whilst the effective tax rate was 39.9% (2019: 49.2%). During 2020 Nation Building Tax (NBT) on Financial Services and Debt Repayment Levy were abolished.

## **Balance Sheet Growth and Funding**

NDB's total assets crossed the LKR 600 Bn mark in 2020, with the asset base closing at LKR 627 Bn by end 2020, resulting in an impressive YoY growth of 18% which translated to a quantum growth of LKR 97 Bn. Gross Loans and Receivables however moderated in growth at 8% YoY to LKR 444 Bn (quantum growth of LKR 34 Bn). Growth stemmed from all business sectors, including the hard hit SME sector, which drew relief from the CBSL's Saubhagya COVID-19 Renaissance Facility priced at 4%.

Despite bank deposits becoming less attractive in a low interest rate climate, the Bank recorded an impressive growth of 21% in deposits to reach LKR 490 Bn, which translated to a quantum growth of LKR 85 Bn. Within this CASA deposits grew by 53%, an equivalent of impressive LKR 42 Bn. The resultant CASA ratio was 25%, the highest recorded in the last five years. Meticulous efforts to drive CASA and the contribution from Retail and SME segments primarily contributed towards the CASA growth.

Furthermore, the Bank's Loans to Advances ratio (ADR) also improved to 90%, the best in the Bank's history. The Bank historically accounted for a higher ADR owing to the fact that NDB has been in commercial banking operations for just over 15 years, with a development banking background close to 30 years, wherein the business model was less focused in deposit canvassing. NDB has effectively reversed this stance within a relatively short span of time since becoming a fully-fledged commercial bank in 2005 and now stand equal to its peers in this KPI.

During 2020, NDB raised LKR 6.5 Bn via Tier II Listed Rated Unsecured Subordinated Redeemable Debentures issued in September 2020, wherein, the issue was oversubscribed within the day of opening itself. During June 2020, debentures worth of LKR 10 Bn issued in 2015 with a tenor of 5 years were redeemed.

## **Capital Adequacy and Liquidity**

Tier I and total capital ratios for FY 2020 were 9.17% and 14.32% at Bank level whilst the same were 9.73% and 14.75% at Group level (minimum requirements of 8.0% and 12.0% respectively). Liquidity Coverage Ratios were 161.97% and 157.12% for Rupee and all currency respectively and were well above the statutory minimum requirement of 90%. The Net Stable Funding Ratio was 112.52% compared with the statutory minimum requirement of 90%.

## **Investor Returns**

The Return on Average Shareholder Funds (ROE) for the Bank was 13.13% [2019:13.73%] and the Earnings per Share LKR 23.77 [2019: LKR 21.97] for FY 2020. The same ratios for the Group were 11.20% [2019: 11.59%] and LKR 21.99 [2019: LKR 20.53] respectively. Return [before tax] on Average Assets for the Bank was 1.59% [2019: 2.01%] and for the Group was 1.58% [2019: 1.97%]. The Net Asset Value per Share (NAVPS) of the Bank was LKR 192.49 and compared with a closing share price for the year of LKR 78.10. NAVPS for the Group was LKR 206.23.

### **Awards won by the Bank**

- The Banker Magazine UK – The Bank of the Year Sri Lanka 2020 [For the second year]
- Global Finance's World's Best Digital Bank Awards 2020 - The World's Best Consumer Digital Banks - Winner - Sri Lanka [For the second consecutive year]
- Asia Money Magazine - Country Best Bank Awards - Best Domestic Bank Sri Lanka [For the second consecutive year]
- Global Banking & Finance Review UK - Best financial services Group Sri Lanka 2020 [For the third consecutive year]
- ICCSL, Daily FT and CIMA Top 10 Most Admired Companies 2020 – Winner
- Business Today Top 30 2019/2020 - Ranked 9<sup>th</sup> [Defended the ranking from 2019]
- Finance Derivatives - The Netherlands - Best Domestic Bank Sri Lanka 2020

Having identified the envisaged asset growth of the Bank and in order to achieve medium term plans, the need for capital is a primary strategic focus of the Bank.

## **2. DETAILS OF RIGHTS ISSUE**

The Board of Directors of NDB resolved on October 20, 2020 to offer up to 106,780,489 Ordinary Voting Shares in the proportion of Twenty Eight (28) New Ordinary Voting Shares for every Sixty One (61) Ordinary Voting Shares held in the capital of the Bank by way of a Rights Issue via a Provisional Letter of Allotment with the right to renounce only in favour of the Central Depository Systems (Private) Limited (CDS) to the holders of issued Ordinary Voting Shares of the Bank as at the end of trading on April 9, 2021 (date of Extraordinary General Meeting) at a price of LKR 75/- per Ordinary Voting Share (the Rights Issue). Accordingly, the Bank expects to raise up to \*LKR 8,008,536,675/- through the Rights Issue.

The Board also resolved that in its opinion, the consideration of LKR 75/- per Ordinary Voting Share for the shares to be issued under the Rights Issue (Rights Issue Shares) is fair and reasonable to the Bank and all its existing shareholders as required by the Companies Act, No.7 of 2007 (Companies Act).

The Rights Issue Shares so provisionally allotted through the Rights Issue shall rank *pari passu* in all respects with the existing Ordinary Voting Shares of the Bank including the right to participate in any dividend declared upon the final allotment which shall be after the last date of acceptance and payment and subject to the limits set out in the Banking Act No. 30 of 1988 (as amended) (Banking Act).

An application has been made to the CSE and has been approved in-principle for the issue and the listing of the Rights Issue Shares. The above fund raising via the Rights Issue is to take effect subject to receiving the shareholder approval by means of an Ordinary Resolution at the Extraordinary General Meeting convened for this purpose.

Further, the Board of Directors of NDB, noting an interest expressed by The Norwegian Investment Fund for Developing Countries (Norfund), a leading Development Financial Institution (DFI) to invest in and acquire a shareholding of 9.99% of the Bank, and further, with the intention of attracting the requisite subscriptions for the Rights Issue, has decided to afford an opportunity for Norfund to invest in the Bank. The investment by Norfund will be by way of subscribing for any unsubscribed rights (after allotting fully to the existing shareholders) under the Rights Issue and/or as further resolved by the Board of Directors of NDB and announced on March 5, 2021, through an issuance of Ordinary Voting Shares to Norfund via a private placement (in the event Norfund is unable to secure 9.99% through the unsubscribed shares of the Rights Issue) which would result in an ultimate shareholding of 9.99% of the shares in issue of the Bank being held by Norfund in the manner morefully set out in Section 3 below pursuant to the relevant agreements entered into by and between the Bank and Norfund dated March 5, 2021 (the Private Placement).

\*In the event the eligible employees of the Bank exercise their entitlement under the on-going ESOS 2016 scheme (which was approved by the shareholders of NDB on March 30, 2016) and resulting shares are uploaded to the respective CDS accounts of the eligible employees (i.e. listed) two market days prior to the Extraordinary General Meeting (EGM) to be convened to obtain approval for the said Rights Issue and Private Placement or if the Private Placement is to take place after the Rights Issue, then two market days prior to the date of allotment of the Private Placement, as the case maybe, the number of shares to be issued under the Rights Issue and the Private Placement will be upwardly adjusted accordingly whilst the amount raised will also correspondently increase.

### **3. PROPOSED ARRANGEMENT/PRIVATE PLACEMENT WITH NORFUND**

Pursuant to the intimation by Norfund to invest in a maximum of 9.99% of the Ordinary Voting Shares of the Bank and in terms of the aforesaid Subscription Agreements entered into between the Bank and Norfund, the Board of Directors of NDB has invited Norfund to acquire a stake of 9.99% of the Bank by subscribing to any unsubscribed rights (after allotting fully to the existing shareholders) in the aforesaid Rights Issue at a price of LKR 75/- per Ordinary Voting Share and/or by subscribing to Ordinary Voting Shares by way of the Private Placement at a price of LKR 82.50 per Ordinary Voting Share, so that Norfund will hold a maximum of 9.99% of the shares in issue of the Bank post Rights Issue and/or the Private Placement as the case may be subject to requisite regulatory and shareholder approval, shareholding restrictions in the Banking Act No. 30 of 1988 (as amended) and in terms of the relevant Subscription Agreements entered into between the Bank and Norfund.

Accordingly, in the event Norfund is unable to secure any shares under the Rights Issue, the maximum number of shares to be issued to Norfund via the Private Placement would amount to 37,671,181 Ordinary Voting Shares of the Bank amounting to a maximum investment value of c. LKR 3,107,872,452/- (subject to any adjustments to the number of Ordinary Voting Shares if any shares are issued pursuant to the ESOS 2016 Scheme). The Private Placement will take place only in the event that Norfund does not secure the maximum of 9.99% of the Ordinary Voting Shares of the Bank via the said Rights Issue.

The Board has also resolved that in its opinion, the consideration of LKR 82.50 per Ordinary Voting Share (i.e. being a 10% premium to the Rights Issue price of LKR 75/- per Ordinary Voting Share) for the issuance of Ordinary Voting Shares under the aforementioned Private Placement is fair and reasonable to the Bank and all its existing shareholders as required by the Companies Act.

The Ordinary Voting Shares to be issued to Norfund under the said Private Placement shall rank *pari passu* in all respects with the existing Ordinary Voting Shares of the Bank including (i) one vote on a poll at a meeting of the Bank (ii) an equal share in dividends paid by the Bank (iii) an equal share in the distribution of the surplus assets of the Company on liquidation *on any resolution* (iv) the right to participate in any dividend declared upon the final allotment and subject to the limits set out in the Banking Act No. 30 of 1988 (as amended).

An application has been made to the CSE and has been approved in-principle for the issue and the listing of the shares to be issued through the proposed Private Placement. The above fund raising via the Private Placement is to take effect subject to receiving the shareholder approval by means of a Special Resolution at the aforesaid Extraordinary General Meeting convened for this purpose.

The maximum funding to be raised via both the Rights Issue and the Private Placement amounts to c.\* LKR 11,116,409,127/- subject to adjustments for any shares issued pursuant to the ESOS 2016 scheme. For the purpose of this Circular, the proceeds through the Rights Issue together with the amounts raised via the proposed Private Placement including any amounts raised as a result of any adjustments to the number of Ordinary Voting Shares issued pursuant to the ESOS 2016 scheme are hereinafter referred to as “Fund Raising”. Please refer Section 4 herein for details pertaining to the purpose of Fund Raising.

The maximum number of shares to be issued to Norfund via the Private Placement would not trigger a mandatory offer under the Company Take-overs and Mergers Code 1995 (as amended in 2003).

### **3.1 INTRODUCTION TO THE INVESTOR**

Norfund is the Norwegian Investment Fund for Developing Countries which was established by the Norwegian Act No. 26 of 1997. The fund is owned by the Norwegian Government and fully funded by the Norwegian International Development Assistance budget which is approved by the annual capital allocation by the Norwegian Parliament. This state owned company with limited liability is the Norwegian Government’s most important tool for strengthening the private sector in developing countries and for reducing poverty. The fund is registered under Reg. No. 879 554 802, and headquartered in Fridtjof Nansens plass 4, 0160 Oslo, Norway. Norfund prioritises investments in four investment areas which are Clean Energy, Financial Institutions, Green infrastructure, and Scalable enterprises which are aligned with the UN’s Sustainable Development Goals. By year end 2019, Norfund had committed investments totaling 24,923 Million NOK (2,883.5 Million USD) in 163 projects in number of countries and has defined 29 core strategy countries in Asia, Africa, and Latin America. Softlogic Life Insurance PLC is the only investment in Sri Lanka that is currently being held by the Fund and Norfund is looking for further potential investment opportunities in Sri Lanka.

The Board of Norfund ensures that the fund operates in accordance with the Norfund Act of 1997 and the fund’s statutes.

Norfund's Board of Directors are appointed by the General Assembly which is constituted by the Norwegian Minister of International Development who governs the Norwegian state's ownership in Norfund.

The Directors of Norfund are as follows:

Ms.Olaug Svarva  
 Ms. Brit Rugland  
 Ms.Tove Stuhr Sjøblom  
 Ms.Vibeke Hammer Madsen  
 Mr. Martin Skancke  
 Mr. Finn Jebsen  
 Ms. Marianne Halvorsen  
 Mr. Lasse David Nergaard

#### 4. PURPOSE OF FUND RAISING

##### 4.1 UTILISATION OF PROCEEDS OF FUND RAISING

NDB intends to utilise the proceeds of the aforesaid Fund Raising for the following objectives:

##### **Objective 1: Further Strengthen the Equity Base of the Bank and thereby Improve Capital Adequacy Ratios in line with Basel III Guidelines of the CBSL**

In December 2016, CBSL issued Banking Act Direction No. 1 of 2016 revising the minimum capital requirement for licensed banks with effect from July 1, 2017. Subsequently, on December 20, 2019, Banking Act Direction No. 11 of 2019 was issued by CBSL amending the Directions on capital requirements under BASEL III for Licensed Commercial Banks and Licensed Specialised Banks.

In terms of the Direction No. 11 of 2019, Banks which are determined as Domestic Systemically Important Banks (D-SIBs) will require to maintain an additional Higher Loss Absorbency (HLA) requirement in the form of Common Equity Tier 1.

The revised requirement for banks commencing from January 1, 2020 is as follows:

**Table 1: Capital Adequacy Requirement for Licensed Banks**

Components of Capital	BASEL III- Minimum Regulatory Requirement with effect from January 2020	
	All Licensed Banks	Banks determined as Domestic Systemically Important Banks (D-SIBs)
Common Equity Tier 1 including Capital Conservation Buffer	7.0%	7.0% + HLA
Total Tier 1 including Capital Conservation Buffer	8.5%	8.5%+ HLA
Total Capital Ratio including Capital Conservation Buffer	12.5%	12.5%+ HLA

However, as per the CBSL letter dated March 27, 2020, all Licensed Banks, both Domestic Systemically Important Banks (D-SIBS) and Non D-SIBS are permitted to drawdown their Capital Conservation Buffer by 100 bps and 50 bps respectively as an immediate extraordinary regulatory measure to provide flexibility to Licensed Banks to support businesses and individuals affected by the outbreak of COVID 19. Accordingly, the revised regulatory minimum Capital Adequacy Ratios and Capital Adequacy Position of the Bank prior to and subsequent to the proposed Rights Issue and the proposed Private Placement are as follows:

**Table 2: Capital Adequacy Levels of Bank**

	<b>Revised Regulatory Minimum Requirement (as at March 31,2020)</b>	<b>Capital Adequacy Level of NDB as at December 31, 2020</b>	<b>Capital Adequacy Level Post Rights Issue (i.e. assuming full subscription)</b>	<b>Capital Adequacy Level Post Rights Issue and Private Placement (at the maximum)</b>
Common Equity Tier I Capital with Capital Conservation Buffer	6.5%	9.17%	10.97%	11.66%
Total Tier I Capital with Capital Conservation Buffer	8.0%	9.17%	10.97%	11.66%
Total Capital Ratio with Capital Conservation Buffer	12.0%	14.32%	16.06%	16.73%

The Bank is already in compliance with the minimum capital adequacy requirements stipulated by the CBSL. The proposed capital enhancement through the Rights Issue would facilitate NDB to increase its present Total Capital up to LKR 66.7 Bn from the total capital of LKR 58.7 Bn as at December 31, 2020. Further with the proposed Private Placement the total capital of the Bank would increase up to a maximum of LKR 69.8 Bn. The strengthening of the capital base would facilitate the Bank to maintain healthy capital adequacy levels ahead of the current minimum requirements of 8.00% and 12.00% for Total Tier 1 and Total Capital respectively. This would enable the Bank to leverage its balance sheet and thereby enhance the loan portfolio and profitability of the Bank.

## **Objective 2: Finance the Growth in the Loan Portfolio of the Bank**

The Bank intends to utilise the entire proceeds of the Fund Raising to expand its loan book in the ordinary course of business including continued expanding of its micro /SMES. The loan book of the Bank recorded an 8% growth in Financial Year (FY) 2020. Gross loans and receivables stood at LKR 444 Bn as at December 31, 2020, which is an increase of LKR 34 Bn over December 31, 2019. The monthly average disbursement of funds of the Bank for the quarter ending December 31, 2020 was LKR 8.5 Bn. Accordingly, the proceeds raised via this Fund Raising would be disbursed to meet the planned credit growth of the Bank. The impact of the COVID -19 pandemic to the Bank and its operations which may have an impact on the growth of the loan portfolio has been disclosed in Note 5 of the Explanatory Notes to the Interim Financial Statements for the period ended December 31, 2020.

The Bank expects to meet Objective 1 mentioned above, upon the allotment of the new shares through the Fund Raising. Further, the Bank intends to utilise the proceeds of the Fund Raising gradually to meet Objective 2 and complete the utilisation of the same before the end of FY 2021 based on the anticipated demand for credit. The Assets and Liability Management Committee (ALCO) of the Bank will decide to invest any unutilised proceeds in either one or a combination of Government Securities, deposits in Licensed Commercial Banks and Money Market funds generating a minimum return equivalent to the prevailing overnight REPO rate until such funds are utilised for Objective 2 identified above. The ALCO comprises of thirteen (13) members including the Group Chief Executive Officer, Group Chief Risk Officer, Vice President - Finance, Head of Treasury and Heads of Business Units.

The Bank, as at the date of this Circular, has not recognised related parties for the lending of the proceeds from the Fund Raisings and as such, the Bank will disburse the proceeds in the ordinary course of business. In the event the Bank decides to disburse part of the proceeds of the Fund Raising to any related party, such disbursements would be carried out in compliance with the Banking Act, its Directions and Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE), as applicable.

The Objectives of the Fund Raising does not amount to a major transaction as per the Companies Act.

Audit opinion on latest financial statements and details about Related Party Transactions Review Committee are available under “Annual Reports – 2019” on the web link of NDB <http://www.ndbbank.com/investor-relations/reports> and the web link of the CSE, <https://www.cse.lk/home/company-info/NDB.N0000/financial>.

## **4.2 BENEFITS OF THE FUND RAISING**

It is expected that the improvement in capital adequacy levels via the Fund Raising would enhance the stability of business operations of the Bank thereby enabling NDB to expand its loan portfolio. The proposed Fund Raising would extend an opportunity for the shareholders to be

part of the growth of the Bank and benefit from returns in the future through improvement in expected profitability.

Further, investment by Norfund, if materialised will allow the Bank to broad base the ownership of the Bank and benefit from technical expertise and know-how pertaining to sound management of financial institutions by such DFI. Norfund is also entitled to appoint one nominee to the Board of the Bank so long as Norfund holds a minimum 7.5% of the shares in issue of NDB in accordance with the Subscription Agreements executed between the Bank and Norfund, subject to the necessary approvals on fitness and propriety of the nominee being in place. With the advice and direction from such an investor in NDB's operations, the overall image of the Bank could be enhanced through better corporate governance, risk management, asset growth and liability management which would in turn improve shareholders' wealth.

#### **4.3 SPECIFIC RISKS RELATING TO THE OBJECTIVES OF THE FUND RAISING**

The proposed maximum amount to be raised through the Rights Issue and/or the Private Placement as the case maybe is to ensure that the required amount is available to meet the Capital Adequacy Ratios mentioned in Table 2 in Section 4.1 and to fulfil Objective 1.

Certain key shareholders of NDB have indicated their in-principle interest to subscribe for the Rights Issue. However, in the event the Rights Issue is not fully subscribed after having allotted the shares including additional shares in full which the shareholders have applied for, the Bank has agreed to allot any unsubscribed shares under the Rights Issue via the arrangement as morefully described in Section 3 of this Circular to Norfund. If there are any further unsubscribed shares available subsequent to allotting shares to Norfund, the Board reserves the right to allot such shares to any other person/s who have intimated their intention to apply for unsubscribed rights shares under the Rights Issue or would resort to alternate options of raising capital with the participation of external investors via equity placements including private placements (as appropriate) and BASEL III Compliant Debt Instruments subject to obtaining relevant regulatory and shareholder approvals. Further, in the event the Bank contemplates on any of the aforesaid alternate options of raising capital, the Bank will make necessary market disclosures to the shareholders in accordance with the CSE Listing Rules as appropriate.

Given the nature of the business and considering the current demand for credit, the Bank does not foresee any deviations from its objectives or delays in deploying the proceeds raised via the Fund Raising towards Objective 2 as mentioned above during the time frames stipulated. However, if the proceeds raised via the Fund Raising is utilised for any purpose, other than the purposes mentioned above or any deviation from the stipulated time frame to achieve such objectives or any deviation from amount allocated for the such objectives, the Bank will make necessary disclosures to the shareholders via the CSE and include relevant disclosures in the Interim Financial Statements and Annual Report as appropriate. Further, the Bank will take necessary steps to obtain the approvals of the relevant parties including the shareholders as appropriate at that point in time and make necessary disclosures as appropriate.

The Bank will disclose the information pertaining to the utilisation of Fund Raising in the Annual Report and Interim Financial Statements from the date of raising funds until the objectives are achieved and funds are fully utilised as per the template referred to below.

Fund Raising proceeds utilisations as at dd-mm-yyyy

Objective Number	Objective as per Circular	Amount Allocated as per Circular (LKR Mn)	Proposed Date of Utilisation as per Circular	Amount Allocated from Proceeds (LKR Mn) (A)	% of Total Proceeds	Amounts Utilised (LKR Mn) (B)	% of Utilisation against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested (e.g. whether lent to related parties etc.)
01.	Further strengthen the equity base of the Bank and thereby improve the Capital Adequacy Ratios of the Bank		Upon the allotment of shares through the Fund Raising					
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">                     To be disclosed in Annual Reports and Interim Financial Statements                 </div>								
02.	Finance the growth in the loan portfolio of the Bank		before the end of FY 2021					

In the event the proceeds raised through the Fund Raising have been fully utilised by the Bank as disclosed in the Circular to shareholders between two financial periods, the Bank would disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first subsequent to the utilisation in its entirety as per the above template.

## 5. UNDERWRITING ARRANGEMENT

The Bank has not formally underwritten the Rights issue. However, the Bank has entered into an arrangement with Norfund for the subscription up to a maximum of c.31.8% of the funds to be raised through the Rights Issue (i.e. up to LKR 2,543,087,267/-) in the event of an under subscription

of the Rights Issue subject to Norfund holding not more than 9.99% Ordinary Voting Shares of the Bank as morefully described in Section 3 of this Circular.

## 6. CAPITAL STRUCTURE

The Stated Capital of the Bank post Fund Raising is as follows based on the assumption that the Rights Issue will be fully subscribed by the shareholders of the Bank and the Private Placement will be fully taken up by Norfund.

	Pre Rights Issue	Via Rights Issue*	Post Rights Issue	Via Private Placement (assuming issuance of maximum shares)*	Post-Rights Issue and Private Placement (assuming issuance of maximum shares under the Private Placement)
<b>Number of Ordinary Voting Shares</b>	232,637,231	106,780,489	339,417,720	37,671,181	377,088,901
<b>Value (LKR)</b>	8,794,333,011.44	8,008,536,675.00	16,802,869,686.44	3,107,872,452	19,910,742,138.44

\*excludes any adjustments in the number of shares to be made on account of share issuances under the ESOS 2016 scheme detailed in Section 2 above.

## 7. MARKET PERFORMANCE

The market price of the shares of the Bank as at March 10, 2021 (i.e. the latest practicable date prior to dispatching of the Circular to Shareholders) is LKR 82.30.

The high, low, last traded prices, number of trades and share volume of the Ordinary Voting Shares of the Bank during the preceding three (03) month period are as follows;

Month	High (LKR)	Low (LKR)	Last Traded (LKR)	Number of Trades	Share Volume
<b>December (2020)</b>	84.40	74.40	78.10	3,902	12,736,155
<b>January (2021)</b>	105.75	77.00	97.40	6,868	9,371,521
<b>February (2021)</b>	100.00	81.00	82.90	3,176	5,887,650

Source: Colombo Stock Exchange – Monthly Details

## 8. CONTINGENT LIABILITIES

There are no material changes to the contingent liabilities from the position disclosed in the Interim Financial Statements for the 12 months ended December 31, 2020.

## 9. APPLICATION FOR RIGHTS

Upon the shareholders approving the requisite resolution giving effect to the Rights Issue set out in the attached “Notice of Meeting”, up to 106,780,489 Ordinary Voting Shares (subject to any adjustments to be made on account of issuance of shares under the ESOS 2016 Scheme as stated in Section 2 of this Circular) will be provisionally allotted to the shareholders in the proportion of Twenty Eight (28) New Ordinary Voting Shares for every Sixty One (61) Ordinary Voting Shares held by such shareholders as at end of trading on April 9, 2021.

Provisional Letters of Allotment will be dispatched to shareholders within five (5) market days from and excluding the date of the Extraordinary General Meeting i.e. on or before April 20, 2021. Applications for additional Ordinary Voting Shares will also be permitted.

Trading of the “Rights” shall commence on the fourth (4th) market day from and excluding the date of dispatch of Provisional Letter of Allotment. Such trading shall continue throughout the period of renunciation to the CDS. Shareholders (both CDS and Ledger) who wish to subscribe for or trade their respective rights entitlement are advised to visit the website of NDB <https://www.ndbbank.com/> or the CSE <https://www.cse.lk/> and follow the procedure, instructions and guidelines prior to applying for their respective rights entitlement, additional shares or to trade their entitlement under the Rights Issue.

Ordinary Voting Shares that are not subscribed as at the last date for acceptance, new Ordinary Voting Shares for which payment under the Rights Issue has not been duly and validly received by the Bank and such shares representing fractional entitlements would be treated as declined shares and pooled together and will be allotted at the Rights Issue price of LKR 75/- per share to the shareholders who apply for additional Ordinary Voting Shares, as may be decided at the discretion of the Board of Directors of the Bank on a reasonable basis however subject to shareholding restrictions in the Banking Act .

Fractional entitlements referred to herein shall mean the fractions arising after applying the following formula;

Number of shares held by a shareholder as at end of trading on the EGM date x 28

Further, in the event of an under subscription of the Rights Issue, the Board may at its discretion allot any unsubscribed shares remaining after allotting to the shareholders who have applied for

additional rights in full satisfaction of their request, however subject to shareholding restrictions in the Banking Act No. 30 of 1988 (as amended), initially to Norfund up to the satisfaction of a maximum of 9.99% shareholding as morefully mentioned in Section 3 and thereafter if available, to any other person or persons including legal entities who intimate their intention to apply for unsubscribed shares under the Rights Issue.

## **10. UPLOADING OF SHARES**

***Please note that share certificates will not be issued in respect of Ordinary Voting Shares allotted on this Issue.***

As per the Directive of the Securities and Exchange Commission of Sri Lanka (SEC) made under Circular No.08/2010 dated November 22, 2010 and Circular No.13/2010 issued by the CDS dated November 30, 2010, share certificates shall not be issued and all Ordinary Voting Shares allotted shall be directly uploaded to the CDS Accounts within twelve (12) market days from the last date of acceptance and payment as per the Listing Rules of the CSE. As such shares allotted to shareholders upon subscription and payment for rights will be directly uploaded to the respective CDS accounts of shareholders. Similarly, any Ordinary Voting Shares allotted to Norfund upon due payment under the Rights Issue and/or the proposed Private Placement shall be directly uploaded to the CDS Account/s maintained by Norfund with the Central Depository Systems (Private) Limited within the stipulated period as per the Listing Rules of the CSE.

Ordinary Voting Shares subscribed by the shareholders under the Rights Issue via Form A which do not carry a valid CDS Account Number or which indicate an incorrect/inaccurate CDS Account Number will not be uploaded on the date specified for upload by the Listing Rules of CSE and such shares will only be registered in the share ledger maintained by the Bank and will not be issued a share certificate but would be issued a notification that the new Ordinary Voting Shares are registered in the share ledger.

Such shareholders would not be able to trade in the new Ordinary Voting Shares until such time they inform the Company Secretary of the Bank in writing regarding their respective CDS Account Number/s and the new Ordinary Voting Shares are deposited in their respective CDS Account/s. Therefore, please ensure strict adherence to the above Directive issued by the SEC.

Shareholders who wish to apply for additional shares under the Rights Issue, subject to the availability of same have the option of having their Ordinary Voting Shares “Locked” or deposited to the “trading balance” in their respective CDS accounts and should indicate such preference in the section provided in the Form C- Form of Application for Additional Shares. Ordinary Voting Shares that are locked would not be available for trading purposes and would not be visible to the participants. However, at the option and request of the Account Holder, the CDS would transfer a named quantity of Ordinary Voting Shares from the locked balance to the trading balance of the CDS Account and/or from the trading balance to the locked balance of the CDS Account.

The Bank will submit the Declaration/s to the CSE as per Section 5.2 (I) of the CSE Listing Rules to facilitate the listing of shares issued through the Rights Issue and Private Placement as the case may be on the CSE.

## 11. DECLARATIONS/APPROVALS IN RESPECT OF PROPOSED FUND RAISING

Approval in principle has been obtained from the CSE for the issue and the listing of Rights Issue Shares and the Private Placement subject to the approval of shareholders of NDB and the requisite approvals of the Board of NDB pertaining to the allotments under the Rights Issue and Private Placement. The Bank further confirms that no other approval is required for the proposed Rights Issue and the envisaged Private Placement other than the approvals stated herein.

The Bank will keep the market duly updated on any price sensitive or any significant information.

The listing of the new Ordinary Voting Shares under the Fund Raising by the Colombo Stock Exchange will in no way be reflective of the merits of the issue. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports included.

The Directors of the Bank collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief that there are no other facts, the omission of which would render any statement in this Circular misleading.

## 12. SHAREHOLDER INFORMATION

Top 20 largest shareholders of National Development Bank PLC as at December 31, 2020.

	Name	Number of Shares	%
1	Employee's Provident Fund	23,263,721	10.00
2	Bank of Ceylon No. 1 Account	19,454,400	8.36
3	Sri Lanka Insurance Corporation Ltd-General Fund	14,875,617	6.39
4	Sri Lanka Insurance Corporation Ltd-Life Fund	12,367,328	5.32
5	Dr.S.Yaddehige	10,160,638	4.37
6	Softlogic Life Insurance PLC Account Number 03/Life Shareholders Fund	9,702,577	4.17
7	Employees Trust Fund Board	9,054,503	3.89
8	Perpetual Treasuries Limited	8,736,886	3.76
9	Richard Pieris and Co Ltd - Account No. 01	8,606,626	3.70
10	Hatton National Bank PLC A/C No 1	6,784,942	2.92
11	Phoenix Ventures Private Limited	6,769,999	2.91
12	Rush Japan Corporation	6,724,630	2.89
13	SBI Ven Holdings Pte Ltd	5,941,696	2.55
14	Mr.A.K.Pathirage	3,529,367	1.52
15	Asiri Surgical Hospital PLC	3,470,389	1.49
16	Akbar Brothers Pvt Ltd A/C No 1	3,453,692	1.48
17	DFCC Bank PLC A/C 1	3,168,904	1.36
18	Mr.M.J.Fernando	2,932,800	1.26
19	Seylan Bank PLC/Arrc Capital (Pvt) Ltd	2,705,000	1.16
20	Perpetual Equities (Private) Limited	2,532,828	1.09
	<b>OTHERS</b>	<b>68,400,688</b>	<b>29.40</b>
	<b>TOTAL</b>	<b>232,637,231</b>	<b>100.00</b>

Public float of the Bank as at December 31, 2020 is 81.12%.

The public shareholding of the Bank subsequent to the proposed maximum allotment of shares to Norfund under the Private Placement will be 78.36% % (i.e. assuming that there is no change in the shareholding of the shareholders identified in the public holding definition of the Listing Rules of the CSE and that such shareholders have not subscribed to their rights under the Rights Issue. This is also on the basis that a nominee of Norfund has been appointed as a director of NDB).

### 13. DIVIDEND HISTORY

The dividends paid by the Bank during the past three (03) years are as follows.

<b>Dividend Paid (Gross)</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>
Total Dividends (in LKR)	1,682,537,000	1,200,400,000	1,664,455,000
Total Dividends Pay Out Ratio	30.37%	30.32%	35.47%
Total Dividends Per Share (LKR)	7.00	8.00	9.00
Cash (LKR)	2.00	1.50	4.00
Scrip (LKR)	5.00	6.50	5.00

The Board of Directors have approved and declared an interim cash dividend of LKR 1.50 per share for the year ended December 31, 2020.

### 14. DIRECTORS' RECOMMENDATION

The Board of Directors of the Bank recommends the Fund Raising in the manner referred to aforesaid, subject to shareholder approval at an Extraordinary General Meeting convened for April 9, 2021.

### 15. EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting of the Bank (EGM) is being convened in accordance with the Notice of Meeting attached hereto, for the purpose of passing the requisite resolutions set out therein.

In the current circumstances due to the Covid-19 pandemic and directives issued by the Health Authorities, the Board of Directors of the Bank has decided to convene the EGM as a 'virtual meeting', in the best interest of protecting its shareholders and the society against the spread of Covid-19.

The Bank will be taking steps to connect shareholders to the EGM via audio or audio and visual means through Microsoft Teams meeting platform or similar methods. Please refer the Notes to the Notice of Meeting detailing “Guidelines and Special Instructions to Shareholders” for detailed information.

Yours faithfully,

By Order of the Board

**NATIONAL DEVELOPMENT BANK PLC**

A handwritten signature in blue ink, consisting of stylized initials and a long horizontal stroke extending to the right.

Company Secretary

March 10, 2021

## NATIONAL DEVELOPMENT BANK PLC

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#### NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EGM) of National Development Bank PLC will be held by way of a virtual meeting on April 9, 2021 (from the Board Room of the Bank, 14<sup>th</sup> Floor, DHPL Building, No. 42, Nawam Mawatha, Colombo 02) at 3.00 p.m. for the following purpose:

#### **Rights Issue of Ordinary Voting Shares**

***To consider and if thought fit, pass the following resolution No. 1 by way of an Ordinary Resolution.***

#### ***Resolution No.1***

“THAT up to 106,780,489 Ordinary Voting Shares be issued by National Development Bank PLC (NDB) by way of a Rights Issue of shares, which number will be upwardly adjusted to accommodate any share issuances listed upto two market days prior to the date of the EGM to eligible employees of NDB under the on-going ESOS 2016 scheme (which was approved by the shareholders of NDB on March 30, 2016), to the shareholders as at the end of trading on April 9, 2021 (date of the EGM), in the proportion of Twenty Eight (28) New Ordinary Voting Shares for every Sixty One (61) Ordinary Voting Shares held at the issue price of LKR 75/- per share which consideration is in the opinion of the Board fair and reasonable to the Bank and to all its existing shareholders and that such Ordinary Voting Shares shall upon due subscription and final allotment and provided due payment has been received therefor rank equal and *pari passu* in all respects with the existing issued and fully paid Ordinary Voting Shares including the right to participate in any dividend declared upon the final allotment which shall be after the last date of acceptance and payment and shall thereupon for all purposes constitute an increase in the stated capital of the Bank and no duly registered shareholder of the Bank shall be entitled to a fraction of any share in the Bank.

THAT the new Ordinary Voting Shares that are not subscribed as at the last date for acceptance thereof as well as such new Ordinary Voting Shares for which payment under the Rights Issue has not been duly and validly received by the Bank and such shares representing fractional entitlements subsequent to applying the formula disclosed in Section 9 of the Circular to Shareholders dated March 10, 2021 (Circular), be deemed to constitute declined Ordinary Voting Shares and that all such declined shares be aggregated and be allotted at the price of LKR 75/- per share to the shareholders who apply for additional Ordinary Voting Shares, to be decided by the Directors of the Bank on a reasonable basis (depending on the availability of Ordinary Voting Shares), however subject to shareholding restrictions placed in the Banking Act No. 30 of 1988 (as amended) failing which initially to Norfund (The Norwegian Investment Fund for Developing Countries established by Norwegian Act No. 26 of 1997) of Norway up to the satisfaction of a maximum of 9.99% shareholding as morefully mentioned in Section 3 of the Circular and thereafter if available, to any other person or persons including legal entities who intimate their intention to apply for unsubscribed shares under the Rights Issue subject to the shareholding restriction mentioned above”.

## **Private Placement of Ordinary Voting Shares**

***To consider and if thought fit, pass the following resolution No 2 by way of a Special Resolution***

### **Resolution No. 2**

“ THAT in the event the Norfund has failed to secure up to 9.99% shareholding of NDB, post the Rights Issue announced on October 20, 2020, that up to 37,671,181 Ordinary Voting Shares be issued by NDB to Norfund by way of a Private Placement without offering such new shares pro-rata to the existing shareholders of NDB so as to maintain their relative voting and distribution right, at an issue price of LKR 82.50 per share amounting to a maximum investment value of c. LKR 3,107,872,452/- (which number will be upwardly adjusted to accommodate any share issuances listed upto two market days prior to the date of the EGM to eligible employees of NDB under the on-going ESOS 2016 scheme which was approved by the shareholders of NDB on March 30, 2016 if the Private Placement is made at the same time of the Rights Issue and if not up to two market days prior to the date of allotment of the Private Placement) noting that the consideration per share is in the opinion of the Board of NDB fair and reasonable to NDB and to all its existing shareholders and that such Ordinary Voting Shares shall upon issue and provided due payment has been received therefor rank equal and *pari passu* in all respects with the existing issued and fully paid Ordinary Voting Shares including the right to participate in any dividend declared and shall thereupon for all purposes constitute an increase in the stated capital of the Bank”.

***To consider and if thought fit, pass the following resolution No 3 by way of an Ordinary Resolution***

In consideration of the terms and conditions of the Subscription Agreements entered into by and between NDB and Norfund –

### **Resolution No. 3**

“THAT subject to the required approvals pertaining to the fitness and propriety being complied with, Ms. Fay Piyachatr Chetnakarnkul being the nominee of Norfund (a profile of whom is attached hereto as Annex 1) be and is appointed as a director of NDB pursuant to the right reserved for Norfund to appoint one nominee to the Board so long as Norfund holds a minimum 7.5% of the shares in issue of NDB and in accordance with the further terms of the agreements in place between NDB and Norfund”.

By Order of the Board

**NATIONAL DEVELOPMENT BANK PLC**



Company Secretary  
March 10, 2021

**Note:**

1. A shareholder entitled to participate and vote at the meeting via audio or audio and visual means is entitled to appoint a Proxy holder to participate and vote in his/her/its stead.
2. A Proxy holder need not be a shareholder of the Bank.
3. The Form of Proxy is sent herewith. The completed Form of Proxy must reach the Company Secretary at the Head Office of the Bank, at No. 40, Navam Mawatha, Colombo 2 or can be sent via email to [companysecretary@ndbbank.com](mailto:companysecretary@ndbbank.com) or through facsimile number 011-2341050 not later than 24 hours prior to the time appointed for the holding of the meeting in accordance with Article 29 of the Articles of Association of the Bank.
4. Voting shall be by a vote cast by electronic means whereby each shareholder's response can be identified (as done by a show of hands), where the meeting is facilitated by electronic means (every member/proxy-holder or authorized representative of a member who is participating via audio or audio and visual means shall have one (01) vote). A declaration by the Chairman of the meeting that a resolution is carried by the requisite majority or lost is conclusive evidence of that fact. At a meeting of shareholders, a poll may be demanded on a particular question as provided for in the Companies Act No 7 of 2007. If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder participating and voting. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.
5. All Shareholders participating in the virtual meeting are requested to forward the duly completed Form 1 (attached hereto) via post to the Company Secretary at the registered office of the Bank or email to the Company Secretary ([companysecretary@ndbbank.com](mailto:companysecretary@ndbbank.com)) or to facsimile number – 011 2341050 no later than 12 noon on March 30, 2021 to enable the Bank to share login information for the meeting.
6. All shareholders participating in the virtual meeting should carefully read the guidelines and special instructions to Shareholders provided herewith to understand the modality of participation.

**Guidelines and Special Instructions to Shareholders:**

1. The virtual meeting is held in accordance with the Articles of Association of the Bank, the prevailing laws and the guidelines issued by the Colombo Stock Exchange.
2. Only the Board of Directors, Company Secretary and the representatives of the Auditors of the Bank along with relevant persons representing The Leadership Team and others essential for the administration of formalities of the meeting will assemble at the place specified as the venue of the meeting. All others, including Shareholders, will participate via MsTeams following the steps below;

- a) All shareholders wishing to participate at the virtual meeting must forward the duly completed Form 1 (attached hereto) via post to the Company Secretary at the registered office of the Bank or email to the Company Secretary (companysecretary@ndbbank.com) or to facsimile number – 011 2341050 no later than 12 noon on March 30, 2021 to enable the Bank to make the required arrangements.
  - b) the Bank will get in touch with you within 24 hours of the meeting, providing to you the details to \*login to the meeting on the said date.
  - c) All participating shareholders will have to pre-register themselves online prior to the commencement of the meeting and will be authenticated to participate. As such all shareholders must strictly ensure that the details provided in the Form 1 shared with the Company Secretary and the online pre-registration must be the same.
3. All shareholders will be given an opportunity to speak at the meeting as directed by the Chairman. All Shareholders speaking at the meeting are requested to state their name (as registered in Form 1 and the online pre-registration) for the purpose of identification. It is of utmost importance that shareholders wait till they are given an opportunity to speak and once having got an opportunity to speak, wait until all other shareholders have had an opportunity to speak on a given matter before asking a second question or making a comment.
  4. Shareholders are also given the opportunity to forward their queries via post to the Company Secretary at the registered office of the Bank or email to the Company Secretary (companysecretary@ndbbank.com) or to facsimile number – 011 2341050 no later than 12 noon on March 30, 2021 and your concerns will be addressed as deemed appropriate by the Chairman.
  5. Voting on the items on the Agenda by a show of hands will be registered by using an online eballot platform, the details of which will be shared with shareholders prior to the commencement of the meeting.
  6. Shareholders are encouraged to opt to duly completing the Form of Proxy clearly setting out their preference of vote under each item of the Agenda set out in the Form of Proxy and to appoint one of the Directors of the Bank to act on their behalf in order that in the event a shareholder cannot participate at the meeting, such shareholder's vote may be identified and recorded as if such shareholder were present at the meeting.

The duly completed Form of Proxy must reach the Company Secretary (in accordance with the instructions specified therein), not less than twenty four (24) hours before the time appointed for the holding of the Meeting so that your proxy could represent you at the EGM and exercise your vote in accordance with your directions.

**As this meeting will be a 'virtual meeting' and for the Bank's administrative convenience, the Bank would very much appreciate and requests all shareholders to send in their Proxy Forms along with their Registration Form (Form 1) to reach the Bank on or before than 12 noon on March 30, 2021 as this would enable the Bank to efficiently make all arrangements for the virtual meeting.**

7. The Bank intends to proceed to hold the virtual meeting as planned despite the present pandemic. As such in the event any further communications are to be made to the Shareholders of the Bank, the same will be made via the Colombo Stock Exchange website ([www.cse.lk](http://www.cse.lk)) and/or the Bank website (<https://www.ndbbank.com>).

8. For further queries on the arrangements made by the Bank you may contact one of the following persons who will be happy to assist you.

Name	Contact No.
Shehani Benjamin	0112 448448 Ex : 35010
Teloma Liyanage	0112 448448 Ex : 35012
Hansani Nawagamuwage	0112 448448 Ex: 35011

9. A dedicated contact number will be provided to all shareholders participating at the virtual meeting to address any technical difficulties faced in accessing / participating at the meeting.

\*Login details are authorized only for the use by individual shareholders / Proxyholder and authorized representatives in the case of corporate / institutional shareholders. The Bank will not be responsible or liable for the misuse of login details and access granted to the meeting.

## FAY PIYACHATR CHETNAKARNKUL

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### Professional Experience

<b>Investment Director, Head of Asia Region (Bangkok, Thailand)</b>	<b>2011 - now</b>
Investment Manager (Oslo, Norway)	2006 - 2011
Senior Investment Associate (Oslo, Norway)	2005 - 2006

NORFUND (Norwegian Investment Fund for Developing Countries – fund manager investing in profitable businesses in emerging markets in financial institutions, funds, and renewable energy. Norfund is wholly-owned and funded by the Norwegian Government)

- Founded and managed Norfund Asia Office (including regulatory process, recruitment, office setup, etc.) USD ~1 billion in total investments in financial services and clean energy.
- Created value for portfolio companies through active shareholding and active board.
- Led, organized and executed exits with strong IRR

<b>Banking Analyst</b>	<b>Jul 2001 – Dec 2004</b>
<b>IFC / World Bank Group, Washington D.C., USA</b>	
Analyzed, screened, and performed due diligence for both equity and debt financing in financial institutions of up to USD 600 million in Eastern Europe, Asia, and Latin America.	

<b>Research Consultant</b>	<b>Jul 2000 – June 2001</b>
<b>World Bank Group, Washington D.C., USA</b>	

### Education

Massachusetts Institute of Technology (MIT) Fintech Certification Course	March 2017
Director Certification Program (DCP 184, Board Training) Institute of Directors of Thailand (Bangkok)	March 2014
Master of Arts – Quantitative Methods and Economic Theory; Southeast Asia Studies School of Advanced International Studies (SAIS), Johns Hopkins University (Washington D.C.) Graduated with Distinction Freeman Fellow with 2 year tuition and stipends	May 2000
Bachelor of Economics (International Program) Thammasat University (Bangkok) Graduated with first-class honor Recipient of Outstanding Student Scholarships (full 3 year tuition)	May 1998

# FORM 1

TO BE COMPLETED BY SHAREHOLDERS TO CONNECT VIA DIGITAL MEANS

**NATIONAL DEVELOPMENT BANK PLC  
EXTRAORDINARY GENERAL MEETING – 09 APRIL, 2021**

BY EMAIL / BY FAX / BY HAND / BY POST

To the Company Secretary  
National Development Bank PLC  
No. 40 Nawam Mawatha, Colombo 2  
companysecretary@ndbbank.com

Full Name of Shareholder (In the event of a Joint holder please indicate full name and details of <u>primary holder</u> ).	
National Identity Card No (NIC) / Passport No. / Company Registration No.	
Telephone number	Mobile
	Landline
Email address	
IF A PROXY IS APPOINTED*:	
Full Name of Proxy holder	
National Identity Card No (NIC) / Passport No. of Proxy holder	
Telephone number	Mobile
	Landline
Email address	
<b>*Please ensure that the Proxy Form is attached.</b>	

I/we confirm that the undersigned or as duly represented by my / our proxy will connect to the EGM of National Development Bank PLC via digital means as provided by the Bank. In the event a proxy is appointed, I/we hereby acknowledge my / our vote for the resolutions detailed in the Notice of Meeting shall be in accordance with the preference indicated in the Form of Proxy.

.....  
Shareholder / Shareholders signature/s

1. In case of a corporate shareholder, this form must be executed under its Common Seal (if applicable) or in such other manner prescribed by the Articles of Association or other constitutional documents.
2. If this form is signed by an Attorney, the Power of Attorney or a notarially certified copy thereof duly registered in the books of NDB should be attached.
3. This form must be returned to the Company Secretary on or before 30 March, 2021.
4. This form could be sent to the Company Secretary preferable by Email ([companysecretary@ndbbank.com](mailto:companysecretary@ndbbank.com)) or through facsimile number 0112 341050 or to the Company Secretary by hand / by post to the registered office of the Bank.
5. Please contact 0112 448448 for any queries (Shehani Benjamin Ex 35010 or Teloma Liyanage Ex: 35012 or Hansani Nawagamuwage Ex:35011) .

**NATIONAL DEVELOPMENT BANK PLC**

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**FORM OF PROXY**

I/We ..... of  
..... being a  
Shareholder/Shareholders of the above-named Bank, hereby appoint .....  
.....holder of NIC No ..... of  
.....

or failing him/her

- Eshana de Silva (Chairman of the Bank) of Colombo or failing him,
- Sriyan Cooray of Colombo or failing him,
- Bernard Sinniah of Colombo or failing him,
- Dr. Dinusha Panditaratne of Colombo or failing her,
- Sujeewa Mudalige of Colombo or failing him,
- Hiransa Kaluthanthri of Colombo or failing her,
- Hiran Perera of Colombo or failing him,
- Kushan D’Alwis P.C of Colombo or failing him,
- Dimantha Seneviratne (GCEO/Director) of Colombo

as my/our Proxy to represent me/us and to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Bank to be held by way of a virtual meeting on, 09 April, 2021 and at any adjournment thereof and at every poll which may be taken in consequence thereof. I/We the undersigned hereby authorise my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

	<b>For</b>	<b>Against</b>
To pass <b>Resolution 1</b> set out in the Notice convening the meeting as an <b>ordinary resolution</b>	<input type="checkbox"/>	<input type="checkbox"/>
To pass <b>Resolution 2</b> set out in the Notice convening the meeting as a <b>special resolution</b>	<input type="checkbox"/>	<input type="checkbox"/>
To pass <b>Resolution 3</b> set out in the Notice convening the meeting as an <b>ordinary resolution</b>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of..... 2021

.....  
Signature(s) of Shareholder(s)

## Instructions for Completion of Form of Proxy

- In order to appoint a Proxy holder, kindly complete the Form of Proxy. The full name and the registered address of the member appointing the Proxy should be legibly entered in the Form of Proxy and should be signed and dated by the member. The duly completed Form of Proxy must reach the Company Secretary at the Head Office of the Bank, at No. 40, Nawam Mawatha, Colombo 2 or can be sent via email to [companysecretary@ndbbank.com](mailto:companysecretary@ndbbank.com) or through facsimile number 011-2341050 not less than twenty four (24) hours before the time appointed for the meeting.
- As this meeting will be a 'virtual meeting' and for the Bank's administrative convenience the Bank would very much appreciate and requests all Shareholders to send in their Proxy Forms along with their Registration Form (Form 1) to reach the Bank no later than 12 noon on 30 March 2021 as this would enable the Bank to efficiently make all arrangements for the virtual meeting.
- Shareholders/proxy-holders who are unable to connect to the virtual EGM are strongly encouraged to appoint one of the Directors of the Bank to act on their behalf in order that each shareholder's votes may be identified and recorded as if such shareholder were participating at the meeting.
- Shareholders should duly complete the Form of Proxy clearly setting out their preference of vote in the Form of Proxy. Please indicate an "X" in the cage provided on how your proxy should vote on each resolution. If no indication is given, or if there is, in the view of the proxy holder, any doubt (by reason of the manner in which the instructions contained in the proxy have been completed) as to the way in which the proxy holder should vote, the proxy holder in his/her discretion may vote as he/she thinks fit.
- If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney or a notarially certified copy thereof, should also accompany the completed Form of Proxy if the Power of Attorney has not already been registered with the Bank.
- If you wish to appoint a person other than the Chairman or a Director of the Bank as your Proxy, please insert the relevant information in the Form of Proxy and forward same to the Company Secretary together with Form 1 as detailed above so that the Login information can be shared with your Proxy holder to connect to the EGM.
- The Proxy holder appointed need not be a shareholder of the Bank.
- In case of a corporate member, the Form of Proxy must be executed under its Common Seal (if applicable) or in such other manner prescribed by the Articles of Association or other constitutional documents.
- The first joint holder shall have the power to sign the Form of Proxy without the concurrence of the other joint holder/s.