



Prospectus



Debenture Issue 2016



Prospectus

Nations Trust Bank PLC

An initial issue of Thirty Million (30,000,000) rated unsecured subordinated redeemable debentures at the par value of Lkr 100/- each to raise Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-) with an option to issue up to a further Twenty Million (20,000,000) of said debentures to raise up to Sri Lankan Rupees Two Billion (LKR 2,000,000,000/-), at the discretion of the bank in the event of an oversubscription of the initial issue maximum issue will not exceed Fifty Million (50,000,000) of said debentures of a value of Sri Lankan Rupees Five Billion (LKR 5,000,000,000/-)

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

Rated "A-(lka)" by Fitch Ratings Lanka Limited

ISSUE OPENS ON 1ST NOVEMBER 2016

Managers to the Issue:



Joint Placement Agents:



The Colombo Stock Exchange ("CSE") has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Debentures which is decided solely by the Issuer.

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Bank since the date of this Prospectus.

If you are in any doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult the Managers to the Issue, Investment Advisor, Stock Broker, Bank Manager, Lawyer or any other Professional Advisor.

Prospectus

This Prospectus is dated 20th October 2016

Responsibility for the Content of the Prospectus

This Prospectus has been prepared with available information.

The Board of Directors of Nations Trust Bank PLC have seen and approved this Prospectus collectively and individually, accept full responsibility for the accuracy for the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of the Bank have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Bank and making assumptions that are considered to be reasonable at the present point in time in their best judgment.

The Bank accepts responsibility for the information contained in this Prospectus. While the Bank has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the investors based on the information contained herein. In making such investment decisions, prospective investors are advised to read the Prospectus and rely on their own examination and assessment of the Bank and the terms of the Debentures issued including the risks associated.

Registration of the Prospectus

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of section 40 of the Companies Act No. 7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to section 40(1) of the Companies Act.

- a) The written consent of the External Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as External Auditors and Reporting Accountants to the Issue and to the Bank.
- b) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- c) Written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- d) The written consent of the Managers to the Issue for the inclusion of their name in the Prospectus as Managers to the Issue.
- e) The written consent of the Registrars to the Issue for the inclusion of the name in the Prospectus as Registrars to the Issue.
- f) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- g) The written consent of the joint Placement Agents to the Issue for the inclusion of the name in the Prospectus as placement Agents to the Issue.
- h) The declaration made and subscribed to, by each of the Directors of the Bank herein named as Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said External Auditors and Reporting Accountants to the Issue and the Bank, Trustee to the Issue, Bankers to the Issue, Managers to the Issue, Registrars to the Issue, Lawyers to the Issue and Joint Placement Agents to the Issue have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka withdrawn such Consent.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside Sri Lanka. Non resident investors may be affected by laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and laws of Sri Lanka, when making the investment.

For further inquiries please contact the Managers to the Issue

Waldock Mackenzie Limited
242, Union Place,
Colombo 02
Telephone : 011-4724866/4719656
Fax : 011-4791723

Representation

The Debentures are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, sales person, individual or any other outside party has been authorized to give any information or to make any representation in this connection with the Issue other than the information and representations contained in this Prospectus and if given or made such information or representations must not be relied upon as having been authorized by the Bank.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, refer Section 5.13 "Risks factors associated with Debentures" of this Prospectus.

Forward Looking Statements

Any Statements included in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements." These can be identified by the use of forward looking terms such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Bank are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Bank operates and its ability to respond to them, the Bank's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Bank.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future.

Given the risk and uncertainties that may cause the Bank's actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking statements in this Prospectus, investors are advised not to place sole reliance on such statements.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Bank and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to "LKR", "Rupees" or "Rs." is the lawful currency of Sri Lanka.

Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

As per the Directive of the Securities and Exchange Commission of Sri Lanka made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System Private Limited dated November 30, 2010, all securities allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Debentures to their CDS account.

ALL APPLICANTS SHOULD INDICATE THEIR CDS ACCOUNT NUMBER IN THE SPACE PROVIDED ON THE APPLICATION FORM

In line with this directive, THE DEBENTURES ALLOTTED TO AN APPLICANT WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH APPLICANT, the details of which is indicated in their application form. If the CDS account number indicated in the application form is found to be inaccurate / incorrect or there is no CDS number indicated, the application will be rejected and no allotments will be made. PLEASE NOTE THAT DEBENTURE CERTIFICATES SHALL NOT BE ISSUED.

In the event the name, address or NIC number/passport number/company number of the applicant mentioned in the application form differs from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such applicant. Therefore applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the application form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the application form.

You can open a CDS account through any member/trading member of the CSE or through any Custodian Banks as set out in Annexure B of this Prospectus.

Salient Features at a Glance and Parties to the Issue

Issuer	Nations Trust Bank PLC				
Instrument	Listed, Rated, Unsecured, Subordinated, Redeemable Debentures (2016/2021)				
Listing	The Debentures will be listed on the Colombo Stock Exchange				
Number of Debentures to be issued	An initial Issue of Thirty Million (30,000,000) Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with an option to issue up to a further Twenty Million (20,000,000) of said Debentures at the discretion of the Bank in the event of an over subscription of the initial issue in order to issue up to a maximum of Fifty Million (50,000,000) Debentures.				
Amount to be raised	Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-) with an option to issue up to a further Sri Lankan Rupees Two Billion (LKR 2,000,000,000) at the discretion of the Bank in the event of an over subscription of the initial issue, in order to raise up to a maximum of Sri Lankan Rupees Five Billion (LKR 5,000,000,000).				
Issuer Rating	"A(lka)" Stable Fitch Rating Lanka Limited				
Instrument Rating	"A - (lka)" by Fitch Ratings Lanka Limited				
Issue Price	Rs.100/- per Debenture				
Par Value	Rs.100/- per Debenture				
Type of Debentures	Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures, categorized as Debentures of Type A, Type B and Type C as described below				
	Type	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER) (per annum)	Interest Payment frequency
	A (Fixed Rate)	5 years	12.65% p.a.	13.05% p.a.	Semi annual
	B (Fixed Rate)	5 years	12.80% p.a.	12.80% p.a.	Annual
	C (Floating Rate)	5 years	Six Month (Gross) Treasury Bill Rate + 1.50% per annum,	N/A	Semi annual
Minimum Subscription	100 Debentures of LKR 100/- (LKR 10,000/-) each debenture type and thereafter in multiples of 100 Debentures of LKR 100/- each (LKR10,000/-) thereafter				
Interest Payment Date(s)	<p>Type A and Type C</p> <p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be six months from the Date of Allotment and every six months there from of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Type B</p> <p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be twelve months from the Date of Allotment and every twelve months there from of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than three (03) Working Days from each Interest Payment Date.</p> <p>The Final interest payment will be paid together with the Principal sum within three (03) Working Days from the Date of Redemption</p>				

Mode of Payment of Principal Sum & Interest	<p>The payment of the principal sum and interest would be made through an electronic fund transfer mechanism such as SLIPS (Sri Lanka Interbank Payments System) and RTGS (Real Time Gross Settlement System) if the Debenture Holders provide accurate bank account details to the CDS to effect such transfers.</p> <p>In the event the bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate, the payment of the principal sum and interest would be made by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the Debenture Holders to the CDS, at the risk of the Debenture Holders.</p> <p>RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers which is LKR 5,000,000/- as of the date of this Prospectus.</p>
Issue Opening Date	1st November 2016 (However applications may be submitted forthwith)
Interest Determination Date for Type C	The Date of Allotment in respect of the first Interest Period and the date immediately prior to the first date of each Interest Period in respect of each subsequent Interest Period
Issue Closing Date	21st November 2016 such earlier date on which the initial Thirty Million (30,000,000) debentures are fully subscribed, unless otherwise the Bank decides to keep the issue open until further Twenty Million (20,000,000) Debentures or part thereof as may be decided by the Bank are subscribed in terms of this prospectus. (refer Section 5.3 of the prospectus)
Date of Allotment	The date on which the Debentures will be allotted by the Bank to Applicants subscribing thereto.
Date of Redemption	The date on which the Redemption/Maturity of the Debentures will take place as referred to in section 5.9 of this Prospectus.
Basis of allotment	<p>In the event of an over subscription, the Board of Directors of Bank will endeavour to decide the basis of allotment of the Debentures in a fair manner within seven (07) Market days from the closure of the Issue.</p> <p>The Board however shall reserve the right to allocate up to a maximum of 75% of the number of Debentures to be allotted under this issue to institutional and or identified investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future.</p>

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1. Corporate Information

Name of Company/Issuer	: Nations Trust Bank PLC
Registered Office & Head Office	: 242, Union Place, Colombo 02
Date & Place of Incorporation	: 21st January, 1999, Colombo
Authority of Incorporation	: Companies Act No 17 of 1982
Company No.	: PQ 118
Secretary to the Company	: Mr Theja Silva 242, Union Place Colombo 02
Auditors and Reporting Accountants	: Messrs. Ernst & Young Chartered Accountants 201, De Saram Place Colombo 10
Credit Rating Agency	: Fitch Ratings Lanka Ltd No: 15-04, East Tower, World Trade Centre, Colombo 01 Tel: +94 11 2541900 Fax: +94 11 2501903
Legal Form	: A Public Limited Liability Company incorporated in Sri Lanka on 21st January 1999 under the Companies Act No. 17 of 1982 and re-registered on 14th February 2008 under the Companies Act No. 7 of 2007. A licensed commercial bank under the Banking Act No. 30 of 1988 and listed on the Colombo Stock Exchange in May 1999.
Board of Directors	: Mr. Krishan Balendra Ms. Renuka Fernando Mr. Murtaza Jafferjee Dr. Kemal de Soysa Ms. N. Shalini Panditaratne Mr. D. Prasanna De Silva Mr. Suran Wijesinghe Mr. Kumar Jayasuriya Mr. Gihan Cooray Mr. Harsha Raghavan Mr. Conrad D'Souza Mr. Russell De Mel Ms. Rachini Dhanika Rajapaksa
Financial Year	: 1st January to 31st December

2. Relevant Parties to the Issue

Managers/Arrangers to the Offering

Waldock Mackenzie Limited
242, Union Place,
Colombo 02
Tel : +94 114724866/+94 114719656
Fax : +94 11 4791723

Registrars to the Offering

S S P Corporate Services (Private) Limited
No: 101, Inner Flower Road, Colombo 03.
Tel : +94 11 2573894 +94 11 2576871
Fax : +94 11 2573609

Trustees to the Offering

Deutsche Bank AG
No: 86, Galle Road, Colombo 03.
Tel: +94 11 2447062
Fax: +94 11 2447067

Bankers to the Offering

Nations Trust Bank PLC – Corporate Branch
242, Union Place, Colombo 02
Tel: +94 11 4313201/3
Fax: +94 11 4313202

Lawyers to the Offering

Nithya Partners
Attorneys-at-Law
No: 97A, Galle Road, Colombo 03
Tel: +94 11 4712625
Fax: +94 11 2328817

Credit Rating Agency to the Offering

Fitch Ratings Lanka Ltd
No: 15-04, East Tower,
World Trade Centre, Colombo 01
Tel: +94 11 2541900
Fax: +94 11 2501903

Auditors & Reporting Accountants to the offering

Ernst & Young
Chartered Accountants
201, De Saram Place,
P.O. Box 101, Colombo 10
Tel: +94 112463500
Fax: +94 112697369

Joint Placement Agents

People's Bank Investment Banking Unit.
People's Bank Head office,
13th floor, No.75, Sir Chittampalam A Gardiner Mawatha,
Colombo 02.
Tel: +94 11 2 206795-6
Fax: +94 11 2 458842

Capital Alliance Partners Limited

Level 5, "Millennium House", 46/58, Navam Mawatha,
Colombo 02.
Tel: +94 11 2317777
Fax: +94 11 2317788

3. Abbreviations and Interpretations

In this Prospectus the following ABBREVIATIONS/INTERPRETATIONS apply unless the subject or context otherwise requires.

AER	Annual Effective Rate
AWPLR	Average Weighted Prime Lending Rate
Bn	Billion
Board / Board of Directors / Directors	The Board of Directors of NTB
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Pvt) Limited
CSE	Colombo Stock Exchange
LKAS	Sri Lanka Accounting Standard
LKR, Rupees, Rs	Sri Lankan Rupees
Mn	Million
NIC	National Identity Card
NTB/Company/Bank/Issuer	Nations Trust Bank PLC
POA	Power of Attorney
RTGS	Real Time Gross Settlements
SEC	Securities & Exchange Commission of Sri Lanka
Shareholders	Shareholders of NTB
SIA	Securities Investment Account
SLFRS	Sri Lanka Financial Reporting Standards
SLIPS	Sri Lanka Inter Bank Payment System
USD	United State Dollars
VAT	Value Added Tax
WHT	Withholding Tax
WML	Waldock Mackenzie Limited
YoY	Year on Year

4. Glossary of Terms Related to the Issue

Applicant/s	Any investor who submits an Application Form under this Prospectus
Application Form / Application	The application form that constitutes part of this Prospectus through which the investors may apply for the Debentures in issue
Debentures	Listed, Rated, Unsecured, Subordinated, Redeemable Debentures 2016/2021
Issue Opening Date	1st November 2016 (However applications may be submitted forthwith)
Issue Closing Date	21st November 2016 such earlier date on which the initial Thirty Million (30,000,000) debentures are fully subscribed, unless otherwise the Bank decides to keep the issue open until further Twenty Million (20,000,000) Debentures or part thereof as may be decided by the Bank are subscribed in terms of this prospectus. (refer Section 5.3 of the prospectus)
Date of Redemption	The date on which the Redemption/Maturity of the Debentures will take place as referred to in section 5.9 of this Prospectus.
Debenture Holders	Any person who is for the time being the holder of the Debentures and includes his/her respective successors in title
Interest Payment Date(s)	<p>Type A</p> <p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be six months from the Date of Allotment and every six months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Type B</p> <p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be twelve months from the Date of Allotment and every twelve months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Type C</p> <p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be six months from the Date of Allotment and every six months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than Three (03) Working Days from each Interest Payment Date.</p> <p>The final interest payments shall be made with the repayment of the Principal Sum on the Date of maturity/Redemption of the Debentures.</p>
NTB/Company/Bank	Nations Trust Bank PLC
Issue	The offer of Debentures pursuant to this Prospectus.
Issue Price	Debenture Issue Price of LKR 100.00 per Debenture
Issuer	Nations Trust Bank PLC
Prospectus	This Prospectus dated 20th October 2016 issued by Nations Trust Bank PLC for the purpose of this Issue
Principal Sum	The product of the number of Debentures allotted at Par value

4. Glossary of Terms Related to the Issue

Registered Address	When used in relation to a Debenture Holder means the address provided by the Debenture Holders to the CDS
Entitlement Date	Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Bank in order to qualify for the payment of any interest or any redemption proceeds.
Interest Period	<p>Type A</p> <p>The six (6) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p> <p>Type B</p> <p>The twelve (12) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p> <p>Type C</p> <p>The six (6) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).</p>
Date of Allotment	The date on which the Debentures will be allotted by the Bank to the Applicants subscribing thereto.
Rate Of Interest	<p>Type A - 12.65%</p> <p>Type B - 12.80%</p> <p>Type C - Six Month (Gross) Treasury Bill Rate plus a margin of 1.50%</p>
Interest Determination Date for Type C	The Date of Allotment in respect of the first Interest Period and the date immediately prior to the first date of each Interest Period in respect of each subsequent Interest Period

Six Month (Gross) Treasury Bill Rate	Six Month (Gross) Treasury Bill rate published by the Central Bank of Sri Lanka at an auction held on or immediately prior to an Interest Determination Date.
Local Time	Sri Lanka Time
Trust Deed	Trust Deed executed between NTB and the Deutsche Bank AG, Colombo Branch on 17th October 2016.
Trustee	Deutsche Bank AG, Colombo Branch
Fitch	Fitch Ratings Lanka Ltd
Working Day	Any day (other than a Saturday or a Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.
Market Day	Any day on which trading takes place at the Colombo Stock Exchange.
Non- Resident(s)	Foreign Institutional investors, corporate bodies incorporated outside Sri Lanka, individuals resident outside Sri Lanka and Sri Lankans resident outside Sri Lanka.
Subordinate	The claims of the Debenture Holders shall in the event of winding up of the Bank rank after all the claims of secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank but shall rank in priority to and over the claims and rights of the ordinary and preference Shareholder/s of the Bank
Unsecured	Repayment of the principal and interest on these Debentures are not secured by any specific assets of NTB

5. Information Relating to the Issue

5.1. Particulars of the Issue

The Board of Directors of Nations Trust Bank PLC resolved by the resolution dated 29th August 2016 to borrow a sum of LKR Three Billion (LKR 3,000,000,000/-) with an option to raise further LKR Two Billion (LKR 2,000,000,000/-) in the event of an oversubscription of the initial Issue of LKR 3,000,000,000/- and in such event the total funds raised to be a maximum of LKR Five Billion (LKR 5,000,000,000/-), from the public by the issue of Listed Rated Unsecured Subordinated Redeemable 5 Year Debentures at an issue price of LKR 100/- per Debenture .

Under this Issue, Thirty Million (30,000,000) Listed Rated Unsecured Subordinated Redeemable 5 Year Debentures will be issued at the Issue Price of LKR 100 each having fixed and floating interest rates with the option to raise further Twenty Million (20,000,000) Debentures in the event of an oversubscription. The debentures issued in terms of this Prospectus will not carry an option for conversion into shares or other securities of the Bank.

It is the intention of the Bank to list the Debentures on the Colombo Stock Exchange. The CSE has given its approval in-principle for the listing of the Debentures on the CSE.

5.2. Invitation to Subscribe

NTB hereby invites the Public to make applications for the subscription of Thirty Million (30,000,000) Listed Rated Unsecured Subordinated Redeemable 5 Year Debentures at an Issue Price of LKR 100 each payable in full as outlined in this Prospectus with the option to make applications up to Fifty Million (50,000,000) Debentures.

The Debentures which shall rank equal and *pari-passu* with each other without any preference or priority of any one or more than over the others except for the Rate of Interest and Interest Period, as more fully described in Section 5.6.

5.3. Subscription List

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 1st November 2016 and shall remain opened for 14 Market Days until closure at 4.30 p.m. on 21st November, 2016.

In the event of an over-subscription of the 30,000,000 Debentures, the subscription list will close at 4.30 p.m. on the same day on which it is fully subscribed, with the notification to CSE, unless otherwise decided by the Bank to keep the subscription list open until subscription of a further Twenty Million (20,000,000) Debentures or part thereof as may be decided by the Bank. In the event the Bank decides to close the subscription list upon part of the second tranche being subscribed, such decision will be notified to the CSE and subscription list will be closed the day after.

Application may be made forthwith in the manner set out under the Procedure for Application in section 6.0 of this Prospectus and will be accepted at any one of the collection points set out in Annexure B of this Prospectus.

5.4. Objectives of the Issue

The debenture will provide the necessary medium term more, stable funding to expand the lending portfolio of the bank. Given that our portfolio consists of a sizable medium term asset portfolio comprising of Leasing - LKR 30.1Bn, Housing loans - LKR 2.2Bn and Consumer loans - LKR 16.52Bn, raising 5 year funds will further improve the banks funding profile by reducing the tenor mismatch between the shorter term liabilities and medium term assets by the amount similar to the issue. This will also reduce the interest rate risk exposure of the bank by reducing the funding gaps.

Furthermore, this debenture would provide our investors an additional instrument to invest medium term funds and secure attractive returns while the bank would reach an additional source of funds by tapping capital markets, away from the traditional deposit base. Subordinated funds raised through the Debenture Issue are expected to further improve the Capital Adequacy of the Bank's Balance Sheet by increasing its Tier II Capital base thus strengthening its Total Eligible Capital. Accordingly the key objectives on this issue could be stated as follows:

Present Capital Adequacy Ratio (CAR) of the Bank and effect of proposed Debenture Issue as at 30th September 2016 is as follows:

	Without proposed Debentures as at 30th September 2016	In the event of successful allotment of Debentures of Rs. 3 Billion	In the event of Successful allotment of Debentures of Rs. 5Billion
Tier II Capital ('000)	15,090,791	18,090,791	20,090,791
Tier II - Minimum 10% Requirement	11.58%	13.88%	15.42%

Whilst the Central Bank of Sri Lanka (CBSL) has been informed of the proposed Issue of unsecured subordinated redeemable Debentures of Rs. 3Bn extendable up to Rs.5Bn, the Bank will seek approval from the CBSL to include the Debentures under Tier II Capital soon after the Debentures are allotted. Further, the Bank will not seek the shareholder approval for the Issue as it is not applicable.

NTB will utilize the medium term liabilities generated through the debenture to fund both existing and future growth of medium term assets in the following manner:

- a) Leasing assets - LKR 3.0Bn
- b) Housing loans - LKR 500Mn
- d) Consumer Finance - LKR 1.5Bn

NTB has utilized the proceeds of all previous Debenture Issues towards achieving the objectives of the respective Issues. Bank undertakes to disclose the progress of the utilization of proceeds in all of their future interim and annual financial statements, until funds are fully utilized for the respective objectives stated in the prospectus in the following manner.

Objective number	Objective as Per Prospectus	Amount allocated as Per prospectus in LKR	Proposed date of Utilisation as Per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilised in LKR (B)	% of utilisation against allocation (B/A)	Clarification if not fully utilised
1	Expansion of Leasing portfolio	3.0Bn	Within 12 months from date of receipt of cash flows	3.0Bn				
2	Expansion of Consumer Finance portfolio	1.5Bn	Within 12 months from date of receipt of cash flows	1.5Bn				
3	Expansion of Housing portfolio	0.5Bn	Within 12 months from date of receipt of cash flows	0.5Bn				
4	Improve the Tier II capital base thus, increasing the Capital Adequacy Ratio (CAR)	5.0Bn	Subsequent to CBSL approval	5.0Bn				

Risk relating to the objectives of the Debenture Issue;

As the primary objective of the Bank is to carry on the business of lending or advancing of money, the business of lending to customers whether they are related parties or not, are recurrent transactions carried out in the ordinary course of business of the Bank. Nevertheless, the Bank has an internal threshold limits to related parties against its regulatory capital and therefore the

5. Information Relating to the Issue

exposure will be limited to such applicable limits. (In the event the proceeds are used for related party lending, the bank will comply with requirements under section 9 of the Listing rules.)

Since the proposed Debenture Issue is to raise up to Rs. 5 Billion and as there is a demand for credit there is no specific risk factor that may lead to non-achievement of the objective of the Issue. Further the Bank intends to utilize the entire proceeds of the Issue to expand the Bank's loan book via diverse lending products in the ordinary course of business over a period of three to twelve months based on the current credit demand and until such time, any unutilized Debenture proceeds will be invested in Government Securities or any other suitable investment instrument/(s) at the discretion of the Bank (All other investments made by the bank will comply with the related party requirements under section 9 of the listing rules).

5.5. Tenure of the Debentures

The tenure of the Debentures is Five (05) Years. The Date of Redemption will be Five years from the Date of Allotment of the Debentures.

5.6. Interest on the Debentures

The Debentures consist of three interest options for the investors to choose from and they rank equal and *pari-passu* to each other, except in respect of the Rate of Interest and interest Period.

Options	Description
Type A	A Fixed coupon rate of 12.65% per annum (AER13.05%) payable semi annually from the Date of Allotment until maturity in 5 years.
Type B	A Fixed coupon rate of 12.80% per annum (AER12.80%) payable annually from the Date of Allotment until maturity in 5 years.
Type C	A Floating Coupon Rate of Six Month (Gross) Treasury Bill Rate + 1.50% per annum, payable semi annually from the Date of Allotment until maturity in 5 years.

Interest rate in respect of Type C debentures would be determined prior to the commencement of a particular interest period.(ie Date of Allotment in respect of the first

Interest Period and the date immediately prior to the first date of each Interest Period in respect of each subsequent Interest Period)

The interest calculation will be based upon the actual number of days (irrespective of the holidays) in each interest payment period (Actual / Actual) and will be paid not later than Three (03) Market days from each Interest Payment Date.

Payment of the interest on the Debenture will be made after deducting any taxes as specified in section 5.8 and charges thereon (if any) in Sri Lankan Rupees as per the applicable law prevalent at the time of interest payment to the Debenture Holders.

In order to accommodate the Debenture interest cycles in the Central Depository System(CDS) of the CSE, the Debenture Holders to whom interest shall be paid shall be those holding Debentures in the CDS as of the Entitlement Date.

5.7. Payment of the Principal and Interest

The Bank will redeem the Debentures on the Date of Redemption as specified in Section 5.9 and the interest payments will be made on each Interest Payment Date as specified in Section 5.6

The payment of the principal sum and interest would be made through an electronic fund transfer mechanism such as SLIPS (Sri Lanka Interbank Payments System) and RTGS (Real Time Gross Settlement System) if the Debenture Holders provide accurate bank account details to the CDS to effect such transfers.

In the event the bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate, the payment of the principal sum and interest would be made by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the Debenture Holders to the CDS, at the risk of the Debenture Holders.

RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers which is LKR 5,000,000/- as of the date of this Prospectus.

The payment of Principal Sum and Interest will be made in Sri Lanka Rupees in favour of the Debenture Holders as of the Entitlement Date. In the case of joint Debenture Holders, the

payment of Principal Sum and Interest will be made to the one whose name stands first in the register of Debenture Holders.

5.8. Withholding Tax with Regard to Interest Payment on Listed Debentures

As per Section 9(o) of the Inland Revenue Act No.10 of 2006 as amended subsequently by Inland Revenue (Amendment) Act, No.18 of 2013 as at the date of this Prospectus, the interest income from any investment made on or after 01st January 2013 in corporate debt securities (i.e. debentures), quoted in any stock exchange licensed by the SEC is exempt from income tax. Furthermore, in terms of Section 13(xxxxxxx) of the Inland Revenue Act No.10 of 2006 [as amended by Section 5 of the Inland Revenue (Amendment) Act No.18 of 2013], the profits and income earned from any such investment has also been exempted from income tax. However, a different tax treatment could be brought in by the future amendments to the same Act.

5.9. Redemption

These Debentures are redeemable at maturity on the expiry of Five (05) years from the Date of allotment in accordance with the provisions contained in the Trust Deed.

These Debentures will not be redeemed by NTB prior to maturity for any reason whatsoever.

The Debenture Holders shall not have any right or option to call for redemption of the Debentures before the date of maturity of such Debentures, except under the circumstances where the Debentures have become immediately payable in terms of the Clause 10(Events of Default) of the Trust Deed.

On the Date of Maturity/Redemption of the Debentures, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Debenture Holders not later than three (03) market days from such date, the principal sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the date immediately preceding the Date of Redemption of the Debentures.

If the Date of Maturity/Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day and interest shall be paid up to the date immediately preceding such Market Day (inclusive of all intervening non-Market Days).

The Directors are of the opinion that Nations Trust Bank PLC will have the ability to pay the Interest and the Principal Sum on the maximum of Fifty Million (50,000,000) Debentures that will be issued by way of this Prospectus on due dates.

5.10. Rating of the Debentures

Fitch Ratings Lanka Limited has assigned a National Long Term Rating of A- (lka) to these Debentures. A copy of the Rating report issued by Fitch Ratings Lanka Limited is set out in Annexure A.

5.11. Trustee to the Debenture Issue

Deutsche Bank AG – Colombo Branch of 86, Galle Road, Colombo 03 has agreed in writing to act as the Trustee to the debenture issue and has issued a consent letter to this effect. The Bank has entered into an agreement with the Trustee (hereinafter called as the Trust Deed). Debenture holders in their application for subscription will be required irrevocably to authorize the Trustee, subject to overriding clauses in the Trust Deed, to act as their agents in entering into such deeds, writings, instruments with the Bank and to act as agents and Trustees for the debenture holders in order to facilitate the protection of the debenture holders investment and return.

The rights and obligations of the Trustee are set out in the Trust Deed, a copy of which is available for inspection as mentioned in Section 9.1 of this Prospectus. The Debentures shall be subject to the terms and conditions and confer such rights as are incorporated in the said Trust Deed.

The fee payable to the Trustee will be LKR 300,000/- per annum (payable semi-annually) plus statutory levies. There is no conflict of interest between the Trustee and NTB, except that the Trustee is one of the banks rendering banking related services to NTB.

5.12. Rights of the Debenture Holders

a) Debenture Holders are entitled to the following:

- Receiving the Principal Sum at maturity and interest on the Debentures as per Section 5.7 and 5.9 of this Prospectus and provisions contained in the Trust Deed.
- Ranking above the Voting, Non-Voting and Preferential Shareholders of NTB in the event of liquidation.

5. Information Relating to the Issue

- Call, receive notice, attend and vote at the meetings of the Debenture holders in accordance with the provisions contained in the Trust Deed.
- In accordance with the Listing Rules of the CSE, receiving annual report of the Company within a period not exceeding Five (05) months from the close of each financial year. The Audited accounts will be sent in CD form, unless a specific request for a hard copy is received by the Company.

The other rights of the holders of these Debentures are set out in the Trust Deed.

b) Debenture Holders are not entitled to the following:

- Attending and voting at meetings of the holders of shares and other types of debentures issued by NTB.
- Sharing in the profits of the Bank.
- Participating in any surplus in the event of liquidation.
- The Debenture Holders will not be entitled to any of the rights and privileges available to the Shareholders of the Bank including the right to receive notices of Annual Meeting, General Meetings or attend and vote at the Annual General Meeting of the Bank.

C) Obligations on the Debentures

The Bank shall repay the principal sum on the date of maturity/redemption and interest on the Debentures as per Section 5.9 and 5.7 of this Prospectus and the provisions contained in the Trust Deed and comply with all other terms and conditions stipulated in the Trust Deed in respect of these Debentures.

When making payment of the principal sum and interest on the Debentures, the Bank shall always act on the information furnished by the CDS and it shall be the responsibility / obligation of each Debenture Holder to update keep all information in respect of such Debenture Holder in the CDS. Each Debenture Holder shall absolve the Bank, CDS and CSE from any responsibility or liability in respect of any error or absence of necessary changes initiated by the Debenture Holders in the information recorded with the CDS.

5.13. Risk Factors Specifically Associated with the Debentures

Subscribers to the Debentures will be exposed to the following risks:

(It is vital to note however that these risks are not unique to debentures issued by NTB and apply generally to any unsecured fixed income securities, fixed deposit or any other term or money market deposit)

(i) Interest Rate Risk

The price of a typical debenture will change in the opposite direction to a change in the market interest rates assuming all other factors are equal. "Market Interest Rate" refers to interest rate expected by the investors for investments with similar maturity and risk profile. As market interest rates rise, price of the debenture may fall and as market interest rates fall, the price of the debenture may rise. However interest rate risk is of importance only if an investor sells the Debenture prior to maturity. If an investor sells a Debenture prior to maturity when market interest rate is higher than on these Debenture interest rates, the investor may incur a capital loss. Similarly, if an investor sells a debenture prior to maturity when market interest rate is lower than that on the debenture interest rate, then the investor may receive a capital gain. This risk of potential capital gains/losses due to fluctuations in the future interest rates is known as the interest rate risk.

(ii) Reinvestment Risk

NTB shall pay interest on the Debentures semi annually/ annually. The investor may decide to reinvest this interest payment and earn interest on interest. Depending on the prevailing market interest rates, the Debenture Holder may be able to reinvest the paid interest at a higher or lower interest rate than that is offered by these Debentures. This uncertainty that, the interest rate at which the interest payments of the Debenture can be reinvested is known as "reinvestment risk".

(iii) Default Risk

Default risk also known as credit risk refers to the risk that the Issuer of a Debenture may default, i.e. the Issuer will be unable to pay interest and principal payments when due. It is advisable for prospective NTB Debenture investors to take into account past earnings and asset growth performance of NTB, present financial strengths as reflected in the Balance Sheet of NTB, the rating awarded to the Company and its Debentures by Fitch, its risk management policies and the experience of the Directors and Senior Management when forming an opinion on Default Risk.

(iv) Liquidity Risk

Liquidity risk depends on the ease with which debentures can be sold after the initial placement. As the Debentures will be listed on the CSE, investors will be able to trade the instrument in the secondary market and convert to cash mitigating liquidity risk. However transaction price or bid-ask spread will be dependent upon the marketability, demand, supply and other macro factors such as market interest rates.

(v) Call Risk

Call risk refers to the risk that the issuer will retire all or a part of the principal value of the debentures before maturity. The risk to investor is in that, the timing of the call is not known and the investor will be faced with a reinvestment risk in the event the call is made at a time when the market interest rates have declined.

NTB Debentures do not have a call risk, since these Debentures shall not be redeemed by the Bank prior to maturity for any reason whatsoever except due to unforeseen circumstances beyond the control of the Bank.

(vi) Inflation Risk

The possibility of a decline in the real value of cash flows of a Debenture, due to increase in inflation is referred to as inflation risk. Since the coupon rate of a fixed rate Debenture is not adjusted upwards in line with the inflation, Debentures carry an inflation risk. The interest rate of a floating rate Debenture is periodically adjusted on the basis of a selected benchmark interest rate and to the extent the benchmark rate properly reflects inflation, floating rate debentures have less inflation risk.

(vii) Duration Risk

Duration risk is a measure of the price sensitivity of fixed income investments to change in interest rates. Calculation is based on the price sensitivity of a fixed income security to a prevailing market interest rate change of 100 basis points. Duration is expressed as a number of years to repay the price from the different cash flows incurred during the period of debenture to its maturity. The duration indicator addresses the risk of interest rate fluctuations. The higher the duration, the greater the price volatility or duration risk, while the lower duration carries a lower risk.

5.14. Benefits of Investing in the Debentures

Following are the key benefits of investing in Debentures

- Attractive interest income for a period of Five (05) years and provides opportunity to diversify the investments of an investor.

(As per current provisions of the Inland Revenue Act No. 10 of 2006 as amended, the interest income from any investment made on or after 01st January 2013, in listed debentures is exempt from income tax (including withholding tax) and the profits and income earned from any such investment is also exempt from income tax.)

- Provide an opportunity to earn regular cash flow of interest payments either semi-annually or annually up to a fixed period of five(05) years.
- Opportunity to realize capital gain according to interest rate fluctuations.
- Listed Debentures provide the investor with an exit option since it could be traded on the CSE.
- Can be used as collateral to obtain credit facilities from banks and financial institution other than NTB (regulations precludes Banks to provide accommodations against the security of its own shares and debentures).

5.15. Transfer of the Debentures

- a) These Debentures shall be freely transferable and transmittable as long as the Debentures are listed in the CSE and registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- b) Subject to provisions contained in the Trust Deed, the Bank may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- c) In the case of death of a Debenture Holder
 - * The survivor where the deceased was a joint holder; and
 - * The executors or administrators of the deceased or where the administration of the estate of the deceased in law is not compulsory the heirs of the deceased where such Debenture holder was the sole or only surviving holder; shall be the only persons recognized by the Issuer as having any title to his/her Debentures.

5. Information Relating to the Issue

- d) Any person becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that he/she sustains the character in respect of which he/she proposes to act or his/her title as the Board of Directors of the Issuer thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Debenture Holder in respect of such Debentures subject to the applicable laws rules and regulations of the Issuer, CDS, CSE and SEC.
- e) No change of ownership in contravention to these conditions will be recognized by the Issuer.

5.16. Listing

An application has been made to the CSE for permission to obtain a listing for the Debentures and the CSE has granted its approval in-principle for the same. It is the intention of the Bank to list the Debentures in the Colombo Stock Exchange upon the allotment thereof.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. Admission to the official list is not to be taken as an indication of the merits of the Bank or of its Debentures.

6. Procedure for Application

6.1. Prospectus and Application Form

Copies of the Prospectus and the Application may be obtained free of charge from the Mangers to the Issue, Member Firms and Trading Members listed in Annexure B of this Prospectus from seven (07) Market Days prior to the date of opening of the subscription list. The Prospectus and Application Form may be downloaded from the website of the Colombo Stock Exchange and Nations Trust Bank PLC (www.cse.lk and www.nationstrust.com).

6.2. Who May Apply

Applications are invited for the subscription of Debentures from the following categories of applications:

- (a) Citizens of Sri Lanka who are resident in Sri Lanka and above 18 years of age.
- (b) Companies, corporations or institutions incorporated or established within Sri Lanka and who are authorized to invest in Debentures.
- (c) Approved unit trusts licensed by SEC.
- (d) Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka and authorized to invest in Debentures. In the case of approved provident funds and approved contributory pension schemes, the Application should be in the name of the trustee/board of management
- (e) Regional and country funds approved by SEC and authorized to invest in Debentures.
- (f) Non-Residents: foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.

Applications will not be accepted from individuals under the age of eighteen (18) years, or in the names of sole proprietorships, unincorporated trusts or non-corporate bodies.

"Sri Lankan Residents outside Sri Lanka" will have the same meaning as in the notice published under the Exchange Control Act in Gazette No. 15007 dated 21st April 1972.

When permitting Non-residents to invest in the Debentures, the Bank will comply with the relevant

Exchange Control Regulations including the conditions stipulated in the notice under the Exchange Control Act with regard to the Issue and transfer of Debentures of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 1681/11 on 22nd November 2010, Government Gazette (Extraordinary) No. 1733/19 on 22nd November 2011, Exchange Control Direction to Authorised Dealers No 06/04/18/2013 of 12.06.2013 and Government Gazette (Extraordinary) No 1864/39 on 28th May 2014.

6.3. How to Apply

- (a) Applications must be made on the Application Forms issued with this Prospectus. Applications are also permitted on photocopies of the Application Forms issued with the Prospectus. Applicants using photocopies are requested to inspect the Prospectus, which is available for inspection and also issued free of charge at the Registered Office of the Bank and the Collection Points listed in Annexure B.

Prospectus and Application Forms could also be downloaded from the website of the Bank (www.nationstrust.com) or from the web site of the CSE (www.cse.lk).

Applications that do not strictly conform to such instructions and the other instructions set out below or which are illegible may be rejected.

- (b) Applications should be made for a minimum subscription value of Sri Lanka Rupees Ten Thousand (LKR 10,000) of One Hundred (100) Debentures each of any one type or all types mentioned above. Applications exceeding One Hundred (100) Debentures should be in multiples of One Hundred (100) Debentures (LKR 10,000). Applications for less than One Hundred (100) Debentures or for a number, which is not in multiples of One Hundred (100) Debentures, will be rejected.
- (c) Joint applications may be made. However, an applicant of a joint application will not be eligible to send a separate application individually or jointly with another party. Only one application should be made for the benefit of any person or corporate body. The interest cheques will be drawn in favour of the principal applicant as given in the Application Form.

6. Procedure for Application

- (d) In the case of corporate applicants, the common seal of the company should be affixed and attested if required by the Articles of Association or such other constitutional documents of such applicants or as per the statutes governing them. In case of approved provident funds, trust funds and approved contributory pension schemes, the applications should be in the name of the Trustees / Board of Management.
- (e) Applicants should apply only for one Type of Debentures (i.e. either Type A or Type B or Type C Debentures) under one Application Form. In the event an Applicant wishes to apply for more than one Type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debentures, it will not be possible for an Applicant to switch between the Types of Debentures. More than one Application submitted by an Applicant under the same Type of Debentures will not be accepted. If more than one Application Form is submitted for one Type of Debentures from a single Applicant, those would be construed as multiple Applications and the Bank reserves the right to reject such, multiple Applications or suspected multiple Applications.
- (f) A Sri Lankan citizen must state his / her National Identity Card (NIC) number on the Debenture Application Form. The Passport number can be given only when the NIC number is not available. In the case of a corporate entity, the Company registration number must be given. A foreign citizen must state his / her passport number in the space provided.

In the event the name, address or NIC number/ passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/ passport number/ company number as per the CDS records, the name, address or NIC number/ passport number/ company number as per the CDS records will prevail and be considered as the name, address or NIC number/ passport number/company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/

company number mentioned in the Application Form tally with the name, address or NIC number/ passport number/company number given in the CDS account as mentioned in the Application Form.

- (g) The Application Forms may be signed by someone on behalf of the applicant(s) provided that such person holds the Power of Attorney (POA) of the applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. **Original of the POA should not be attached.**
- (h) Applicants who wish to apply through their Margin Trading Account should submit the application in the name of the "Margin Provider / Applicants Name" signed by the margin provider. A copy of the margin Trading Agreement should be attached with the Application Form. Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Photo copy of the Margin Trading Agreement must be submitted along with the Application.
- (i) As per the Directive of the SEC made under Circular No. 08/2010, dated 22 November 2010 and Circular No. 13/2010 issued by the CDS dated 30th November 2010, all Debentures allotted must be directly uploaded to the CDS accounts. **As such, all applicants should indicate their CDS account number in the Application Form.**

Applicants who do not have a CDS account are advised to open a CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Debentures to their CDS account. A CDS account can be opened through any Member/ Trading Member of the CSE or through a Custodian Bank. (Annexure B)

- (j) Please note that upon the allotment of Debentures under this issue the allotted Debentures would be credited to the applicants CDS account indicated. **Please note that Debenture certificates shall not be issued. Applications which do not carry the CDS account number, which is not opened at the time of the closure of the subscription list or which indicate an incorrect / inaccurate CDS account number shall be rejected, and no allotment will be made.**

It should be noted that in the event the applicants CDS Account number is correctly stated in the Application Form, all correspondence with such applicant will be sent to the address given to the CDS by such applicant.

Further in the event the name or the address of the applicant mentioned in the Application Form differ from the name or address given to the CDS by such applicant in respect of the CDS Account mentioned in the Application Form, the name and the address given to the CDS by such applicant in respect of the CDS Account mentioned in the Application Form will be considered as the name and address of such applicant.

- (k) Funds for the investments in Debentures and the payment for Debentures by non-residents should be made only out of funds received as inward remittances or available to the credit of "Securities Investment Account" (SIA) of the non-residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Controller of Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the applicant maintains the SIA, should be attached to the application form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the SIA.

Applications not made in line with the instructions will be rejected

- (l) **Foreign Investors and Non-Resident Investors may be affected by the laws of the jurisdiction of their residence. It is the responsibility of such investors to comply with the laws relevant to their country of residence and the Laws of Sri Lanka, when making an application for subscription of the Debentures.**

Application Forms properly filled in accordance with the instructions thereof together with the remittance (cheque, SLIPS, bank draft, RTGS or bank guarantee as the case may be) for the full amount payable on application should be enclosed in an envelope marked "Nations Trust Bank PLC - Debenture Issue 2016" on the top left hand corner in capital letters and dispatched by post or delivered by hand to the Registrars to the Issue at the following address:

SSP Corporate Services (Pvt) Limited
No. 101, Inner Flower Road, Colombo 3
Tel: +94(011) 2573894
Fax : +94 (011) 2573609

or to any Member/Trading Member firm of the CSE or Managers to the issue set out in Annexure B.

- (m) Applications sent by post or delivered to any places mentioned in Annexure B (Collection Points) should reach the office of the Registrars to the Issue at least by 4.30 p.m. on the following working day upon the closure of the subscription list. Applications received after the said period will be rejected even though they have been delivered to any of the Collection Points prior to the Closing Date or carry a post mark dated prior to the Closing Date.

6.4. Mode of Payment

- (a) Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/ s, bank draft/ s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka, as the case may be, subject to (b) below. Remittances on applications will be deposited in a separate bank account in the name of the "Nations Trust Bank PLC – Debenture Issue 2016"
- (b) Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either,
- Multiple bank drafts drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-or
 - Bank guarantee issued by a licensed commercial bank operating in Sri Lanka, or
 - RTGS transfer with value on the date of submission of application or opening of the Issue whichever is later,

Multiple bank drafts/cheques, bank guarantees or RTGS transfers will not be accepted for Applications valued below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)

6. Procedure for Application

- (c) Cheques or Bank Drafts should be drawn upon any commercial bank in Sri Lanka and crossed "Account Payee Only" and made payable to "Nations Trust Bank PLC - Debenture Issue 2016"
- (d) Application forms accompanied by cash will not be accepted. Applicants who wish to pay in cash can obtain a bank draft from any licensed commercial bank in Sri Lanka. Payments in any other form other than as mentioned above will not be accepted.
- (e) The amount payable should be calculated by multiplying the number of Debentures applied for by the Issue Price of LKR 100 per Debenture. If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft, bank guarantee, the application will be rejected.
- (f) Bank Guarantees should be issued in a manner acceptable to NTB and the Registrars to the issue and should be issued by a Commercial Bank in Sri Lanka and payable on demand unconditionally to "Nations Trust Bank PLC - Debenture Issue 2016". Bank guarantees will be presented to the respective banks only after the New Debentures have been allotted.

Applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. Please note that bank guarantees should be valid for a minimum of One (01) month from the date of opening the Issue. It is advisable that the applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses inclusive of charges relating to Bank Guarantees should be borne by the applicants.

- (g) In case of RTGS transfers (only for application values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-), such transfers should be made to the credit of "Nations Trust Bank PLC - Debenture Issue 2016" bearing the account number 1000 6000 4184 at Nations Trust Bank, Corporate Branch with value on the date of submission of Application or opening of the Issue whichever is later.
- (h) The Applicant should obtain a confirmation from the Applicant's bank, to the effect that arrangements have been made to transfer payment in full for the

total value of Debentures applied for to the credit of "Nations Trust Bank PLC - Debenture Issue 2016" bearing the account number 1000 6000 4184 at Nations Trust Bank PLC, Corporate branch with value on Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date) and should be attached with the Application Form.

For RTGS transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of Four decimal zero per centum (4.00%) per annum from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers are not realised before the end of the Closure Date. Furthermore, even if such RTGS transfers are effected prior to the issue opening date, no interest will be paid for the period prior to the Issue opening date. The basis of calculating interest will be actual/actual basis.

- (i) All cheques/bank drafts received in respect of the applications will be banked next working day immediately after the closure of the Subscription List. Payments in any form other than as mentioned above will not be accepted. In the event that cheques are not realised within two (02) market days from the closure of the subscription list (cheques must be honoured on first presentation), such applications will be rejected in order to facilitate the completion of the allotment in seven (7) market days of the closure of the issue and cheques realized after such date will be refunded and no allotment of Debentures will be made.
- (j) Payment for the Debentures by non-residents should be made only out of funds received as inward remittances or available to the credit of "Securities Investment Account" (SIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Controller of Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the applicant maintains the SIA, should be attached to the application form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the SIA.

(k) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and may be affected by the laws of the jurisdiction of their residence. If the non-resident applicants wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

(l) Applications should not be mailed or hand delivered to any other address. Persons who are not certain of the method of remittance should consult the Managers/ Registrars to the Issue.

Application forms properly filled in accordance with the instructions thereof together with the payment for the full amount payable on application if not remitted through RTGS transfer should be enclosed in an envelope Marked "Nations Trust Bank PLC - Debenture Issue 2016" on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the issue or collection points mentioned in Annexure B of this prospectus.

Applications sent by post or courier or delivered to any collection point set out in Annexure B of this prospectus should reach the office of the Registrar to the issue, S S P Corporate Services (Private) Limited, No.546,Galle Road, Colombo 03 at least by 4.30 p.m. on the following market day immediately upon the closure date.

Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the closure date or carry a postmark dated prior to the closure date.

Applications delivered by hand to the Registrars to the issue after the Closure Date of the issue will also be rejected.

6.5. Rejection of Applications and Delayed Applications

(a) Application Forms and the accompanying remittance mode (Cheque / Bank Draft / Bank Guarantee/RTGS) which are illegible or incomplete in any way and / or

are not in accordance with the terms, conditions and instructions set out in this Prospectus will be rejected at the sole discretion of the Bank.

(b) Applications from individuals under the age of eighteen (18) years or in the names of Sole Proprietorships, Partnerships or Unincorporated Trusts will also be rejected.

(c) An Applicant of a Joint Application will not be eligible to submit another application either individually or jointly under the available Debenture category. Only one Application should be made by any person or entity under the available Debenture category. Multiple Applications will be rejected.

(d) Applications which do not carry a valid CDS account number at the time of the closure of the subscription list or which indicate an incorrect / inaccurate CDS account number shall be rejected, and no allotment will be made. Application Forms stating third party CDS account numbers, instead of their own CDS account numbers, except in the case of Margin Trading Accounts, will also be rejected.

(e) Any Application Form which does not state the NIC, Passport or Company Registration number, as the case may be, will be rejected.

(f) In the event that cheques are not realized within two (2) Market Days from the closure of the subscription list and realized after such date the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid. In the event Cheques are dishonoured / returned on first presentation, the Application will be rejected.

(g) Applications delivered by hand to the Registrars to the Issue, or to any place / institution discussed in Annexure B (Collection Points) after the subscription list is closed will be rejected. Application received by post or courier after 4.30 pm on the Market day immediately following the closing date, will also be rejected even if they carry a post mark dated prior to the Closing date.

6. Procedure for Application

(h) Applications delivered to any place / institution discussed in Annexure B (Collection Points) should also reach the office of the Registrars to the Issue at least by 4.30 pm on the following market day immediately upon the closure of the Subscription List. Applications received after the said duration will be rejected even though they have been delivered to any of the Collection Points prior to the Closing Date or carry a post mark dated prior to the Closing Date.

6.6. Basis of Allotment

The basis of Allotment will be decided by the Board of Directors of the Bank and will endeavour to decide and announce to the CSE a fair basis of allotment, within seven (07) Market Days from the Closure Date. Further, the Board however shall reserve the right to allocate up to a maximum of 75% of the number of Debentures to be allotted under this issue to institutional and or identified investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future.

The Board of Directors of NTB reserves the right to refuse any Application or to accept any Application or part only, without assigning any reason therefore.

The successful applicants will be informed of the allotment within Ten (10) Market Days from the closure of the Subscription List.

6.7. Unsuccessful Applications and Refund Payments

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.5 of this Prospectus; or
- the Application is accepted only in part

If the applicant has provided accurate and complete details of his/her bank account in the application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the applicant, through SLIPS and a payment advice will be sent in the event of refunds over Rupees Five Million (LKR 5,000,000/-) if the applicant has provided accurate and correct details of his/her bank account refunds will be made via RTGS or if the applicant has not provided accurate and correct details of his/her

bank account in the application or if the applicant has not provided details of the bank account in the application form, the Bank will make such refund payments to the applicant by way of a cheque and sent by post at the risk of the applicant.

In the case of joint application, the cheques will be drawn in favour of the applicant's name appearing first in the application form.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS transfers at the following website;

http://www.lankaclear.com/product_service/8-guidelines

Refunds on applications rejected or partly allotted Debentures would be made within ten (10) market days excluding the closure date. Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made within this period.

6.8. Direct Lodgment with CDS and Trading of Debentures

Debentures allotted will be directly deposited to the respective CDS accounts given in the application forms before the expiry of eighteen (18) Market Days, from the closure date. A written confirmation of the credit will be sent to the applicant within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each applicant.

The Bank will submit to the CSE a 'Declaration' on direct upload to CDS on the, market day immediately following the day on which the applicants' CDS accounts are credited with the Debentures.

Trading of Debentures on the secondary market will commence on or before the third (3rd) market day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

7. Overview of Nations Trust Bank PLC

7.1. Overview

Inception

Nations Trust Bank PLC is a licensed Commercial Bank established under the banking Act No. 30 of 1988 and a public limited liability company incorporated in Sri Lanka. The registered office of the company is located at no 242 Union Place, Colombo 02. The Bank started its operation in 1999 with the acquisition of the Overseas Trust Bank.

Evolution

In 2002 the bank acquired Waldock Mackenzie Ltd, the investment banking arm of John Keells Ltd. The Bank became the exclusive franchisee to issue and acquire American Express cards in Sri Lanka in 2003 & in 2006 the Bank merged with Mercantile Leasing and started its own Nations Leasing business.

Delivery & Distribution

Nations Trust Bank is one of Sri Lanka's fastest growing licensed commercial banks, offering a multitude of solutions across to Sri Lanka. The Bank's innovative perspectives on customer centricity have enabled the Bank to rapidly capture market share through a superior value proposition to customers. The Bank delivers its products & services through 93 branches & 135 ATMs.

Structure

The Nations Trust Group comprises of Nations Trust Bank PLC and three subsidiaries engaged in providing specialized products & services. The Bank is the most significant entity within the Group, contributing approximately 95% of its pre-tax profit and accounting for 99.6% of the Group's total assets. The company has a market capitalization of Rs.19,347,951,044.00 as of 30th September 2016. (Source CSE DAILY 2016-09-30-Index market capitalization)

Business Model

The core businesses of Nations Trust Bank include Consumer Banking, SME Banking, Corporate Banking, Leasing and Treasury. These business pillars are supported by an integrated platform combining of support and corporate services divisions with a single focused approach of providing unparalleled and unprecedented levels of convenience to customers.

Our Vision

We help people & Businesses achieve today's goals and tomorrow's aspirations.

Our Mission

We will work SMART to be the most respected financial service provider. SMART (Speed, More with less, Adaptable, Responsible, Tech-savvy)

Our Values

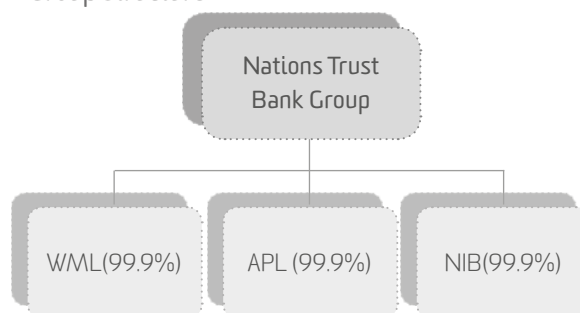
Trust, Agile, Proactive, Excellence and Winning Together

7.2. Details of the Group Structure

Key Subsidiary Companies

The principal activities of the Bank's subsidiaries namely Waldock Mackenzie Limited, Allied Properties Limited and Nations Insurance Brokers Limited are carrying out operations as a margin provider, property rental and insurance broking respectively.

Group Structure



WML – Waldock Mackenzie Ltd – Margin Trading & Investment Banking

APL – Allied Properties Ltd – Renting of Commercial property

NIB - Nations Insurance Brokers Ltd - Insurance Broking activities

7. Overview of Nations Trust Bank PLC

7.3. Major Shareholders as at 30th September 2016

NO.	TOP 20 SHAREHOLDERS NAME	NO. OF SHARES 31/08/2016	%
1	JOHN KEELLS HOLDINGS PLC	46,121,536	20.00%
2	HWIC ASIA FUND	34,591,092	15.00%
3	MACKINNON'S KEELLS LIMITED.	22,830,159	9.90%
4	CENTRAL FINANCE COMPANY PLC A/C NO 03	20,715,400	8.98%
5	JANASHAKTHI GENERAL INSURANCE LIMITED	18,582,682	8.06%
6	CF GROWTH FUND LTD A/C NO.01	14,813,273	6.42%
7	HSBC INTL NOM LTD-SSBT-FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS ASIA PACIFIC FUND	13,611,066	5.90%
8	CF INSURANCE BROKERS (PVT) LTD	10,592,857	4.59%
9	JANASHAKTHI INSURANCE PLC (POLICY HOLDERS)	4,091,107	1.77%
10	HATTON NATIONAL BANK PLC A/C NO 1	3,703,543	1.61%
11	MR. M.F. HASHIM	2,600,000	1.13%
12	BANK OF CEYLON-NO2 A/C	1,546,100	0.67%
13	MR. N.R. SOMAIYA	1,320,624	0.57%
14	TIMEX GARMENTS (PVT) LTD	1,238,465	0.54%
15	DEUTSCHE BANK AG AS TRUSTEE FOR NAMAL ACUITY VALUE FUND	1,200,000	0.52%
16	MALSHIP CEYLON LTD	1,063,857	0.46%
17	MR. D.J.M. BLACKLER	1,000,000	0.43%
18	HSBC INTL NOM LTD-SSBT-PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	934,186	0.41%
19	DEUTSCHE BANK AG-NATIONAL EQUITY FUND	842,134	0.37%
20	MR. P.P. ARACHCHI	820,000	0.36%

7.4. Value Creation for Stakeholders

INPUTS	CORE ACTIVITIES	OUTPUTS
Financial Capital	Acceptance of Deposits from Consumer, SME, Corporate and Institutional Customers	Shareholder value
Shareholders' funds: Rs.15Bn		Net Profit: Rs.2.6Bn Dividends: Rs.484Mn
Customer deposits: Rs.129Bn	Current Accounts	People value
Human Capital	Savings Accounts	
Employees: 2,695	Fixed Deposits	Total payments to staff: Rs.2.1Bn
Social and Responsible Capital	Securities Investment Accounts	Investment in training: Rs.67Mn
Customers: >500,000	Investment Plans	Training hours: 5,648
Branch Network: 92	Minor Savings	Customer Value
ATMs: 131	Call deposits	Gross Revenue: Rs.20.3Bn
Natural Capital	Transactional Products	Interest Paid to Depositors: Rs.5.7Bn
Energy usage 8.09Mn kWh		Credit Cards
Water consumption 60,273M ³	Debit Cards	CSR investment: Rs.14.8Mn
	Internet Banking	Environmental impacts
	Mobile Banking	
	SMS Banking	Emissions: 5,875.8tCo ₂ e
	Bancassurance	Waste paper recycled: 21,948Kgs
	Remittances	
	Loans and Advances	
		Personal Loans
	Auto Loans	Value Drivers
	Leasing	Talent Management
	Factoring	Smart Strategy
	Overdrafts	Corporate governance and risk management
	Term Loans	Product and channel development
	Trade Finance	Technology and infrastructure
	Corporate Debt	Sustainability
	Margin Trading	
	Pawning	

(Source: Nations Trust Bank, annual Report 2015)

7. Overview of Nations Trust Bank PLC

7.5. Strategy, Future Outlook and Assumptions

7.5.1. Strategy & Future Outlook

The Bank's strategy formation is built on creating sustainable value to all our stakeholders, whilst customer centricity is core of bank's strategy, it is ably supported by key strategic thrusts of digital banking, lean transformation, data analytics and talent management.

Business pillars will collaboratively offer consolidated and holistic solutions to meet customers' life cycle requirements. The Bank will continue to evaluate and review the operational structures with the objectives of enhancing customer experience, improving productivity and efficiency.

The Bank's innovation in the digital front will provide unparalleled customer convenience and competitive edge to build market share and create shareholder value.

7.5.2. Assumptions in Relation to the Future Plans

GDP growth is expected to be 5.2% or above and the inflation rate (Source IMF Country Report No. 16/150) is projected to remain at mid single digit. Interest rates are expected to increase further and the trend in exchange rate is expected to continue. Growth in construction and services sectors including tourism, transport, communication and IT are expected to contribute towards the economic growth during the planning period.

7.6. Risks Associated with the Future Outlook

The Bank has demonstrated resilience amidst several economic cycles recording sustainable profits; however, adverse economic conditions, political instability, unexpected external shocks and natural disasters could have a negative impact on these future strategies.

Risk management functions across the bank will continue to be strengthened during the planning period to manage credit, market, liquidity and operational risks through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. Risks and control limits have been addressed in the

business strategies that have been developed for the planning period. Specifically the development of early warning systems, risk monitoring and management tools and strengthening the related credit risk management expertise has been factored. The Bank views pricing for risk as fundamental to credit risk management which has been incorporated to ensure the Risk Adjusted Returns on Capital emanating from different portfolios and business units give the desired levels of returns during the planning period.

7.7. Degree of Dependence on Key Customers and Suppliers

NTB is neither significantly dependent on any key suppliers and/ or customers nor is over exposed to any particular customer or a supplier. The nature of the business is such it is the normal course of business for the company to have a wide base of customers and suppliers.

7.8. Employees and Labour Union Details

The permanent employee's details as at 30th September 2016 are as follows;

Total no of Employees	2,797
Total no of Managerial Staff	383

There are no labour unions at NTB, and hence the Bank does not have any labour union agreements.

7.9. Related Party Transaction Committee

The Related Party Transactions Review Committee of the Board was established at the Board meeting held on 29th September 2015 complying with the requirements of Section 9 of the Listing Rules of the Colombo Stock Exchange.

Members of the Related Party Transactions Review Committee are as follows:

Dr. Kemal de Soysa- Independent Non Executive Director / Chairman of the Committee

Murtazajafferjee- Independent Non Executive Director / Senior Director

Renuka Fernando- Executive Director/CEO

7.10. Board of Directors

Krishan Balendra

Chairman/Non Executive Director

Mr. Balendra was appointed as the Chairman of Nations Trust Bank PLC on 1st May, 2014. He has been a member of the Board of the Bank since December, 2009. Mr. Balendra serves as the Chairman of the Human Resources and Remuneration Committee and the Credit Committee of the Bank. He is also a member of the Nomination Committee and has served as a member of the Board Supervisory Committee of the Bank. Mr. Balendra is a President and member of the Group Executive Committee of John Keells Holdings PLC and has responsibility for the Retail sector and John Keells Stock Brokers. He is a former Chairman of the Colombo Stock Exchange. He started his professional career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. After a four year stint in Hong Kong, he continued his career in corporate finance at Aitken Spence & Co. PLC, Sri Lanka prior to joining JKH. Mr. Balendra holds a law degree (LLB) from the University of London and a MBA from INSEAD.

(Ms) Renuka Fernando

Executive Director/CEO

Mrs. Fernando was appointed as the Director/ CEO of Nations Trust Bank PLC on 15 September, 2012. She joined the Bank in September, 2001 as AGM- Corporate Financial Solutions and thereafter held the positions of DGM-Retail Banking and DGM-Consumer Banking. In June, 2011 she was appointed as the Deputy CEO of the Bank. Prior to joining the Bank she was with ABN AMRO Bank N.V, Sri Lanka, where she held the positions of Vice President/ Head -Global Transactional Services and Head of Consumer Banking. During her banking career spanning 34 years, Mrs. Fernando has also worked at Banque Indosuez, Sri Lanka as Manager- Corporate Banking and Nederlandsche Middenstands Bank -Hong Kong. Mrs. Fernando is an Associate of Chartered Institute of Bankers, UK and possesses a H. Dip. in Business Administration (Banking).

Murtaza Jafferjee

Independent Non Executive Director /Senior Director

Mr. Jafferjee holds a Masters in Financial Economics from the University of Colombo, Sri Lanka, Chartered Financial Analyst from CFA Institute, Charlottesville, Virginia, USA, Bachelors in Computer Science and Bachelors in Engineering-Mechanical (Hons) from University of New South Wales, Australia. He was appointed to the Board of Nations Trust Bank PLC in December, 2010. He is currently a Director and the Chief Executive Officer of J/B Securities (Pvt) Limited, the advocacy chair for CFA Society of Sri Lanka and also an Independent Non Executive Director of Serendib Hotel PLC. He was a Director of Colombo Stock Exchange from April, 2007 to August, 2009. He serves as the Chairman of the Nomination Committee and as a member of the Board Supervisory Committee of the Bank.

Dr. Kemal de Soysa

Independent Non Executive Director

Dr. De Soysa holds a PhD in History of Science, MPhil in History and Philosophy of Science and Medicine and BA Hons. in Natural Sciences from the University of Cambridge. He was appointed to the Board of Nations Trust Bank PLC on 21st January, 2011. Dr. De Soysa is currently the Executive Director of International Distillers Limited and a Director of East India Holdings (Pvt) Ltd. Dr. De Soysa previously served as the Country Head of Amba Research Lanka (Pvt) Ltd., managing the Sri Lanka-based operation of Amba Research (now Copal Amba, a Moody's subsidiary), the leading provider of investment research and analytics support services to the global capital markets industry. He was a member of the Executive Committee of the Amba Group and has also served in various capacities in the equity research domain at Amba's offices in Costa Rica and India. Dr. De Soysa serves as a member of the Integrated Risk Management Committee, Human Resources and Remuneration Committee and Nomination Committee of the Bank.

7. Overview of Nations Trust Bank PLC

(Ms) N. Shalini Panditaratne

Independent Non Executive Director

Mrs. Shalini Panditaratne is a Fellow of the Chartered Institute of Management Accountants, UK and an Associate Member of the Institute of Chartered Accountants of Sri Lanka. She has international experience in Corporate and Investment Banking at senior management level, primarily in Credit Risk Management and Analysis. She initially worked as an accountant in Sri Lanka and Zambia and commenced her career in corporate banking in Bahrain. After moving to Australia, she worked for seventeen years with JP Morgan Chase Bank Sydney (formerly The Chase Manhattan Bank) in various roles including as Vice President, Head of Country Credit in Singapore and later in Thailand. She also held the position of Head of Asia Credit and Capital Management, S.E Asia. Mrs. Panditaratne has provided credit training for Sydney-based financial institutions in corporate credit risk analysis and credit risk management. She was appointed to the Board of Nations Trust Bank PLC on 1 January, 2012. She serves as the Chairperson of the Board Audit Review Committee.

D. Prasanna De Silva

Non Executive Director

Mr. De Silva who is a Director of Central Finance Company PLC, possess 25 years of experience in banking and finance of which 16 years has been in senior management. He was appointed to the Board of Nations Trust Bank PLC on 1 January, 2012. He has had extensive exposure to credit appraisals, recovery, operating systems, tax, regulatory framework and legal aspects at operational and managerial levels during his tenure at Central Finance Company PLC. Mr. De Silva is an Associate Member of Chartered Financial Analyst Institute (CFA) USA and a Fellow of Chartered Institute of Management Accountants (CIMA) UK. He is also a past Chairman of the Leasing Association of Sri Lanka. Mr. De Silva serves as the Chairman of Integrated Risk Management Committee and as a member of the Board Supervisory Committee, Nomination Committee and Board Credit Committee of the Bank.

Suran Wijesinghe

Non Executive Director

Mr. Wijesinghe is a Fellow Member of both the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants of UK. He has over 30 years of work experience in the fields of auditing, financial management and general management which has been acquired while serving in organisations both locally and overseas. Mr. Wijesinghe is currently an Executive Vice President at John Keells Holdings PLC and is the Chief Financial Officer of the Financial Services Sector of the Group. He has been with the John Keells Group and in the Financial Services Sector since January 2004. The Financial Services Sector of the John Keells Group comprises of Nations Trust Bank PLC, Union Assurance PLC, Union Assurance General Ltd. and John Keells Stock Brokers (Pvt) Ltd. Prior to joining the John Keells Group, Mr. Wijesinghe was employed in Botswana for 12 years, initially as the Group Finance Manager and thereafter as the Group Finance Director of Securicor Botswana Ltd. (formerly known as Inco Holdings Ltd.) a Company listed on the Botswana Stock Exchange. He was appointed to the Board of Nations Trust Bank PLC on 1 November, 2012. He serves as the Chairman of the Board Supervisory Committee and as a member of the Board Audit Review Committee, Integrated Risk Management Committee and Human Resources and Remuneration Committee of the Bank.

Kumar Jayasuriya

Non Executive Director

Mr. Jayasuriya was appointed to the Board of the Bank on 1st May 2014. He is a Fellow member of the Chartered Institute of Management Accountants, UK (FCMA), a Chartered Global Management Accountant (CGMA), and a Fellow Member of the Association of Certified Accountants, UK (FCCA). He currently serves as the Non Executive Chairman of Finlays Colombo PLC and as Non Executive Director of Central Finance Company PLC, Lanka Aluminium Industries PLC and Acme Printing & Packaging PLC. He is also the Chairman of the Texlan Group of Companies, an Italian owned, BOI approved hosiery manufacturing company. He is a Trustee and Past Chairman of the Employers' Federation of Ceylon, a Director of the Employees Trust Fund Board and the Chairman of the Advisory Council of the Ceylon Chamber of Commerce. From 1981 to 2013, he served in diverse roles, including

Management Accountant, Financial Controller, Finance Director, Deputy Chairman and Chairman and Managing Director, of Finlays Colombo PLC. Prior to joining the Finlays Group in Sri Lanka, he served in Zambia's Copper Mining Industry as Cost Accountant of Nchanga Consolidated Copper Mines Limited – Chingola Division. Mr. Jayasuriya serves as a member of the Human Resources and Remunerations Committee and Board Audit Review Committee of the Bank.

Gihan Cooray

Non Executive Director

Mr. Cooray was appointed to the Board of the Bank on 1st May, 2014. Mr. Cooray holds a MBA from the Jesse H. Jones Graduate School of Management at Rice University, in Houston, USA and is an Associate Member of the Chartered Institute of Management Accountants, UK. He is also a Certified Management Accountant of the Institute of Certified Management Accountants, Australia and holds a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing, UK. He is a president and a member of the Group Executive Committee of the John Keells Group where he currently serves as the Head of Corporate Finance and Strategy and also heads the Group Treasury function and John Keells Capital-the investment banking arm of the Group. He has been with the John Keells Group since April 2006. He serves as a member of the sub-committees on Economic, Fiscal and Policy Planning; Investments and Ease of Doing Business; and Young Leaders of the Ceylon Chamber of Commerce. Mr. Cooray serves as a member of the Board Supervisory Committee and Integrated Risk Management Committee of the Bank.

Harsha Raghavan

Non Executive Director

Mr. Raghavan was appointed to the Board of the Bank on 1st January, 2015. He holds MBA and MS in industrial Engineering Degrees, both from Stanford University and B.A. in Computer Science & Economics from U.C. Berkeley. Mr. Raghavan currently serves as the Chief Executive Officer of Fairbridge Capital of Mumbai, India and as Board Member of Fairfax India Holdings, registered in Canada. Fairbridge Capital is a fully owned investment company of Fairfax Financial Holdings Limited, a Company which has insurance, reinsurance and fund management businesses and is based in Canada. Mr. Raghavan has been with Fairbridge Capital since 2011. Prior to joining Fairbridge Capital, Mr. Raghavan has served with, Candover Partners and Goldman Sachs Principal Investment Area of Mumbai India. In these prior roles, Mr. Raghavan has executed more than two dozen transactions totaling more than \$1.5 billion in investment. Mr. Raghavan serves on the Boards of Thomas Cook (India) Limited, Thomas Cook Lanka (Private) Limited, Thomas Cook (Mauritius) Holding Company Limited, Sterling Holiday Resorts Limited, National Collateral Management Services Limited, Luxe Asia (Sri Lanka), Kuoni India and Kuoni China. He also serves on the Audit and Compensation Committees of all these companies.

Conrad D'Souza

Independent Non Executive Director

Mr. Conrad D'Souza currently serves as the Member of Executive Management and Chief Investor Relations Officer of Housing Development Finance Corporation Limited (HDFC), a respected housing Finance Company in India. Mr. Conrad D'Souza has been with HDFC since 1984.

In HDFC Mr. D'Souza is responsible for strategy, corporate planning and budgeting, corporate finance and investor relations, wholesale lending to corporate and other non individual entities. He had held the position of Treasurer of HDFC for nine years and responsibilities included fund management, investments, resource mobilisation both domestic and international, asset-liability management and investor relations. He has been associated with HDFC's international funding from the multilateral agencies and in the international syndicate loan markets. The Floating Rate Note issue of July 2002 won the IFR Asia India Capital Markets Deal of the year for 2002. Managed HDFC's US \$ 500 million Foreign Currency Convertible Bond issue which was the largest issue out of Asia in 2005.

7. Overview of Nations Trust Bank PLC

Mr. Conrad D'Souza serves on the Boards of HDFC Investments Ltd., India, HDFC Education And Development Services Pvt. Ltd., India, HDFC Holdings Ltd., India, HDFC Sales Pvt. Ltd., India, Chalet Hotels Pvt. Ltd., India, Kooh Sports Pvt. Ltd., India, Association of Finance Professionals of India (AFPI) and Housing Development Finance Corporation plc, Maldives. He has been a consultant to USAID / UNDP and IFC (Washington) and has undertaken assignments in Asia, Africa and Eastern Europe.

Mr. Conrad D'Souza has a Master's Degree in Commerce, a Master's Degree in Business Administration and is a Senior Executive Program (SEP) graduate of the London Business School.

Russell De Mel

Independent Non-Executive Director

Mr. Russell De Mel is a professional accountant with over 20 years experience in development banking including project financing, SME financing and merchant Banking and around 9 years of experience in commercial and investment Banking. He is a Fellow of the Chartered Institute of Management Accountants of UK (FCMA), Chartered Global Management Accountant (CGMA) and Fellow of the Certified Management Accountants of Sri Lanka (FCMA).

Mr. Russell De Mel has served in the National Development Bank (NDB) and Group as the Director/ CEO and the Group CEO from March 2010 to August 2013. Prior to that he has held the positions of Vice President –Group Risk Management and Vice President of Corporate Banking Group of NDB.

Mr. Russell De Mel has also served on the Boards of over 25 listed and non listed companies, over a period of 25 years, covering a wide range of sectors ie. Industry, Food & Beverage, Banking & Finance Insurance & Capital Markets, Healthcare, Hospitality & Tourism, Plantations, Education & Communication, both within and outside NDB Group and within and outside Sri Lanka. He currently serves on the Boards of TAL Lanka Hotels PLC, EAP Holdings (Pvt) Ltd, EAP Broadcasting Ltd., EAP Films and Theatres Ltd. and Singer Finance Lanka PLC.

(Ms) Rachini Rajapaksa

Independent Non-Executive Director

Ms. Rachini Rajapaksa is a Chartered Financial Analyst of the CFA Institute, Charlottesville, Virginia, USA and Fellow Member of the Chartered Institute of Management Accountants, UK. She is the President cum Board Member of CFA Society Sri Lanka and a Senior Consultant at Wealth Lanka Management (Pvt) Ltd. Prior to joining Wealth Lanka, she was the Chief Financial Officer of IBM Sri Lanka & Bangladesh. Having commenced her career at Pricewater house Coopers, she subsequently joined Ceybank Asset Management Company Ltd where she rose to the position of Senior Fund Manager. She possesses extensive leadership experience in the fields of fund management and finance. She was appointed to the Board of Nations Trust Bank PLC on 29th April, 2016 and serves as a member of Board Audit Review Committee.

7.11. Corporate Management

Details of the Corporate Management personnel of the Bank are as follows:

Name	Designation
Ajith Akmeemana	Chief Financial Officer
Mevan Balalle	Head of Compliance
Nandasiri Bandara	Deputy General Manager - Internal Audit
Indrajith Boyagoda	Deputy General Manager - Treasury
Hemantha Gunetilleke	Deputy General Manager - Commercial Banking
Bandara Jayathilake	Deputy General Manager SME Banking
Nisala Kodippili	Chief Information Officer
Chamath Munasinghe	Head of Banking Operations
Thilak Piyadigama	Chief Operating Officer
Gayan Ranaweera	Deputy Head Of Credit
Theja Silva	Company Sec/DGM-Legal
Priyantha Talwatte	Deputy General Manager Consumer Banking
Ramanika Unamboowe	Deputy General Manager - Human Resources
Shaan Wickremesinghe	Chief Marketing Officer
Priyantha Wijesekera	Deputy General Manager - Leasing
Anura Senarath Yapa	DGM Credit & Collections

8. Financial Information

The following financial information is hosted on the Bank's web site, www.nationstrust.com and CSE web site www.cse.lk;

- Audited financial statements of the Bank for the year ended 31st December 2015.
- Quarterly Financial Statements as of 30th June 2016.
- Summarized financial statements for the five year preceding the date of the application (i.e for the financial years ending 31st December, 2010 - 2015) the Accountant's Report stating the accounting policies adopted by the Entity certified by the auditors.

8.1. Stated Capital

The detailed breakdown of Stated Capital as at 30th September 2016 is given below.

BANK	As at 01 January 2016	Dividend paid for 2015	Total Comprehensive Income	AFS Reserve	As at 30 Sept 2016
Stated Capital	5,101,369	-	-	-	5,101,369
Retained Earnings	8,154,695	(484,275)	1,897,967	-	9,568,387
Reserve Fund	660,840	-	-	-	660,840
AFS Reserve	73,282	-	-	(39,272)	34,010
Total	13,990,186	(484,275)	1,897,967	(39,272)	15,364,606

8.2. Particulars of Debt and Loan Capital

The outstanding borrowings of the Bank as at 30th September 2016 are as follows:

Description	LKR '000'
Due to Banks	
Call Money Borrowing	-
	-
Borrowings from Local Banks	1,166,389
Borrowings from Foreign Banks	6,253,930
Total	7,420,319
Other Borrowings	
Refinance Borrowing - other institutions	7,871,259

8.3. Details of Long Term Loans and Other Borrowings

Details of Borrowings as at 30th September 2016

Type of Borrowing	Year of Issue	Face Value (Rs.000')	Outstanding as of 30th Sept 16	Tenor (yrs)
Subordinated Debenture	2013	3,000,000	3,000,000	5 yrs
Subordinated Loan/FMO	2012	1,909,700	1,909,700	5 yrs
Senior Loan/ADB	2013	2,136,000	1,469,294	5 yrs
Medium Term Borrowing/NSB	2015	1,000,000	1,000,000	4 yrs
Medium Term Borrowing/NSB	2016	1,500,000	1,500,000	4 yrs

8.4. Other Debt Securities

Details of the Listed Debentures in issue as at 30th September 2016 are as follows:

Debenture Issue	Ranking	Amount (LKR)	Interest Rate	Maturity
2013 Debenture Issue NTB.D0266				
	Subordinate	3,000,000,000	13.00%	19/12/2018
Total		3,000,000,000		

Nations Trust Bank PLC has complied with the main objectives stated in the Prospectus of its Debentures issues allotted in 2013, which are listed in the Colombo Stock Exchange. There was no deviation from the objectives for which the Debentures were issued.

Objectives of the 2013 Debenture Issue (Rated Subordinated Redeemable Listed Debentures) of Rs.3,000,000,000/-

- To raise medium term funding to manage assets and liabilities gap exposure and associated risks of the bank
- The proceeds of the issue would be utilized for working capital purposes and to replace debentures matured in 2013. Accordingly, the funds raised through this Debenture Issue will be routed to supplement the balance sheet growth of the Bank.
- Provide investors a structure to meet their risk return and maturity needs while offering NTB medium term funds at attractive rate.
- To facilitate the admission of up to 30,000,000 Listed, Rated, Unsecured Subordinated Redeemable Five (05) Year Debentures issued at an Issue Price of LKR 100.00 each to the official list of the CSE.
- In addition, as the Bank currently has a leeway of over LKR 2.5 Billion in terms of utilizing Tier II funding, this Debenture Issue will enable the Bank to further strengthen its capital position.

8.5. Details of Outstanding Convertible Debt Securities

NTB has not issued any convertible debt securities as at the date of the Prospectus.

8.6. Debt Servicing Details of the Bank

The details of the Debenture interest payments made during the past three years are given below:

Description	2013 LKR '000'	2014 LKR '000'	2015 LKR '000'	As at 30 Sept 2016 LKR '000'
Gross Interest due on Debentures	240,218	616,579	616,579	420,764
Debenture interest paid on or before due date	240,218	616,579	616,579	420,764
Debenture interest paid after due date	NIL	NIL	NIL	NIL
Debenture interest not paid as of to date	NIL	NIL	NIL	NIL

8.7. Details of Contingent Liabilities

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers. No material losses are anticipated as a result of these transactions. Contingent liabilities of the Bank as at 30th September 2016 are as follows:

8. Financial Information

Description	LKR ' 000'
Acceptances	2,003,618
Standby Letters of Credit	-
Guarantees	426,213
Documentary Credit	5,552,819
Bills for Collection	2,452,719
Forward Exchange Contracts (Net)	27,402,165

8.8. Dividend Policy

The Board of Directors subject to the Articles of Association of the Company and Companies Act No. 07 of 2007 may recommend and declare dividends to the shareholder from and out of the profits of the Bank. The dividend rate will be determined based on a number of factors, including but not limited to the Company's earnings, capital requirements and overall financial condition. Dividends paid and payable are subject to the Banking Act requirements.

	2015	2014	2013
Dividend Payments NTB '000'	484,275	484,275	461,215
Dividend Per share (first & final)	Rs. 2.10	Rs. 2.10	Rs. 2.00

8.9. Key Financial Ratios

Description	31- Dec-2010	31-Dec-2011	31-Dec-2012	31- Dec-2013	31-Dec-2014	31- Dec-2015	30- Sep-2016
Interest Cover (times)	5.31	5.65	5.12	6.79	6.08	6.16	6.82
Debt to Equity (%)	37.61	51.53	58.54	62.72	52.53	49.81	32.11
Total Capital Adequacy Ratio (%)	14.91	16.62	17.25	19.25	17.44	14.67	10.79
Statutory Liquid Assets Ratio(%)							
- Domestic Banking Operations - %	22.13	21.37	25.91	25.26	23.17	21.77	22.58
- Foreign Currency Banking - %Operations	42.97	33.79	25.42	41.92	58.48	33.23	24.75

1 Interest Cover (times)

$$\frac{\text{Profit before Debenture Interest \& Tax}}{\text{Debenture Interest}}$$

2 Debt to Equity (times)

$$\frac{\text{Debenture (Long Term Debt)}}{\text{Equity}}$$

3 Capital Adequacy Ratio (%)

Total Capital Adequacy Ratio as per CBSL Directions Total Capital (Tier I & Tier II)
Total Risk Weighted Assets

4 Statutory Liquid Assets Ratio (%)

- Domestic Banking Operations
- Foreign Currency Banking Operations

Statutory Liquid Assets as per the CBSL Directions/ Banking Act Total
Liability Base as per CBSL Directions

9. Statutory and Other General Information

9.1. Inspection and Hosting of Documents

This Prospectus, the Articles of Association of NTB and the Trust Deed will be hosted on the Colombo Stock Exchange's web site www.cselk.lk and on the NTB website www.nationstrust.com from the date of opening the issue until the date of redemption of the Debentures.

Audited financial statements of NTB of the Five (05) years preceding the Issue (FY 2010 to FY 2015), the Trust Deed, Articles of Association of the Bank, material contracts and management agreements and reports or statements made by an expert and referred to in the Prospectus is open for inspection by the public during normal working hours at the Registered Office of NTB from the date of this Prospectus until the date of maturity of the Debentures.

9.2. Copies of the Prospectus

Copies of the Prospectus and Application Forms may be obtained from the Registered Office of NTB, The Managers to the Issue, Member Firms and Trading Member Firms of the Colombo Stock Exchange and selected NTB Branches (Collection Points - Refer Annexure B).

Furthermore, the copies of the Prospectus and Application Form will be made available free of charge from the collection points as set out in Annexure B from seven market (07) days prior to the date of opening of the subscription list.

9.3. Details of Legal, Arbitration or Mediation Proceedings and Penalties

Apart from legal proceedings in the normal course of its banking business, the Bank and its subsidiaries are not a party to any litigation or arbitration proceedings and is not aware of any pending or threatened litigation or arbitration that, if decided adversely to the Bank, would have a significant effect upon the Bank's financial position nor has it been a party to any such proceedings in the recent past.

9.4. Details of Penalties Imposed by Regulatory and State Authorities

There were no material fines or penalties imposed by regulatory or state authorities on NTB as at 31st August 2016.

9.5. Financial Statements

NTB being a Licensed Commercial Bank is required to prepare financial statements for the year ended 31st December of a particular year. Accordingly, NTB has prepared its financial statements for the year ended 31st December 2015 which has been audited.

9.6. Taxation

There are no specific tax concessions or exemptions applicable to the business other than normal taxes applicable to the business of banking.

9.7. Cost of the Issue

The Directors estimate that the total cost of the Issue including the Listing fees, Trustee fees, Brokerage, Printing, Marketing, Stamp duties, Joint Managers and Registrars fees and other costs connected with the Issue will be approximately LKR 25 Million and will be met out of internally generated funds.

9.8. Underwriting and Minimum Subscription

The Debenture issue is not underwritten.

In the event the issue is under subscribed, the subscribers shall be allotted in full and funds raised shall be utilized to meet the objectives stated in this Prospectus.

9.9. Brokerage

Brokerage at the rate of 0.15% of the nominal value of the Debentures will be paid in respect of the number of Debentures allotted on applications bearing the original stamp of any bank operating in Sri Lanka or a member/ trading member of the CSE or any agent appointed by the Company.

9.10. Conflict of Interest between NTB and Trustee

There is no conflict of interest between the Trustee and NTB, except that the Trustee is one of the banks rendering banking related services to NTB.

9.11. Material Contracts

The Company has not entered into any material contracts other than those contracts entered into in the ordinary course of business.

9.12. Transactions Related To Property

There are no transactions related to the property that took place within the two preceding years in which any vendor of the property to the Company or any person who is or who was at the time of the transaction, a promoter or a director or proposed director of the Company had any interest, direct or indirect.

10. Statutory Declarations

10.1. Declaration by the Directors

We, the undersigned who are named herein as Board of Directors of Nations Trust Bank PLC hereby declare and confirm that we have read the provisions of CSE Listing Rules and of the Companies Act No. 7 of 2007 and any amendments thereto relating to the Issue of the Prospectus and those provisions have been complied with.

"This Prospectus has been seen and approved by the Directors of the Nations Trust Bank PLC and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Nations Trust Bank PLC have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Nations Trust Bank PLC and making assumptions that are considered to be reasonable at the present point in time in the best judgment of the directors.

The parties to the Issue have submitted declarations to the Bank declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Bank.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing of Debtentures issued by Nations Trust Bank PLC and those Debtentures which are the subject of this Issue. Such permission will be granted when Debtentures are listed in the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of Nations Trust Bank PLC or the Debtenture Issue."

Signed at Colombo on this 17th day of October 2016.

Name of Director	Designation	Signature
Mr. K N J Balendra	Chairman/Non Executive Director	Sgd
Mrs. R.N.K.Fernando (Director/CEO)	Executive Director/CEO	Sgd
Mr. M Jafferjee	Senior Director	Sgd
Dr. (Mr.) K. De. Soysa	Independent Non Executive Director	Sgd
Mrs. N. S. Panditaratne	Independent Non Executive Director	Sgd
Mr. D.P. De Silva	Non Executive Director	Sgd
Mr. K. O. V. S. M. S. Wijesinghe	Non Executive Director	Sgd
Mr. C.L.K.P. Jayasuriya	Non Executive Director	Sgd
Mr. J.G.A. Cooray	Non Executive Director	Sgd
Mr. H. Raghavan	Non Executive Director	Sgd
Mr. J.C.A.D'Souza	Independent Non Executive Director	Sgd
Mr. N.I.R De Mel	Independent Non Executive Director	Sgd
Ms. R.D. Rajapaksa	Independent Non Executive Director	Sgd

10.2. Declaration by the Managers to the Issue

We Waldock Mackenzie Limited, of 242, Union Place Colombo 02 who are named in the Prospectus as the Managers to the Listed Debtenture Issue of Nations Trust Bank PLC hereby declare and confirm that to the best of our knowledge and belief based on the information provided to us by the Bank, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Nations Bank PLC whose Debtentures are being listed.

Given under the Common Seal of the Company this 20th September 2016 in the presence of

(Sgd.)
Mr. J.G.A. Cooray
Director

(Sgd.)
T T Silva
Company Secretary



Annexure A



Fitch Ratings

Fitch Rates Nations Trust Bank's Subordinated Debt Final 'A-(lka)'

Fitch Ratings-Colombo-19 October 2016: Fitch Ratings has assigned Nations Trust Bank PLC's (NTB: A(lka)/Stable) issue of subordinated debentures of up to LKR5bn a final National Long-Term rating of 'A-(lka)'.

The final rating is the same as the expected rating assigned on 15 September 2016, and follows the receipt of documents conforming to information already received.

The debentures will mature in five years and carry fixed and floating coupons. The debentures are to be listed on the Colombo Stock Exchange. NTB plans to use the proceeds to support its Tier 2 capital base, diversify its funding mix and reduce structural maturity mismatches.

KEY RATING DRIVERS

The subordinated debentures are rated one notch below NTB's National Long-Term Rating to reflect the subordination to senior unsecured debt.

NTB's ratings reflect its moderate franchise, high product concentration and declining capitalisation. The Outlook is Stable.

RATING SENSITIVITIES

The rating on the debentures will move in tandem with NTB's National Long-Term Ratings.

An upgrade of NTB's rating is contingent upon the bank lowering product concentration, significantly improved capitalisation and enhanced funding stability, alongside progress in building a strong commercial banking franchise. Weaker capitalisation or an increased risk appetite, which may be evident in aggressive loan growth and weaker asset quality, could result in a downgrade.

Contact:

Primary Analyst
Kanishka de Silva
Analyst
+941 1254 1900
Fitch Ratings Lanka Ltd
15-04, East Tower, World Trade Center
Colombo 1, Sri Lanka

Secondary Analyst
Jeewanthi Malagala, CFA
Analyst
+941 1254 1900

Committee Chairperson
Jonathan Lee
Senior Director
+886 2 8175 7601

Date of Relevant Rating Committee: 14 October 2016

Media Relations: Bindu Menon, Mumbai, Tel: +91 22 4000 1727, Email: bindu.menon@fitchratings.com.

FITCH RATINGS LANKA LTD.


Authorised Signatory.

Note to editors: Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(lka)' for National ratings in Sri Lanka. Specific letter grades are not therefore internationally comparable.

Additional information is available on www.fitchratings.com

FITCH RATINGS LANKA LTD.



Authorised Signatory.



Annexure B



Collection Points

Copies of the Prospectus can be obtained free of charge from the following collection on points.

Managers to the Issue

Waldock Mackenzie Limited
242, Union Place,
Colombo 02.
T: +94 11 4724866, +94 11 4719656
F: +94 11 4791723

Bankers to the Issue

Nations Trust Bank PLC
242, Union Place,
Colombo 02.
T: +94 11 4313100
F: +94 11 4791723

Registrars to the Issue

SSP Corporate Services (Pvt) Ltd
No 101, Inner Flower Road,
Colombo 03.
T: 94 11 2573894
F: 94 11 2573609

Members of The CSE

BartleetReligare Securities (Pvt) Limited
Level "C", "Bartleet House", 65, Braybrooke Place,
Colombo 2.
Tel: +94 11 5 220 200
Fax: +94 11 2 434 985

Acuity Stockbrokers (Pvt) Ltd.
No. 53, DharmapalaMawatha,
Colombo 3.
Tel: +94 11 2 206 206
Fax: +94 11 2 206 298 / 9

John Keells Stock Brokers (Pvt) Ltd.
186, Vauxhall Street,
Colombo 2.
Tel: +94 11 2 342066-7, +94 11 2 306250
Fax: +94 11 2 342068

Placement agents to the Issue

People's Bank -Investment Banking Unit
13th floor, No 75, Sir Chittampalam Gardiner Mw,
Colombo 02.
T: +94 11 2206795-6
F: +94 11 2458842

Capital Alliance Partners Limited
Level 5, "Millennium House",
46/58, NavamMawatha, Colombo 02.
T: +94 11 2317777
F: +94 11 2317788

Asha Phillip Securities Ltd.
2nd Floor, Lakshmans Building,
No. 321, Galle Road, Colombo 03.
Tel: +94 11 2 429 100
Fax: +94 11 2 429 199

Assetline Securities (Pvt) Ltd.
No.120, 120A, Pannipitiya Road,
Battaramulla.
Tel: +94 11 4 700 111
Fax: +94 11 4 700 101, +94 11 4 700 112

Somerville Stockbrokers (Pvt) Ltd.
1/A Park Way Park Road,
Colombo 5.
Tel: +94 11 2 502 852, +94 11 2 502 854
Fax: +94 11 2 444 092

J B Securities (Pvt) Ltd.
150, St. Joseph Street,
Colombo 14.
Tel: +94 11 2 490900
Fax: +94 11 2 446085, +94 11 2 447875

Lanka Securities (Pvt) Ltd
228/1, Galle Road,
Colombo 04.
Tel: +94 11 4 706 757, 2 554942
Fax: +94 11 4 706 767

Asia Securities (Pvt) Ltd
2nd Floor, No 176/1 - 2/1,
Thimbirigasyaya Road, Colombo 05.
Tel: +94 11 7 722000
Fax: +94 11 2 584864

Nation Lanka Equities (Pvt) Ltd.
44, Guildford Crescent,
Colombo - 07.
Tel: +94 11 4 889 061-3, +94 11 2 684 483
Fax: +94 11 2 688 899

Capital Trust Securities (Pvt) Ltd
42, Mohamed MacanMarkarMawatha,
Colombo 3.
Tel: +94 11 2 174174, +94 11 2 174175
Fax: +94 11 2 174173

S C Securities (Pvt) Ltd.
5th Floor, 26 B, Alwis Place,
Colombo 3.
Tel: +94 11 4 711000, +94 11 47 11001
Fax: +94 11 2 394405

CT CLSA Securities (Pvt) Limited
4-14, Majestic City,
10, Station Road, Colombo 4.
Tel: +94 11 2 552290-4,
Fax: +94 11 2 552289

First Capital Equities (Pvt) Limited.
No.2 Deal Place,
Colombo 02.
Tel: +94 11 2 145000, +94 11 263 9898
Fax: +94 11 5 736264

NDB Securities (Private) Limited.
5th Floor, NDB Building,
40, NavamMawatha, Colombo 2.
Tel: +94 11 2 314 170 to 2 314 178, +94 11 2 131 000
Fax: +94 11 2 314 181

Trading Members

Capital Alliance Securities (Pvt) Ltd
Level 5, "Millennium House",
46/58 NawamMawatha, Colombo 2.
Tel: +94 11 2 317777
Fax: +94 11 2 317788

SMB Securities (Pvt) Ltd
No. 102/1, Dr. N.M. PereraMawatha (formerly Cotta Road)
Colombo 8.
Tel: +94 11 4 388 138
Fax: +94 11 2 670294

First Guardian Equities (Pvt) Ltd
32nd Floor, East Tower, World Trade Centre,
Colombo 1.

Tel: +94 11 5 884400 (Hunting)
Fax: +94 11 5 884401

Softlogic Stockbrokers (Pvt) Ltd
No.06, 37th Lane, Queens Road,
Colombo 03.
Tel: +94 11 7 277 000
Fax: +94 11 7 277 099

Taprobane Securities (Pvt) Ltd.
2nd Floor,
No. 10, Gothami Road, Colombo 08.
Tel: +94 11 5 328 200, +94 11 5 328 100
Fax: +94 11 5 328 177

Collection Points

Candor Equities Ltd
Level 8, South Wing, Millennium House,
46/58 NawamMawatha, Colombo 02.
Tel: +94 11 2 359 100
Fax: +9411 2305 522

LOLC Securities Limited
No. 481, T.BJayahMawatha,
Colombo 10.
Tel: +94 11 5889889
Fax: +94 11 2662883

Enterprise Ceylon Capital (Private) Limited
27th Floor, East Tower, World Trade Centre,
Echelon Square, Colombo 1
Tel: +94 11 2 333 000, +94 11 2 147 147
Fax: +94 11 2 333 383

TKS Securities (Pvt) Ltd.
4th Floor, No. 245,
DharmapalaMawatha, Colombo 7.
Tel: +94 11 7 857 799
Fax: +94 11 7 857 857

Richard Pieris Securities (Pvt) Ltd.
No. 55/20, Vauxhall Lane,
Colombo 02.
Tel: +94 11 7 448 900, +94 11 5 900 800
Fax: +94 11 2 330 711

Claridge Stockbrokers (Pvt) Ltd
No.10 GnanarthaPradeepaMawatha,
Colombo 8.
Tel: +94 11 2 697 974
Fax: +94 11 2 689 250

Navara Securities (Pvt) Ltd
No. 25-2/1, Milepost Avenue,
Colombo 3.
Tel: +94 11 2 358 700 / 20
Fax: +94 11 5 005 551

Trading Members - Debt

First Capital Markets Limited
No. 2, Deal Place,
Colombo 3.
Tel: +94 11 2 639 898, +94 11 2 681 888
Fax: +94 11 2 639 899, +94 11 2 576 866

Capital Alliance Limited
Level 5, "Millenium House"
46/58, NawamMawatha, Colombo 2.
Tel: +94 11 2317777
Fax: +94 11 2317788

Wealthtrust Securities Limited
No. 32, Castle Street,
Colombo 08.
Tel: +94 11 2 675 091-4
Fax: +94 11 2689605

Perpetual Treasuries Limited
Level 3, Prince Alfred Tower, No 10,
Alfred House Gardens, Colombo 3.
Tel: +94 11 2206123, +94 11 2206107
Fax: +94 11 2206110

NSB Fund Management Company Limited
No 255, 1st Floor, NSB Head Office,
Galle Road, Colombo 3.
Tel: +94 11 2 565 956, +94 11 2 565 957
Fax: +94 11 2 574 387

Acuity Securities Limited
4th Floor, No. 53,
DharmapalaMawatha, Colombo 3.
Tel: +94 11 2 206 280
Fax: +94 11 2 206 290

Natwealth Securities Limited
Prince Alfred Tower,
No. 10-1/1, Alfred House Gardens, Colombo 3.
Tel: +94 11 4716274
Fax: +94 11 4645776

Commercial Bank of Ceylon PLC
Commercial House,
No. 21, Sir RazikFareedMawatha, Colombo 1.
Tel: 94 11 2 486 334
Fax: + 94 2 384 650

Custodian Banks

Bank of Ceylon
Head Office, 11th Floor, 04,
Bank of Ceylon Mawatha, Colombo 01
Tel: 011 2317777, 011 2448348

Citi Bank N.A
65 C, Dharmapala Mawatha,
P.O. Box 888, Colombo 07
Tel: 011 244 7316/8, 011 244 7318, 011 2449061, 011 232 8526,
011 479 4700

Commercial Bank of Ceylon PLC
Commercial House, 21, Bristol Street,
P.O. Box 853, Colombo 01
Tel: 011 244 5010-15, 011 238 193-5

People's Bank
Head Office, 5th Floor,
Sir Chittampalam A Gardiner Mawatha, Colombo 02
Tel: 011 278 1481, 011 2446316

Pan Asia Banking Corporation PLC
450, Galle Road
Colombo 03
Tel: 011 2 565565

Public Bank Berhad
340, R A De Mel Mawatha,
Colombo 03
Tel: 011 2576 289, 0117290 200-07

Sampath Bank PLC
110, Sir James Peiris Mawatha,
Colombo 02
Tel: +94 11 5331441

Seylan Bank PLC
Level 8, Ceylinco Seylan Towers,
90, Galle Road, Colombo 03
Tel: +94 11 2456789, 4701812, 4701819

Deutsche Bank
P.O. Box 314
No. 86, Galle Road,
Colombo 03
Tel: 011 244 7062, 011 243 8057

Hatton National Bank PLC
HNB Towers,
479, T.B. Jayah Mawatha,
Colombo 10
Tel: 011 266 4664

NSB Fund Management Company LTD
Savings House
255, Galle Road, Colombo 03
Tel: 5 730081-5

Standard Chartered Bank
37, York Street,
P. O. Box 112,
Colombo 01
Tel: 011 479 4400, 011 248 0000

State Bank of India
16, Sir Baron Jayathilake Mawatha,
Colombo 01
Tel: 011 232 6133-5, 011 243 9405-6

Union Bank of Colombo PLC
64, Galle Road,
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The Hong Kong and Shanghai Banking Corporation Limited
24, Sir Baron Jayathilake Mawatha,
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Tel: +94 11 2325435, 2446591, 2446303

Nations Trust Bank PLC
242, Union Place,
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