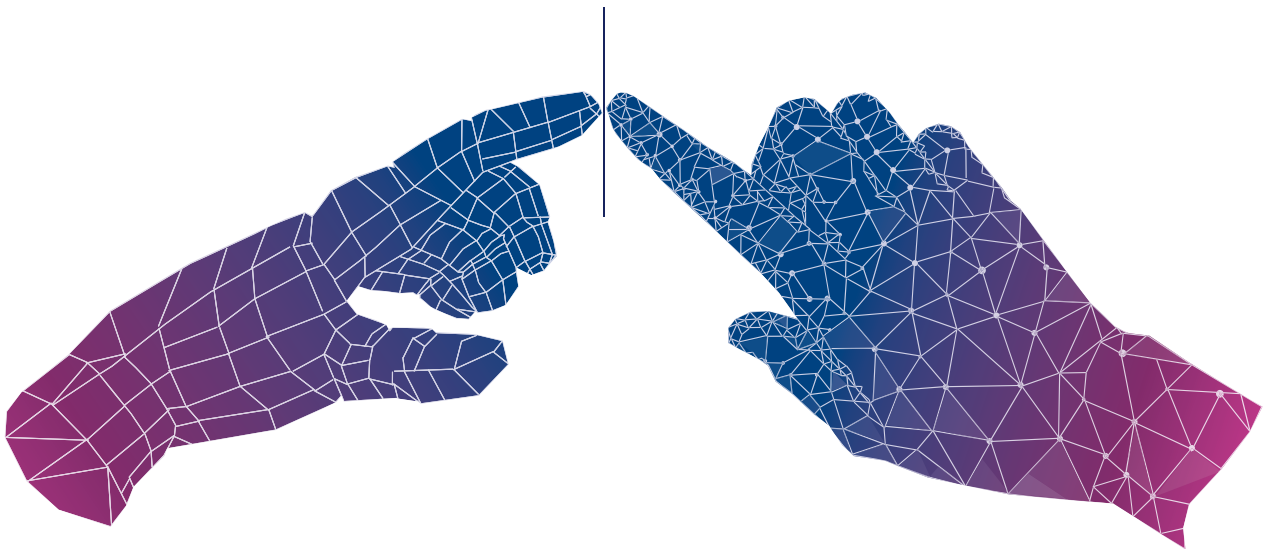




# Prospectus



Nations Trust Bank PLC  
Debtenture Issue  
2019





ISSUE OF THIRTY FIVE MILLION (35,000,000)

BASEL III COMPLIANT, TIER 2, LISTED, RATED, UNSECURED, SUBORDINATED REDEEMABLE DEBENTURES WITH A NON VIABILITY CONVERSION AS DIRECTED BY THE CENTRAL BANK OF SRI LANKA AT THE PAR VALUE OF SRI LANKAN RUPEES ONE HUNDRED (LKR 100/-) EACH BY NATIONS TRUST BANK PLC WITH AN OPTION TO ISSUE UP TO A FURTHER TEN MILLION (10,000,000) OF SAID DEBENTURES IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE TO RAISE UPTO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES FOUR THOUSAND FIVE HUNDRED MILLION (LKR 4,500,000,000/-)

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

RATED "A-(lka)" BY FITCH RATINGS LANKA LIMITED

ISSUE OPENS ON 16th DECEMBER 2019

ISSUE IS LIMITED FOR 'QUALIFIED INVESTORS' AS DEFINED HEREIN

Treasury & Investment Banking Division  
Nations Trust Bank PLC  
Managers to the Issue

## IMPORTANT NOTICE

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 any material change in the affairs of the Bank occurs subsequent to the Prospectus date and before the issue opening, same will be notified by way of an addendum.

By acquiring any Debenture, each Debenture Holder irrevocably consents to the principal amount of the Debenture and any accrued and unpaid interest thereon being deemed paid in full by the issuance of ordinary voting shares upon occurrence of a Trigger Event and the resulting Non - Viability Conversion as directed by Central Bank of Sri Lanka required to be effected by the Bank.

Upon a Non-Viability Conversion as directed by Central Bank of Sri Lanka;

- i) The Trustees shall not be required to take any further directions from holders/ beneficial owners of the Debentures under the Trust Deed;
- ii) The Trust Deed shall impose no duties upon the Trustees whatsoever with respect to conversion of the Debentures into ordinary voting shares upon a Trigger Event; and
- iii) Upon the occurrence of a Trigger Event, the par value of Debentures or if greater up to the outstanding balance due on such Debentures will be permanently converted to ordinary voting shares at the Conversion Price as morefully described in the Glossary of Terms Related to the Issue in section 4 of the prospectus.

We advise you to read the content of the Prospectus carefully prior to investment.

This investment instrument is riskier than a bank deposit.

These Debentures are complex products and have provision for loss absorption in the form of Non - Viability Conversion as set out in the Prospectus. This means that following the occurrence of a Trigger Event as may be determined by the Central Bank of Sri Lanka, the Bank will convert the Debentures into ordinary voting shares. An investor will be deemed paid in full the principal plus accrued and unpaid interest due on the Debentures, upon such conversion. The number and value of ordinary voting shares to be received on a Non - Viability Conversion may be worth significantly less than the par value of the Debentures and can be variable.

Please refer to the 'Risk Factors Section' of the Prospectus for further details.

Each potential investor in these Debentures must determine the suitability of investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether the investor:

- i. has sufficient knowledge and experience to make a meaningful evaluation of these Debentures, the merits and risks of investing in the Debentures and the information contained or incorporated by reference in this Prospectus;
- ii. has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in these Debentures and the impact the Debentures will have on its overall investment portfolio;
- iii. has sufficient financial resources and liquidity to bear all of the risks of an investment in these Debentures;
- iv. understands thoroughly the terms of these Debentures, including the provisions relating to the Non - Viability Conversion as directed by Central Bank of Sri Lanka of the Debentures, and is familiar with the behavior of financial markets; and
- v. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in these Debentures unless the investor has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Debentures will perform under changing conditions, the resulting effects on the value of the Debentures and the impact this investment will have on the potential investor's overall investment portfolio.

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 there is any material changes subsequently, same will be notified to the market.

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 10th December 2019

## 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 inquiries 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 inquiry 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 its 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 Rating Agency for the inclusion of its name in the Prospectus as the Rating Agency to the Issue and to the Bank.
- 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 the Rating Agency 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

**Treasury & Investment Banking Unit**  
Nations Trust Bank PLC  
242, Union Place,  
Colombo 02.  
Telephone 011-4313212/ 011-4313295  
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 5.17 "Risks factors specifically 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 QUALIFIED INVESTORS 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 Bank 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	Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated Redeemable 5 Year Debentures (2019/2024) and 7 Year Debentures (2019/2026) with a Non-Viability Conversion as directed by Central Bank of Sri Lanka at the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each.																			
Listing	The Debentures will be listed on the Colombo Stock Exchange																			
Number of Debentures to be issued	Issue of Thirty Five Million (35,000,000) of Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated Redeemable 5 Year Debentures (2019/2024) and 7 Year Debentures (2019/2026) with an option to increase the said sum by up to a further Ten Million (10,000,000) of said Debentures in the event of an oversubscription of the initial issue.																			
Amount to be raised	A sum up to Sri Lankan Rupees Three Thousand Five Hundred Million (LKR 3,500,000,000/-) with an option to increase the said sum by up to a further Sri Lankan Rupees One Thousand Million (LKR 1,000,000,000/-) in the event of an oversubscription of the initial issue.																			
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	<p>Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated Redeemable Debentures with a Non-Viability Conversion as directed by Central Bank of Sri Lanka, categorized as Debentures of Type A and Type B as described below:</p> <table border="1"> <thead> <tr> <th>Type</th> <th>Tenure</th> <th>Interest Rate (per annum)</th> <th>Annual Effective Rate (AER) (per annum)</th> <th>Interest Payment frequency</th> </tr> </thead> <tbody> <tr> <td>A (Fixed Rate)</td> <td>5 years</td> <td>12.80% p.a.</td> <td>12.80% p.a.</td> <td>Annual</td> </tr> <tr> <td>B (Fixed Rate)</td> <td>7 years</td> <td>12.90% p.a.</td> <td>12.90% p.a.</td> <td>Annual</td> </tr> </tbody> </table>					Type	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER) (per annum)	Interest Payment frequency	A (Fixed Rate)	5 years	12.80% p.a.	12.80% p.a.	Annual	B (Fixed Rate)	7 years	12.90% p.a.	12.90% p.a.	Annual
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A (Fixed Rate)	5 years	12.80% p.a.	12.80% p.a.	Annual																
B (Fixed Rate)	7 years	12.90% p.a.	12.90% p.a.	Annual																
Minimum Subscription	<p>The minimum subscription requirement applicable for an investor applying for Debt Securities shall be Rupees Ten Thousand (LKR 10,000/-).</p> <p>Provided however, the minimum subscription requirement applicable for an individual investor applying for BASEL III Compliant Debt Securities shall be Rupees Five Million (LKR 5,000,000/-).</p> <p>Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).</p>																			

Interest Payment Date(s)	<p>The dates on which payments of interest in respect of the Debentures shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter 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>
Issue Opening Date	16th December 2019 (However Applications may be submitted forthwith)
Issue Closing Date	03rd January 2020 or such earlier date on which the Debentures are fully subscribed as morefully described in Section 5.3 of this Prospectus.
Trigger Event	<p>Means a point or event at which the Monetary Board of the Central Bank of Sri Lanka in terms of item 10 (iii)(a) and (b) of Web Based Return Code 20.2.3.1.1.1 of the Banking Act Direction No. 1 of 2016 dated 29th December 2016 (as may be amended from time to time) determines:</p> <p>(a) the Bank would become non-viable, without a write-down in terms of item 10(iii)(a) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions; or</p> <p>(b) to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable in terms of item 10(iii)(b) of the said Directions.</p>
Conversion Price	Simple Average of Volume Weighted Average Price of an ordinary voting shares of the Bank as published by the Colombo Stock Exchange, during the three month (03) period, immediately preceding the date of the Trigger Event.
Date of Allotment	The date on which the Debentures will be allotted to the Debenture Holders which date will be notified to the Debenture Holders.
Date of Redemption	<p>In respect of</p> <p>(a) Type A Debentures: a period of Five (5) years from the Date of Allotment;</p> <p>(b) Type B Debentures: a period of Seven (7) years from the Date of Allotment;</p> <p>or such other date on which the Debentures may be redeemable in the circumstances set out in Clause 4.2 or Clause 10.1 of the Trust Deed.</p>

## Salient Features at a Glance and Parties to the Issue

Basis of allotment	<p>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 Issue Closing Date.</p> <p>The Board shall reserve the right to allocate up to a maximum of 75% of the number of Debentures to be allotted under this issue to identified Qualified Investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future. Number of Debentures to be allotted to identified Qualified Investor/s of strategic importance, on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).</p> <p>After the preferential allotment referred to above, in the event of the applications by the other investors not exceeding 25% of the number of Debentures to be allotted under this issue, such investors shall be allotted Debentures to the extent of their applications in full.</p> <p>The number of Debentures to be issued under Debentures of Type A and Debentures of Type B will be in accordance with the basis of allotment which will be decided at the discretion of the Board of Directors of the Bank in a fair manner.</p>
Non-Viability Conversion	<p>In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, there would be a conversion of Debentures to ordinary voting shares by the Company without any requirement of approval by the Debenture Holders, in compliance with BASEL III requirements.</p> <p>Upon the occurrence of a Trigger Event, the par value of the Debentures or if greater up to the outstanding balance due on such Debentures will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.</p> <p>In the event of the determination by the CBSL to the Bank requiring only a part of the outstanding balance due on such Debenture to be permanently converted as aforesaid, the conversion would be effected in accordance with such notification and the balance amount due on such Debentures would remain as Debentures in terms of the Trust Deed."</p>
Volume Weighted Average Price (VWAP)	The daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange.

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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	: Incorporated under Companies Act No 17 of 1982 and re-registered under the Companies Act No. 7 of 2007
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 Limited 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. J.G.A.Cooray (Chairman/Non-Executive Director) Mrs. R.N.K. Fernando (Executive Director/CEO) Mr. M. Jafferjee (Independent/Non-Executive Director) Mr. D. P. De Silva (Non-Executive Director) Mr. K. O. V. S. M. S. Wijesinghe (Non-Executive Director) Mr. J. C. A. D'Souza (Independent/Non-Executive Director) Mr. N. I. R De Mel (Independent/Non-Executive Director) Ms. R. D. Rajapaksa (Independent/Non-Executive Director) Mr. C.H.A.W. Wickramasuriya (Independent/Non-Executive Director) Mr. A.R. Fernando (Non-Executive Director) Mr. S.L. Sebastian (Independent/Non-Executive Director) Ms. R.S. Cader (Non-Executive Director) Mr. S. Maheshwari (Non-Executive Director)
Financial Year	: 1st January to 31st December

## 2. Relevant Parties to the Issue

### Managers/Arrangers to the Offering

Treasury & Investment Banking Division  
Nations Trust Bank PLC  
242, Union Place,  
Colombo 02  
Telephone 011-4313212/011-4313295  
Fax 011-4791723

### 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

Bank of Ceylon  
Investment Banking Division  
7th Floor, Head Office,  
BOC Square,  
No. 01 Bank of Ceylon Mawatha  
Colombo 01  
Tel: +94 11 2 448348  
Fax: +94-11-2346842

### 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 Limited  
No: 15-04, East Tower,  
World Trade Centre, Colombo 01  
Tel: +94 11 2541900  
Fax: +94 11 2541903

### 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



### 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
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Pvt) Limited
CSE	Colombo Stock Exchange
NTB/Company/Bank/Issuer	Nations Trust Bank PLC
LKR, Rupees, Rs.	Sri Lankan Rupees
VWAP	Volume Weighted Average Price
Bn	Billion
Mn	Million
POA	Power of Attorney
SEC	Securities & Exchange Commission of Sri Lanka
IIA	Inward Investment Account
Shareholders	Shareholders of NTB
Board / Board of Directors / Directors	The Board of Directors of NTB
WHT	Withholding Tax
SLIPS	Sri Lanka Inter Bank Payment System
RTGS	Real Time Gross Settlements
NIC	National Identity Card

## 4. Glossary of Terms Related to the Issue

Applicant/s	Any Qualified 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	BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Five Year (2019/2024) and Seven Year(2019/2026)Debentures with a Non Viability Conversion as directed by Central Bank of Sri Lanka
Type A Debenture	Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Five Year Debentures (2019-2024) with a Non Viability Conversion as directed by the Central Bank of Sri Lanka at the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, at the rate of Twelve decimal Eight per centum (12.80%) per annum payable annually on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.
Type B Debenture	Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Seven Year Debentures (2019-2026) with a Non Viability Conversion as directed by the Central Bank of Sri Lanka at the par value of Sri Lankan Rupees one hundred (LKR 100/-) each, at the rate of Twelve decimal Nine per centum (12.90%) per annum payable annually on each Interest Payment Date from the Date of Allotment of the Debentures until the date immediately preceding the Date of Redemption.
Issue Opening Date	16th 2019 (However Applications may be submitted forthwith)
Issue Closing Date	03rd January 2020 or such earlier date on which Debentures are fully subscribed as morefully described in Section 5.3 of this Prospectus.
Date of Redemption	In respect of the Type A Debentures and Type B Debentures a period of Five(5) and Seven(7) years respectively from the Date of Allotment or such other date on which the Debentures may be redeemable in the circumstances set out. Clause 4.2 or Clause 10.1 of the Trust Deed.
Debenture Holders	Any Qualified Investors who are the holder of Type A Debentures and Type B Debentures in whose CDS account the Debentures are lodged as at the relevant date.
Interest Payment Date(s)	The dates on which payments of interest in respect of the Debentures shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.  Interest would be paid not later than Three (03) Working Days from each Interest Payment Date.  The final interest payments shall be made with the repayment of the Principal Sum on the Date of Redemption of the Debentures.
NTB/Company/Bank	Nations Trust Bank PLC
Issue	The offer of Debentures pursuant to this Prospectus.
Issue Price	LKR 100.00 per Debenture
Issuer	Nations Trust Bank PLC

Prospectus	This Prospectus dated 10th December 2019 issued by Nations Trust Bank PLC for the purpose of this Issue
Principal Sum	The number of Debentures allotted at Par value
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	The twelve (12) month period from an Interest Payment Date and ending on the date immediately preceding 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 date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from 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).
Date of Allotment	The date on which the Debentures will be allotted by the Bank to the Applicants subscribing thereto.
Rate of Interest	Type A Debentures– 12.80% p.a Type B Debentures – 12.90% p.a
Local Time	Sri Lanka Time
Trust Deed	Trust Deed executed between NTB and Bank of Ceylon dated 4th December 2019
Trustee	Bank of Ceylon
Fitch	Fitch Ratings Lanka Limited
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)	Persons resident outside Sri Lanka including country funds, regional funds, investment funds and mutual funds established outside Sri Lanka.
Subordinated	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 Shareholder/s of the Bank unless there has been an issuance of shares to the Debentures Holders upon the occurrence of a Trigger Event in which case a Debenture Holder would cease to be a Debenture Holder and become a Shareholder of the Bank to the extent of such issuance.
Unsecured	Repayment of the principal and interest on these Debentures are not secured by any specific assets of NTB

#### 4. Glossary of Terms Related to the Issue

Tier 2	Tier 2 Capital includes qualifying Tier 2 capital instruments, revaluation gains approved by CBSL and general loan loss provision of the Bank.
Basel III	A Global Regulatory Framework for More Resilient Banks and Banking System, issued by the Basel Committee on Banking Supervision of the Bank for International Settlement in December 2010 (Revised in June 2011).
Qualified Investor	<ul style="list-style-type: none"> <li>(a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).</li> <li>(b) A specialized bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No.30 of 1988 (as amended).</li> <li>(c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund.</li> <li>(d) A venture capital fund/ company and private equity company.</li> <li>(e) A finance company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended).</li> <li>(f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, no 56 of 2000 (as amended)</li> <li>(g) A company licensed by the Insurance Board of Sri Lanka to carry on Insurance business in terms of the Regulation of Insurance Industry Act, No. 43 of 2000 (as amended)</li> <li>(h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No.7 of 2007.</li> <li>(i) An investment trust or investment company</li> <li>(j) A non-resident institutional investor</li> <li>(k) An individual with an initial investment amount of Rs.5,000,000</li> </ul>
Trigger Event	<p>Appoint or event at which the Monetary Board of the Central Bank of Sri Lanka in terms of item 10 (iii)(a) and (b) of Web Based Return Code 20.23.1.1.1 of the Banking Act Direction No. 1 of 2016 dated 29th December 2016 (as may be amended from time to time) determines:</p> <ul style="list-style-type: none"> <li>(a) the Bank would become non-viable, without a write-down in terms of item 10(iii)(a) of the Web Based Return Code 20.23.1.1.1 of the said Directions; or</li> <li>(b) To make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable in terms of item 10(iii)(b) of the said Directions.</li> </ul>

Non-Viability Conversion	<p>In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, there would be a conversion of Debentures to ordinary voting shares by the Company without any requirement of approval by the Debenture Holders in compliance with BASEL III requirements,</p> <p>Upon the occurrence of a Trigger Event, the par value of the Debentures or if greater up to the outstanding balance due on such Debentures will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.</p> <p>In the event of the determination by the CBSL to the Bank requiring only a part of the outstanding balance due on such Debenture to be permanently converted as aforesaid, the conversion would be effected in accordance with such notification and the balance amount due on such Debentures would remain as Debentures in terms of the Trust Deed."</p>
Conversion price	The price based on the simple average of the daily Volume Weighted Average Price (VWAP) of an ordinary voting share during the three month (03) period, immediately preceding the date of the Trigger Event
Volume Weighted Average Price (VWAP)	The daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the Colombo Stock Exchange.

## 5. Information Relating to the Issue

### 5.1. Particulars of the Issue

The Board of Directors of Nations Trust Bank PLC at the Board meetings held on 27th February 2019, 30th April 2019, 30th August 2019 and 30th October 2019 resolved to raise a sum not exceeding Sri Lankan Rupees Four Thousand Five Hundred Million (LKR 4,500,000,000/-) by the issue of Thirty Five Million (35,000,000) Basel III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Five Year Debentures (2019-2024) and Seven Year Debentures (2019-2026) with a non-viability conversion as directed by the Central Bank of Sri Lanka at the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each with an option to issue up to a further Ten Million (10,000,000) of said Debentures in the event of an oversubscription of the initial issue.

As per the current regulatory guidelines all subordinated debt issue by licensed commercial banks needs to be in compliant with BASEL III requirements effective 1 July 2017. According to Basel III guidelines, all subordinated debt issuance should include a conversion feature to equity or a right down mechanism which allocates losses to the instrument at pre specified trigger points.

As such the Bank will issue BASEL III compliant Debentures with a convertibility to ordinary voting shares of the Bank upon the occurrence of a Trigger Event. The conversion of Debentures to ordinary voting shares will be in accordance with the applicable

laws and regulations. The new ordinary voting shares will be listed on the Colombo Stock Exchange and guided by the instructions of the Monetary Board of the Central Bank of Sri Lanka with regard to the Application of single shareholder limits under the Banking Act No.30 of 1988 (as amended) at the time of conversion of the Debentures in to ordinary voting shares.

As per rule No.2.2.1.k of the Listing Rules of the CSE, the Company is required to obtain the approval of the Shareholders for the proposed Debenture Issue by way of a special resolution since the Debentures would be converted in to ordinary voting shares upon the occurrence of a Trigger Event.

The special resolutions pertaining to the above were passed by the Shareholders, at the Extraordinary General Meeting (EGM) held on 27th November 2019

Under this Issue, Thirty Five Million (35,000,000) BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5 Year Debentures(2019/2024) and 7 Year(2019/2026) with a Non-Viability Conversion as directed by Central Bank of Sri Lankawill be issued at the Issue Price of LKR 100 each with an option to issue up to a further Ten Million(10,000,000) of said Debentures in the event of an oversubscription of the initial issue to raise a maximum amount of Sri Lankan Rupees Four Thousand Five Hundred Million (LKR 4,500,000,000/-) having fixed interest rates. The Debentures

issued in terms of this Prospectus will carry a feature for conversion to ordinary voting shares by the Bank, upon the occurrence of a Trigger Event.

It is the intention of the Bank to list the Debentures on the CSE. The CSE has given its approval in-principle for the listing of the Debentures and any ordinary shares which would be issued upon the occurrence of a Trigger Event on the CSE.

### 5.2. Invitation to Subscribe

NTB hereby invites Applications for Debentures of Type A and/or Debentures of Type B 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 date of Redemption as more fully described in Section 5.8 and Section 5.11 respectively,

Though these Debentures are listed on the CSE, most of the investors invest in these instruments with an investment view and not a trading view and therefore may hold the investments until redemption. As a result there may not be an established secondary trading market for these Debentures.

Furthermore, a downgrade of the instrument rating assigned by the rating agency to the Debenture as a result of changes in the risk assets and capital of the entity or increase in the riskiness of the banking sector could cause the liquidity and market value of the Debentures to decline.

The entity rating of these Debentures would move in tandem with the NTB's National Long Term-Rating.

Furthermore, any regulatory action in the event the Bank is failing or is non-viable will have an effect on the value of the Debentures. (i.e. in the event of non-viability being triggered, the share price of ordinary voting shares will decline. The Conversion Price of the outstanding Debentures will be based on the Simple Average of VWAP of an ordinary voting share of the Company as published by the CSE, during the three month (03) period, immediately preceding the date of the Trigger Event and the VWAP of conversion could be lower than expected, depending on various factors. Subsequent to the conversion of Debentures to Shares, the shares could trade at a lower price than that of the Conversion Price which could materially affect the value of the Debenture investments.

Only Qualified Investors would be eligible to invest in the said Debentures in both the primary and secondary markets, provided that an individual investor entering the market anew through the secondary market (i.e. without having invested in such Debentures through the primary offer) would also need an initial investment of Rs.5,000,000/-. Accordingly, the secondary market trading of the Debentures are limited to the Qualified Investors.

### 5.3. Subscription List

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 16th December 2019 and shall remain opened for 14 Market Days until closure at 4.30 p.m. on 03rd January 2020.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following.

- The maximum of 45,000,000 Debentures being fully subscribed; or
- In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial Thirty-Five Million (35,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm.
- The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 35,000,000 Debentures becoming fully subscribed or the initial issue of 35,000,000 Debentures becoming fully subscribed but before the second tranche of 10,000,000 Debentures becomes fully subscribed and such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30 pm

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

Funds raised through the Debenture Issue are expected to further improve the Capital Adequacy of the Bank's Balance Sheet and will improve the risk profile of the Bank enabling favourable funding options. The subordinated nature and medium to long term duration of the Debentures issued in compliance with the requirements under BASEL III will enable the Bank to strengthen the Tier II Capital Base as per BASEL III requirements. The Bank has received approval from CBSL to include the Debentures (BASEL III compliant) as Tier II Capital of the Bank.

The Debentures will provide the necessary medium term stable funding to expand the lending portfolio of the Bank. Given that our portfolio consists of a sizable medium term loan portfolio in addition to the standard short term loans, raising five (5) and seven (7) year funds will further improve the Bank's funding profile by reducing the tenor mismatch between the shorter term liabilities and the medium term assets. This will reduce interest rate risk exposure of the Bank by reducing the funding gaps.

## 5. Information Relating to the Issue

Proceeds of this issue would be disbursed as detailed below.

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 six (6) to eighteen (18) months based on the current credit demand. The Bank will utilize the proceeds generated through the Debenture to fund both existing and future growth of medium term assets.

Furthermore, the Loan Growth/ (Contraction) on a quarterly basis for 2018/2019 is as follows:

Time Period/2018/2019	Q - 3_ '18	Q - 4_ '18	Q - 1_ '19	Q - 2_ '19
Loan Growth/(Contraction)	9,631Mn	1,971Mn	13,847Mn	(4,192)Mn

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 the proceeds of the proposed Debenture Issue in their future interim and annual financial statements, until funds are fully utilized and the exact nature of the relevant disclosures to be made shall be disclosed 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 including where the funds are invested(eg whether lent to relate party/s etc)
1	Expansion of Loan Book	4.5Bn	Within 6/18months from date of receipt of cash flows	4.5Bn	100%			To be disclosed in the Annual Report and the Interim Financial Statements
2	Improve the Tier II capital base thus, Increasing the Capital Adequacy Ratio (CAR)	4.5Bn	Subsequent to CBSL approval	4.5Bn	100%			

### Risk relating to the objectives of the Debenture Issue;

Since the proposed Debenture Issue is to raise a sum up to Rs. 3.5 Billion with an option to increase the said sum by up to a further Rs. 1Billion in the event of an oversubscription of the initial issue and the demand for credit continues to grow in the market, there is no specific risk factor that may lead to non-achievement of the objectives as per the stipulated timelines. Until such time the Debenture proceeds are utilized for the specified disbursements, any unutilized Debenture proceeds will be invested in Government Securities or any other suitable investment instrument/(s) at the discretion of the Asset and Liability Committee ("ALCO") of the Bank. In the event the Debenture proceeds are not fully utilized as per the stated objectives, it will lead to a reduction in net interest margins as the remaining funds would be invested in Government Securities as opposed to loans which generate higher Net Interest Margin.



Proceeds of the Issue will be disbursed in the ordinary course of business subject to all applicable regulations and as at the date of this prospectus, the Company has not earmarked any related parties for lending of the proceeds of the Issue. In the event the Bank lends to related parties, the Bank shall ensure that it is in compliance with Section 9 of the CSE Listing Rules

In the event of any shortfall of funds to be generated from the proposed Debenture Issue, the Company will adjust the asset growth to comply with the BASEL III requirements. However, we do not envisage any under-subscription to the Issue as we have experienced very high demand for Bank's debt securities in the past. It is noteworthy to mention that the Bank maintains strong relationships with large fund management institutions such as Provident Funds and Insurance Companies who have been major investors in the past. No further shareholder approval will be required in the event the Debenture Issue is not fully subscribed or if the time lines stated above are amended as thought fit by the Bank.

The Bank will make an announcement and obtain relevant approvals (as applicable) prior to making any changes to the aforementioned objectives.

### 5.5. Capital and Capital Adequacy Status

The Bank has complied with the CBSL Basel III minimum capital adequacy requirement as at 30th September 2019 with Total Tier I (including Capital

Conservation Buffer) of 12.03% and Total Capital Ratio (including Capital Conservation Buffer) of 14.98% as against the regulatory minimum requirements of 8.50% and 12.50% for Tier 1 and Total Capital from 1st January 2019.

However, the adoption of IFRS 9 accounting standards with effect from 01st January 2018, as well as increase in taxation, has negatively affected the internal capital generation of the Bank. In addition to the increased minimum capital which would be applicable with effect from 1st January 2019 (as indicated in the table below) as directed by CBSL, it is required to maintain counter cyclical capital buffers for system wide risk which could build up due to excess growth in aggregate credit and for pillar II requirements under the Basel III guidelines.

The forecasted improvement in ratios taking into account the intended proceeds of the Debenture Issue computed based on the financials as at 30th September 2019 under Basel III are as follows:

Components	Minimum Regulatory Requirement as at 1st January 2019	As at 30th September 2019	Expected (%), Subsequent to the Debenture Issue as at 31st December 2019	
			With LKR 3.5Bn	With LKR 4.5Bn
Common Equity Tier 1 including Capital Conservation Buffer	7.00%	11.61%	12.46%	12.46%
Total Tier 1 including Capital Conservation Buffer	8.50%	11.61%	12.46%	12.46%
Total Capital including Capital Conservation Buffer	12.50%	14.30%	16.41%	16.83%

### 5.6. Issuance of BASEL III (compliant) Debentures

As per rule No.2.2.1.k of the Listing Rules of the CSE, the Bank is required to obtain the approval of the Shareholders for the proposed Debenture Issue by way of a duly passed special resolution. The approval of the existing Shareholders for the proposed share issue which arises pursuant to the conversion of Debentures, is required as it may affect the rights attached to the Company's existing ordinary voting shares, in compliance with Section 99 of the Companies Act No.7 of 2007.

The special resolution pertaining to the proposed Debenture issue was passed at the Extraordinary General Meeting of the bank convened on 27th November 2019.

## 5. Information Relating to the Issue

Furthermore, the Bank has obtained approval from the CBSL to include the Debenture proceeds under Tier 2 Capital of the Bank

### 5.7. Tenure of the Debentures

The tenures of the Debentures are Five (05) and Seven (07) Years. The Date of Redemption will be Five and Seven years from the Date of Allotment of the Debentures or such other date on which the Debentures may be redeemable in the circumstances set out in Clause 4.2 or Clause 10.1 of the Trust Deed.

### 5.8. Interest on the Debentures

The Debentures consist of two interest options for the investors to choose from and they rank equal and pari -passu to each other, other than in respect of the Rate of Interest and tenor of the Debentures.

Options	Description
Type A	A Fixed coupon rate of 12.80% per annum (AER12.80%) payable annually from the Date of Allotment until redemption in 5 years.
Type B	A Fixed coupon rate of 12.90% per annum (AER12.90%) payable annually from the Date of Allotment until redemption in 7 years.

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

Payment of the interest on the Debenture will be made after deducting any taxes as specified in section 5.10 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.

The above interest rates for the Debentures were determined giving consideration to the Banks rating, Issue Rating for these Debentures, the convertible feature and the comparable government security interest rates.

In order to accommodate the Debenture interest cycles in the 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.

### 5.9. Payment of the Principal and Interest

The Bank will redeem the Debentures on the Date of Redemption as specified in Section 5.11 and the interest payments will be made on each Interest Payment Date as specified in Section 5.8

The payment of the Principal Sum and interest would be made through an electronic fund transfer mechanism such as SLIPS and RTGS 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,

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.

### 5.10. Application of Tax on Interest Payment on Listed Debentures

Interest on the Debentures will be paid after deducting any taxes and charges thereon (if any as per the provisions of Inland Revenue act no 24 of 2017) as per the applicable law prevalent at the time the interest payment is made to the Debenture Holders.

### 5.11. Redemption

These Debentures are redeemable at redemption on the expiry of Five (05) and Seven (07) 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 redemption 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 Redemption of such Debentures, except under the circumstances where the Debentures have become immediately payable in terms of Clause 10.1 of the Trust Deed.

On the Date of 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) Working 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 Redemption falls on a day which is not a Market Day, then the Date of Redemption shall be the immediately succeeding Market Day. For the avoidance of doubt interest shall be paid for the intervening days which are not Market Days.

#### 5.12. Occurrence of Trigger Event

A 'Trigger Event' is determined by and at the sole discretion of the Monetary Board of the Central Bank of Sri Lanka.

The Banking Direction No.1 of 2016 dated 29th December 2016 specifies that in order for the Debentures to qualify as Tier 2 Capital under BASEL III Guidelines it should have a convertibility feature which enables the Debentures to be converted to ordinary voting shares on the occurrence of a Trigger Event.

In the event of a partial non-viability conversion, the Bank will adjust the total number of Debentures held by the Debenture holders by reducing a particular number of Debentures that correspond to the outstanding value of Debentures that required to be converted.

Any ordinary voting shares arising from the conversion would have the same rights and privileges of the existing Shareholders and rank equal and pari passu with existing ordinary voting shares of the Bank.

#### 5.13. Conversion and actions consequent to a Trigger Event

1. The Bank shall on receipt of a Trigger Event notification from the CBSL immediately make a market announcement of the same and further announce the "price" and "dates" (i.e the date on which the Trigger Event has been notified to the Bank by the CBSL, the Entitlement Date of the Debenture Holders to be issued ordinary voting shares, the date of the allotment of the ordinary voting shares and the CDS upload date).
2. Upon the occurrence of a Trigger Event, the Bank shall be required and entitled to issue and within twenty (20) days to allot ordinary voting shares of the Bank ranking equal and pari passu with the existing ordinary voting shares to the holders of the Debentures.

As such upon issuance of ordinary voting shares as above, no interest will be accrued on Debentures thereafter, as the Debentures will cease to exist.

3. The Conversion Price for such ordinary voting shares shall be based on the simple average of the VWAP of an ordinary voting share of the Bank during the three (03) month period as published by the CSE immediately preceding the Trigger Event.
4. The CDS upload pertaining to the ordinary voting shares will be completed within ten (10) Market Days from the date of allotment of such shares.
5. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash based on the issue price of such share within 14 Market Days of the date of allotment of the ordinary voting shares.

The Bank has used Simple Average of VWAP as indicated above since it provides the most practical and equitable pricing formula for conversion.

Accordingly, the formula takes into account market price over a reasonable period avoiding near term price volatility as well as the volume impact in pricing. This formula provides a consistent and transparent mechanism to derive Conversion Price at a particular date obtained from publicly available price data disseminated by the CSE.

There will be a dilution impact on the shareholdings of the existing Shareholders. If the simple average of VWAP at the point of conversion is low as compared to the prevailing share price, it

## 5. Information Relating to the Issue

would result in allocating comparatively higher number of ordinary voting shares issued by the Bank, which in turn will dilute the shareholding of existing Shareholders.

If the simple average of VWAP at the point of conversion is high as compared to the prevailing share price, it would result in allocating comparatively lower number of ordinary voting shares issued by the Bank which will dilute the shareholding of existing Shareholders to a lesser extent than the former.

### 5.14. 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.

In the event of any change in the Debenture rating assigned by Fitch Ratings Lanka Limited, the Bank shall notify the CSE and the Trustee and take steps to make an immediate market announcement.

### 5.15. Trustee to the Debenture Issue

Bank of Ceylon - Investment Banking Division of O1 Bank of Ceylon Mawatha, Colombo O1 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 agent in entering into such deeds, writings, instruments with the

Bank and to act as agent and Trustee 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 8.1 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 390,000/- 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.

### 5.16. Rights of the Debenture Holders

A) Debenture Holders are entitled to the following rights:

- Receiving the Principal Sum at redemption and interest on the Debentures as per Section 5.11 and 5.8 of this Prospectus and provisions contained in the Trust Deed.
- Call, receive notice, attend and vote at the meetings of the Debenture Holders under this issue 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 Annual Report 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.

In the event of the Bank winding up, the claims of the Debenture Holders will rank after all the claims of the secured and unsecured creditors of the Bank including senior debenture holders and the preferential claims under any Statutes governing the Bank, but in priority to and over the claims and rights of the Shareholders of the Bank, unless there has been an issuance of ordinary shares to the Debenture Holders upon the occurrence of a Trigger Event in which case a Debenture Holder would cease to be a Debenture Holder and would become a shareholder of the Bank to the extent of such issuance and will rank equal and pari passu with existing holders of ordinary voting shareholders.

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 and any surplus stemming out from in the event of liquidation of the Bank.
- 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 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 Redemption and interest on the Debentures as per Section 5.9 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 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.

#### 5.17. 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 redemption 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 redemption 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 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 Bank 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 redemption. 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 redemption for any reason whatsoever except due to unforeseen circumstances beyond the control of the Bank.

## 5. Information Relating to the Issue

### (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 of this risk 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 redemption. 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.

### (VIII) SUBORDINATION RISK

The Debentures will be the Bank's direct unsecured obligations which, if the Bank becomes insolvent or is wound-up (prior to the occurrence of a Trigger Event), will rank equal with the Bank's other subordinated indebtedness and will be subordinated in right of payment to the claims of the Bank's depositors and other unsubordinated creditors.

Therefore, if, prior to the occurrence of a Trigger Event, the Bank becomes insolvent or is wound-up, the assets of the Bank would first be applied to satisfy all rights and claims of holders of senior indebtedness. If the Bank does not have sufficient assets to settle claims of such senior indebtedness holders in full, the claims of the holders of the Debentures will not be settled and, as a result, the holders will lose the entire amount of their investment in Debentures. The Debentures will share equally in payment with claims under other subordinated indebtedness if the Bank does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

In addition, holders should be aware that, upon the occurrence of a Trigger Event, all the Bank's obligations under the Debenture shall be deemed paid in full by the issuance of ordinary voting shares upon a Non-Viability Conversion, and each holder will be effectively further subordinated due to the change in their status following such a conversion from being the holder of a debt instrument ranking ahead of holders of ordinary voting shares to being the holder of ordinary voting shares. As a result, upon Non-Viability Conversion, the holders could lose all or part of their investment in the Debentures irrespective of whether the Bank has sufficient assets available to settle what would have been the claims of the holders of the Debentures or other securities subordinated to the same extent as the Debentures, in proceedings relating to an insolvency or winding-up.

## RISKS ARISING FROM THE DEBENTURES BEING A BASEL III NON VIABILITY CONVERSION INSTRUMENT

### (I) CONVERSION RISK

The Debentures issued under this Prospectus carries a feature for conversion to ordinary voting shares of the Bank upon the occurrence of a Trigger Event.

Upon the occurrence of a Trigger Event the Bank shall convert the Debentures into ordinary voting shares and any accrued but unpaid interest will be added to the par value of the Debentures and such accrued but unpaid interest, together with the principal amount of the Debentures will be deemed to be paid in full by the issuance of ordinary voting shares. Upon conversion the Debenture Holders shall have no further rights and the Bank shall have no further obligations to holders of the Debentures under the Trust Deed. Moreover, a Non-Viability Conversion upon the occurrence of a Trigger Event is not an event of default under the terms of the Debenture or the Trust Deed.

Potential investors in Debentures should understand that, if a Trigger Event occurs and Debentures are converted into ordinary voting shares, investors are obliged to accept the ordinary voting shares even if they do not at the time consider such ordinary voting shares to be an appropriate investment for them and despite any change in the financial position of the Bank since the issue of the Debentures or any disruption to the market for those ordinary voting shares or to capital markets generally.



If there is an issuance of ordinary voting shares to the Debenture Holders upon the occurrence of the Trigger Event, a Debenture Holder would cease to be a Debenture Holder and would become a shareholder of the Company to the extent of such issuance and will rank equal and pari passu with existing ordinary Shareholders with voting rights after the date of allotment of new shares to such Shareholders (i.e. the previous Debenture Holders).

Subsequent to the Debenture Holders becoming Shareholders of the Company, due to the occurrence of the Trigger Event, they would be entitled to exercise such rights as are exercisable by the other Shareholders of the Company holding ordinary voting shares.

**(II) THE NUMBER AND VALUE OF ORDINARY VOTING SHARES TO BE RECEIVED ON A NON - VIABILITY CONVERSION MAY BE WORTH SIGNIFICANTLY LESS THAN THE PAR VALUE OF THE DEBENTURES AND CAN BE VARIABLE.**

Upon the occurrence of Non-Viability Conversion even though ordinary voting shares of equivalent value would be initially issued at the VWAP, yet there is no certainty of the value of such ordinary voting shares to be received by the holders of the Debentures being maintained at such levels and the value of such ordinary voting shares could eventually be significantly less than the Par Value of the Debentures.

Moreover, there may be illiquid market, or no market at all, in ordinary voting shares received upon the occurrence

of a Non-Viability Trigger Event, and investors may not be able to sell the ordinary voting shares at a price equal to the value of their investment and as a result may suffer significant loss.

**(III) UNCERTAINTY REGARDING THE TRIGGER EVENT**

Because of the inherent uncertainty regarding the determination of when a Trigger Event may occur, it will be difficult to predict when, if at all, the Debentures will be converted into ordinary voting shares. In addition, investors in the Debentures are likely not to receive any advance notice of the occurrence of a Non-Viability Trigger Event. As a result of its uncertainty, trading behavior in respect of the Debentures is not necessarily expected to follow trading behavior associated with other types of convertible and exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Debentures and the ordinary voting shares, whether or not such Trigger Event actually occurs. Therefore, in such circumstances, investors may not be able to sell their Debentures easily or at prices that will provide them with a yield comparable to other types of subordinated debentures, including the Bank's other subordinated debt securities. In addition, a Non-Viability Conversion could drive down the price of ordinary voting shares subsequent to the conversion itself arising from the additional shares in issue of the Bank.

**(IV) FOLLOWING A NON-VIABILITY CONVERSION, INVESTOR WILL NO LONGER HAVE RIGHTS AS A CREDITOR AND WILL ONLY HAVE RIGHTS AS A HOLDER OF ORDINARY VOTING SHARES**

Upon a Non-Viability Conversion, the rights, terms and conditions of the Debentures, including with respect to priority and rights on liquidation, will no longer be relevant as the par value of such Debentures or if greater up to the outstanding balance due on such Debentures would have been permanently converted into ordinary voting shares ranking pari passu with all other outstanding ordinary voting shares as more fully described in the Glossary of Terms Related to the Issue in Section 4 of the prospectus. If a Non-Viability Conversion occurs, then the interest of depositors, other creditors of the Bank, and holders of Bank securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Debentures.

Given the nature of the Non-Viability Trigger Event, a holder of Debentures will become a holder of ordinary voting shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Non-Viability Trigger Event, as holders of ordinary voting shares investors may receive substantially less than they might have received had the Debentures not been converted into ordinary voting shares.

## 5. Information Relating to the Issue

### (V) AN INVESTOR'S REMEDIES FOR THE BANK'S BREACH OF ITS OBLIGATIONS UNDER THE DEBENTURE ARE LIMITED

Absent an Event of Default (which shall occur if the Bank becomes insolvent or bankrupt, the Bank goes into liquidation either voluntarily or under an order of a court of competent jurisdiction, or the Bank otherwise acknowledges its insolvency), the Trustees and holders of Debentures shall not be entitled to declare the principal amount of the Debentures due and payable under any circumstance. As a result, the investor will have no right of acceleration in the event of a non-payment of interest or a failure or breach in the performance of any other covenant of the Bank, although legal action could be brought to enforce any covenant given by the Bank.

### (VI) ACKNOWLEDGEMENT OF THE CBSL RESOLUTION POWERS

The CBSL retains full discretion regarding the determination that a Trigger Event has occurred; as the resolution authority of Banks in Sri Lanka, the CBSL has resolution powers through Statute.

#### **The CBSL retains full discretion regarding the determination that a Trigger Event has occurred;**

The Monetary Board determines the Trigger Event and effects a conversion after considering the other bail-in alternatives available to the bank. Further, Section 30 and 30(9) of the Monetary Law Act No.58 of 1949 (as amended) and Part VII (A) and Part VIII of the Banking Act No.30 of 1988 (as amended) specify certain events upon

which Monetary Board can exercise its resolution mechanism. In view of the above, based on the statutory authority of the Monetary Board, CBSL retains full discretion to choose or not to choose to trigger for Non-Viability as has been provided for in the Banking Act Direction No.1 of 2016 on Capital Requirements under Basel III for Licensed Commercial Banks and Licensed Specialized Banks.

As the CBSL retains full discretion to choose not to trigger Non-Viability Conversion notwithstanding a determination that the Bank has ceased, or is about to cease to be viable, under such circumstances, the holders of the Debentures may be exposed to losses through the use of other resolution tools under applicable statutes.

### (VII) THE DEBENTURES ARE LOSS-ABSORPTION INSTRUMENTS THAT INVOLVE RISKS AND MAY NOT BE A SUITABLE AS INVESTMENTS FOR ALL INVESTORS

The Debentures are loss-absorption financial instruments designed to comply with applicable banking regulations and involve certain risks. Each potential investor of the Debentures must determine the suitability (either alone or with the help of a financial advisor) of the investment in light of its circumstances. In particular, each potential investor should understand thoroughly the terms of the Debentures, such as the provisions governing the Non-Viability Conversion, including under what circumstances a Trigger Event could occur.

A potential investor should not invest in the Debentures unless he/she has the knowledge and expertise (either alone or with the financial advisor) to evaluate how the Debentures will perform under changing conditions, the resulting effects on the likelihood of the Non-Viability Conversion into ordinary voting shares and the value of the Debentures, and the impact of this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus.

### ADDITIONAL INFORMATION

#### (I) THE ABILITY TO TRANSFER THE DEBENTURES MAY BE LIMITED BY THE ABSENCE OF AN ACTIVE TRADING MARKET, AND THERE IS NO ASSURANCE THAT ANY ACTIVE TRADING MARKET WILL DEVELOP FOR THE DEBENTURES

In Sri Lanka the secondary trading activity in the corporate debt market is limited. The Debentures are a new issue of securities and have no established secondary trading market. Further the secondary market trading is only limited to Qualified Investors as defined in the Prospectus. There can be no assurance that an active secondary trading market will develop. If the Debentures are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Bank.



Even if an active secondary trading market does develop, it may not be liquid and may not continue. Therefore, investors may not be able to sell their Debentures easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the secondary market for the Debentures is limited, there may be few buyers for the Debentures and this may significantly reduce the relevant market price of the Debentures.

**(II) CREDIT RATINGS MAY NOT REFLECT ALL RISKS ASSOCIATED WITH AN INVESTMENT IN THE DEBENTURES**

A credit rating reflects a relative ranking of credit risk and does not reflect the potential impact of all risks related to the structure, market, additional factors discussed herein, and other factors that may affect the value of the Debentures.

(iii) A Downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Debentures could cause the liquidity or market value of the Debentures to decline

Rating initially assigned to the Debentures may be lowered or withdrawn entirely by the rating agency if, in the rating agency's judgement, circumstances relating to the basis of the rating, such as adverse changes to the Bank's business, so warrant. If the rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the Debentures. A credit rating is not a recommendation to buy, sell or hold securities and may

be revised or withdrawn by the rating agency at any time.

(iv) Changes in law, or changes in regulatory classification may affect the rights of holders as well as the market value of the Debentures

The regulatory regime in connection to these instruments is evolving. Changes in law may include change in statutory, tax and regulatory regimes during the life of the Debentures, which may have an adverse effect on the investment in the Debentures.

**5.18. Benefits of Investing in the Debentures**

Following are the key benefits of investing in Debentures for Qualified Investors

- Attractive interest income for a period of Five (05)/Seven (07) years and provides opportunity to diversify the investments of an investor.
- Provide an opportunity to earn regular cash flow of interest payments annually up to a fixed period of Five (05)/Seven (07) 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).

**5.19. Transfer of the Debentures**

- a) These Debentures shall be freely transferable and transmittable amongst Qualified Investors 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) The Debentures shall be transferable and transmittable through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained herein 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
  - i) The survivor where the deceased was a joint holder; and
  - ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law 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 Bank 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/it sustains the character in respect of which he/she/it 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 Bank.

### 5.20. Listing

An Application has been made to the CSE for permission for issuance and 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 CSE 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 CSE and Nations Trust Bank PLC ([www.cse.lk](http://www.cse.lk) and [www.nationstrust.com](http://www.nationstrust.com)).

### 6.2. Who May Apply

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

- a) A Commercial Bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- b) A Specialized Bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No.30 of 1988 (as amended).
- c) A Mutual Fund, Pension Fund, Employee Provident Fund or any other similar pooled fund.
- d) A Venture Capital Fund/ company and private equity company.
- e) A Finance Company licensed by the Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended).

- f) A company licensed by the Central Bank of Sri Lanka to carry on finance leasing business under the Finance Leasing Act, no 56 of 2000 (as amended)
- g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of Insurance Industry Act, No. 43 of 2000 (as amended)
- h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No.7 of 2007.
- i) An investment trust or investment company
- j) A non-resident institutional investor
- k) An individual with an initial investment of Rs. 5,000,000.00

In view of the above, the secondary trading of the Debentures on the CSE will also be limited to Qualified Investors.

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. Applications will also not be entertained from any financial institutions over which the Bank has control.

“Sri Lankan Residents outside Sri Lanka” will have the same meaning as in the order published under Section 31 of the Foreign Exchange Act No.12 of 2017 and published in Gazette Extraordinary No. 2045/56 dated 17th November 2017

When permitting Non-residents to invest in the Debentures, the Bank will comply with the relevant Foreign Exchange Act Regulations including the conditions stipulated in the notice under the said 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. Gazette No. 2045/56 dated 17th November 2017.

### 6.3. How to Apply

- a) Applications from Qualified Investors 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 with the Registrar to the Issue 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](http://www.nationstrust.com)) or from the web site of the CSE ([www.cse.lk](http://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. The Bank reserves the right to ask for additional information to satisfy itself that the Applicant is a Qualified Investor.**

## 6. Procedure for Application

- b) Applications should be made for a minimum subscription value of Sri Lanka Rupees Ten Thousand (LKR 10,000) of One Hundred (100) Debentures.

Provided however, the minimum subscription requirement applicable for an individual investor applying for

BASEL III Compliant Debt Securities shall be Rupees Five Million (LKR 5,000,000/-).

Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).

- c) More than one Application submitted by an Applicant for the same type of Debenture will not be accepted. If two or more Application forms are submitted by a single Applicant for the same type of Debenture, those would be considered as multiple Applications and the Bank will not accept such multiple Applications or suspected multiple Applications.
- d) If the ownership of the Debentures is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application form.
- e) 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. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the redemption will be remitted in favour of the first Applicant as identified in the application Form.

The Bank shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or non-residents.

- f) Applications by companies, corporate bodies, incorporated societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their common seal or in any other manner as provided by their Articles of Association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the trustee/ board of management.

- g) Applicants should apply only for one Type of Debentures (i.e. either Type A or Type B 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.

- h) All Qualified Investors should indicate in the Application for Debentures, their CDS account number.

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.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

- i) The Application Forms may be signed by someone on behalf of the Applicant(s) provided that such person holds the 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.**
- j) 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, provided that they fall under the Qualified Investor Category. 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.

k) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annexure C together with the Application Form. Under the provisions of FATCA, "US Persons" include;

- US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
- A lawful citizen of the U.S. (including Green card holders)
- A person residing in the U.S.
- A person who spends certain number of days in the U.S. each year
- U.S. Corporations, estates and trusts
- Any entity that has a linkage or ownership to U.S. or the U.S. territories
- Non U.S. entities that have at least one U.S. Person as a "substantial beneficial owner"

l) 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 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.

m) 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 "Inward Investment Account" (IIA) of the non-residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department of Foreign Exchange in that regard to licensed commercial banks. The IIA

## 6. Procedure for Application

is the successor to the Securities Investment Account (SIA) under the Exchange Control Act.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, 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 IIA.

Applications not made in line with the instructions will be rejected.

- n) 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 2019" 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.

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.

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 Issue Closing Date or carry a post mark dated prior to the Issue Closing Date.

Applications delivered by hand to the Registrars to the Issue after the Issue Closing Date will also be rejected.

### 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 2019"

- 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 Issue Opening Date,

**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/-)**

- 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 2019"
- 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 2019" Bank guarantees will be presented to the respective banks only after the 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 Issue Opening Date. 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 2019**" bearing the

**account number 1000 6001 7403 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 2019" bearing the account number 1000 6001 7403 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 Three decimal five zero per centum (3.50%) 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 Issue Closing Date 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 "Inward Investment Account" (IIA) maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director Department Foreign 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 IIA, 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 IIA.**

#### 6.5. Rejection of Applications and Delayed Applications

- a) Application Forms and the accompanying remittance mode (Cheque / Bank Draft / Bank



## 6. Procedure for Application

- 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) Any Application Form from a non-Qualified Investor will also be rejected.
  - d) 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.
  - e) Any Application Form with more than three (03) natural persons as joint Applicants for any type of Debentures will be rejected.
  - f) 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.
  - g) Any Application Form, which does not state a valid CDS account number, will be rejected.
  - h) 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.
  - i) 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 where after 4.30 pm on the Market day immediately following the Issue Closing Date, will also be rejected even if they carry a post mark dated prior to the Issue Closing Date.
  - j) 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 Issue Closing Date or carry a post mark dated prior to the Issue Closing Date.

### 6.6. Basis of Allotment

The Debentures offered under this Prospectus will be allotted only to “Qualified Investors” as defined in Section 6.2

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 Issue Closing Date. The Board shall reserve the right to allocate up to a maximum of 75% of the number of Debentures to be allotted under this Issue to identified Qualified Investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future. Number of Debentures to be allotted to identified Qualified Investor/s of strategic importance, on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under subscription from the other investors (investors that do not fall under preferential category).

After the preferential allotment referred to above, in the event of the applications by the other investors not exceeding 25% of the number of Debentures to be allotted under this issue, such investors shall be allotted Debentures to the extent of their applications in full.

The number of Debentures to be issued under Debentures of Type A and Debentures of Type B will



be in accordance with the basis of allotment which will be decided at the discretion of the Board of Directors of the Bank in a fair manner.

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 thereto.

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

In view of the above, the secondary trading of the Debentures on the CSE will also be limited to Qualified Investors

#### **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/-) and the Applicant has provided accurate and correct

details of his/her bank account, refunds will be made via RTGS and a payment advice will be sent. 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 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.

It is the responsibility of Non-Residents/Foreign Investors to ensure that their IIA details are accurately provided on the Application Form to forward the refund to IIA through which the Application was made.

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](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 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 Applicant's 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. Financial Information

The following financial information is hosted on the Bank's web site, [www.nationstrust.com](http://www.nationstrust.com) and CSE web site [www.cse.lk](http://www.cse.lk):

- Audited Financial Statements of the Bank for the year ended 31st December 2018.
- Interim Financial Statements of the Bank for the quarter ended 30th September 2019.
- Summarized financial statements for the five year preceding the date of the Application (i.e for the financial years ending 31st December, 2014 - 2018) the Accountant's Report stating the accounting policies adopted by the Entity certified by the auditors.

### 7.1. Particulars of Debt and Loan Capital

The outstanding borrowings of the Bank as at 30th September 2019 are as follows:

Description	LKR '000'
Call Money Borrowing	5,736,465
Borrowing from CBSL	107,818
Borrowing from Foreign Banks	20,139,670
Borrowing from Local Banks	7,425,000
Debenture	8,500,000

### 7.2. Details of Long Term Loans and Other Borrowings

Details of Borrowings as at 30th September 2019

Type of Borrowing	Year of Issue	Face Value (Rs.000')	Outstanding as of 30th September 2019	Tenor (yrs)
Medium Term Borrowing/NSB	2015	1,000,000	1,000,000	4yrs
Medium Term Borrowing/NSB	2016	1,500,000	1,500,000	4yrs
Medium Term Borrowing/Syndicate Loan	2019	3,800,000	3,725,000	4yrs
Medium Term Borrowing/Syndicate Loan	2019	1,200,000	1,200,000	5yrs
Borrowing from Local Banks		7,500,000	7,425,000	
Subordinated Debenture	2016	5,000,000	5,000,000	5yrs
Subordinated Debenture	2018	3,500,000	3,500,000	5yrs
<b>Debenture</b>		<b>8,500,000</b>	<b>8,500,000</b>	
Medium Term Borrowing/IFC	2017	9,105,500	6,070,334	5yrs
Medium Term Borrowing/ADB	2017	639,625	639,625	10yrs
Medium Term Borrowing/FMO	2018	9,105,500	9,105,500	5yrs
Medium Term Borrowing/ADB	2018	640,708	640,708	10yrs
Medium Term Borrowing/IFC	2019	2,913,760	2,913,760	5yrs
Medium Term Borrowing/ADB	2019	507,855	507,855	10yrs
Medium Term Borrowing/ADB	2019	261,889	261,889	10yrs
<b>Borrowing from Foreign Banks</b>		<b>23,174,837</b>	<b>20,139,671</b>	

### 7.3. Other Debt Securities

Details of the Listed Debentures in issue as at date of this Prospectus are as follows:

Debenture Issue	Ranking	Amount (LKR)	Interest Rate	Maturity
<b>2016 Debenture Issue</b>				
NTB/BD/08/11/21/C2363	Subordinate(Floating)**	2,410,000	Floating Interest Rate debenture of Six Month (Gross) Treasury Bill Rate plus 1.50%	08/11/2021
NTB/BD/08/11/21/C2364	Subordinate	1,111,790,000	12.80%	08/11/2021
NTB/BD/08/11/21/C2365	Subordinate	3,885,800,000	12.65%	08/11/2021
<b>2018 Debenture Issue</b>				
NTB-BD-20/04/23-C2402	Subordinate(Basel III compliant)	2,213,000,000	12.65%	20/04/2023
NTB-BD-20/04/23-C2401	Subordinate(Basel III compliant)	1,287,000,000	13.00%	20/04/2023
<b>Total</b>		<b>8,500,000,000</b>		

\*\* Floating Interest Rate debenture of Six Month (Gross) Treasury Bill Rate plus a margin of 1.50% and repriced semi annually,

Nations Trust Bank PLC has complied with the main objectives stated in the Prospectus of its debentures issues allotted in 2016 and 2018, which are listed in the CSE. There was no deviation from the objectives for which the Debentures were issued.

The debenture holders will not be entitled for Sharing in the profits and any surplus stemming out from in the event of liquidation of the Bank. In the event of the Bank winding up, the claims of the above Debenture Holders will rank after all the claims of the secured and unsecured creditors of the Bank including senior debenture holders and the preferential claims under any Statutes governing the Bank, but in priority to and over the claims and rights of the Shareholders of the Bank.

### 7.4. Details of Outstanding Convertible Debt Securities

NTB has not issued any convertible debt securities as at the date of the Prospectus other than BASEL III Tier 2, Listed, Rated, Unsecured, and Subordinated Redeemable Debentures.

### 7.5. 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 2019 are as follows:

Description	LKR '000'
Acceptance	2,848,584
Documentary credit	6,455,137
Guarantees	819,637
Performance / Bid Bonds	16,436,689
Forward Exchange Contracts	19,482,989

## 7. Financial Information

### 7.6. Debt Servicing Details of the Bank

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

Description	As at 31st December				
	2014	2015	2016	2017	2018
Gross Interest due on Debentures	616,579	616,579	621,128	1,024,165	1,323,934
Debenture interest paid on or before due date	616,579	616,579	621,128	1,024,165	1,323,934
Debenture interest paid after due date	NIL	NIL	NIL	NIL	NIL
Debenture interest not paid as of to date	NIL	NIL	NIL	NIL	NIL

## 8. Statutory and Other General Information

### 8.1. Inspection and Hosting of Documents

This Prospectus, the Articles of Association of NTB and the Trust Deed will be hosted on the CSE's web site [www.cse.lk](http://www.cse.lk) and on the NTB website [www.nationstrust.com](http://www.nationstrust.com) from the Issue Opening Date until the Date of Redemption of the Debentures.

Audited financial statements of NTB of the Five (05) years preceding the Issue (FY 2014 to FY 2018), 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 Redemption of the Debentures.

### 8.2. 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 CSE 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 (07) Market Days prior to the date of opening of the subscription list.

### 8.3. 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, arbitration or mediation proceedings and is not aware of any pending or threatened litigation, arbitration or mediation 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.

### 8.4. 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 30th September 2019.

### 8.5. 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 2018 which has been audited.

### 8.6. Taxation

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

### 8.7. 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, Managers and Registrars fees and other costs connected with the Issue will be approximately LKR 15 Million and will be met out of internally generated funds.

### 8.8. 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.

## 8. Statutory and Other General Information

### 8.9. 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.

### 8.10. 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.

### 8.11. 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:

Mr. N.I.R. De Mel - Chairman of the Committee/ Independent Non-Executive Director

Mr. M Jafferjee - Independent Non-Executive Director

Ms. R.N.K Fernando - Executive Director/Chief Executive Officer

### 8.12. Major Share Holders as at 31st October 2019

#### 8.12.1. 20 Major Shareholders (Voting)

	Name	No. of shares	To on voting capital
1	JOHN KEELLS HOLDINGS PLC	48,347,078	20.0%
2	HWIC ASIA FUND	36,731,826	15.0%
3	CENTRAL FINANCE COMPANY PLC NC NO 03	24,124,933	10.0%
4	MACKINNON'S KEELLS LIMITED.	23,931,802	10.0%
5	JANASHAKTHI INSURANCE PLC-SHAREHOLDERS	19,479,368	8.0%
6	BNYMSANV RE-FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS ASIA PACIFIC FUND	17,025,441	7.0%
7	CF INSURANCE BROKERS (PVT) LTD	12,152,256	5.0%
8	CF GROWTH FUND LTD NC NO.01	12,069,880	5.0%
9	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	7,188,806	3.0%
10	JANASHAKTHI INSURANCE PLC - NON PAR	4,288,517	2.0%
11	HATTON NATIONAL BANK PLC NC NO 1	3,882,252	2.0%
12	MR.M.F.HASHIM	2,606,412	1.0%
13	MR.B.PREMALAL	2,152,839	0.88%
14	MR.N.R.SOMAIYA	1,384,348	0.57%
15	TIMEX GARMENTS (PVT) LTD	1,298,225	0.53%
16	MALSHIP CEYLON LTD	1,115,192	0.46%
17	EAST INDIA HOLDING (PVT) LTD	1,053,685	0.43%
18	SSBT-PARAMETRIC TM-MANAGED EMERGING MARKETS FUND	979,263	0.40%
19	MELLON BANK NA-EATON VANCE TRUST CO. COLLECTIVE INV. TRUST FOR EMPLOYEE BENEFIT PLANS-EATON VANCE T	835,246	0.34%
20	HALLSVILLE TRADING GROUP INC.	763,822	0.31%
	<b>Total No of Shares of the Bank</b>	<b>244,878,841</b>	<b>100%</b>

#### 8.12.2. 20 Major Shareholders (Non-Voting)

	Name	No. of shares	% on non-voting capital
1	JOHN KEELLS HOLDINGS PLC	14,851,521	38.0%
2	CENTRAL FINANCE COMPANY PLC NC NO 03	7,355,587	19.0%
3	HWIC ASIA FUND	5,846,912	15.0%
4	MACKINNON'S KEELLS LIMITED.	4,170,662	11.0%
5	CF INSURANCE BROKERS (PVT) LTD	2,117,807	5.0%
6	CF GROWTH FUND LTD NC NO.01	2,103,451	5.0%
7	BNYMSANV RE-FIRST STATE INVESTMENTS ICVC-STEWART INVESTORS ASIA PACIFIC FUND	1,915,445	5.0%
8	MR.M.A.H.ESUFALLY	210,083	0.54%
9	MR.M.G.H.I.JAFFERJEE	140,055	0.36%
10	THE INCORPORATED TRUSTEES OF THE CHURCH OF CEYLON	25,118	0.06%
11	MR.K.N.J.BALENDRA	19,673	0.05%
12	MRS.J.HIRDARAMANI	18,267	0.05%
13	MR.D.C.FERNANDO	15,542	0.04%
14	VINIK (PVT) LIMITED	12,786	0.03%
15	PEOPLE'S LEASING & FINANCE PLC/MR.A.B.K. WEERAMAN	10,503	0.03%
16	MR.J.B.HIRDARAMANI	10,467	0.03%
17	MRS.E.M.DIAS BANDARANAIKE	8,303	0.02%
18	JAFFERJEE BROTHERS (EXPORTS) LIMITED	7,584	0.02%
19	MR.K.O.V.S.M.S.WIJESINGHE	7,242	0.02%
20	MISST.T.WEERASINGHE	6,392	0.02%

## 9. Statutory Declarations

### 9.1. 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 inquiry 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 CSE for permission to deal in and for a listing of Debentures issued by Nations Trust Bank PLC and those Debentures which are the subject of this Issue. Such permission will be granted when Debentures are listed in the CSE. The CSE 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 Debenture Issue."

Signed at Colombo on this 10th Day of December 2019.

Name of Director	Designation	Signature
Mr. J.G.A.Cooray	Chairman/Non-Executive Director	Sgd
Mrs. R.N.K. Fernando (Director/CEO)	Executive Director/CEO	Sgd
Mr. M. Jafferjee	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. 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
Mr.C.H.A.W. Wickramasuriya	Independent/Non-Executive Director	Sgd
Mr, A.R.Fernando	Non-Executive Director	Sgd
Mr. S.L.Sebastian	Independent/Non-Executive Director	Sgd
Ms.R.S. Cader	Non-Executive Director	Sgd
Mr.S.Maheshwari	Non-Executive Director	Sgd



## 9.2. Declaration by the Managers to the Issue

We, Treasury & Investment Banking unit of Nations Trust Bank PLC, of 242, Union Place Colombo 02 who are named in the Prospectus as the Managers to the Listed Debenture 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 Debentures are being listed.

Given on this 14th November 2019.

(Sgd.)

EVP – Treasury & Investment Banking Division

# Annexure A

Credit Ratings Report by Fitch Ratings Lanka Ltd

## FitchRatings

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

Fitch Ratings - Colombo - 04 December 2019:

Fitch Ratings has assigned Nations Trust Bank PLC's (NTB, A(lka)/Stable) proposed Basel III-compliant subordinated unsecured debentures a final National Long-Term Rating of 'A-(lka)'.

The final rating is the same as the expected rating assigned on 14 March 2019 and follows the receipt of documents conforming to information already received other than the amount of the debentures and the tenure.

The proposed debentures will total up to LKR4.5 billion, with maturities of five and seven years, and will be listed on the Colombo Stock Exchange. They will qualify as Basel III-compliant regulatory Tier 2 capital for the bank and include a non-viability clause whereby they will convert to ordinary shares if so determined by the Monetary Board of Sri Lanka. The bank plans to use the proceeds to strengthen its Tier 2 capital base and for medium-term funding.

#### Key Rating Drivers

Fitch rates the proposed Tier 2 instrument one notch below NTB's National Long-Term Rating to reflect the notes' subordinated status and higher loss-severity risks relative to senior unsecured instruments. The notes would convert to equity upon the occurrence of a trigger event, as determined by the Monetary Board of Sri Lanka.

NTB's National Long-Term Rating is used as the anchor rating for the proposed instrument, as it reflects the bank's standalone financial strength and best indicates the risk of the bank becoming non-viable.

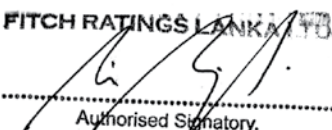
Fitch has not applied additional notching to the proposed notes for non-performance risk, as the proposed notes do not have going-concern loss-absorption features, in line with the agency's criteria.

NTB's National Long-Term Rating was affirmed on 23 May 2019 and reflects its higher-than-peer product concentration and modest franchise.

#### RATING SENSITIVITIES

The rating of NTB's proposed Basel III-compliant notes will move in tandem with its National Long-Term Rating. The rating is also sensitive to divergence between the final Bank Rating Criteria, when published, and the current Exposure Draft.

Increased capital impairment risk through sustained rapid loan expansion or asset-quality deterioration could result in a downgrade of NTB's rating. An upgrade is contingent on lower product concentration, higher capitalisation and a more stable funding profile, alongside progress in building a stronger franchise.

**FITCH RATINGS LANKA LTD.**  
  
.....  
Authorised Signatory.

**Date of Relevant Committee**

22-May-2019

**RATING ACTIONS**

ENTITY/DEBT	RATING	PRIOR
Nations Trust Bank PLC		
subordinated	Natl LT A-(lka) New Rating	A-(EXP)(lka)

Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

**FITCH RATINGS ANALYSTS**

Primary Rating Analyst  
Rukshana Thalagodapitiya  
Director  
+94 11 2541 900  
Fitch Ratings Lanka Ltd.  
15-04 East Tower World Trade Center  
Colombo 00100

Secondary Rating Analyst  
Jeewanthi Malagala  
Senior Analyst  
+94 11 2541 900

Committee Chairperson  
Wee Siang Ng  
Senior Director  
+65 6796 7230

**MEDIA CONTACTS**

Kyoshi Quyn  
Colombo  
+94 11 2541 900  
[kyoshi.quyn@fitchratings.com](mailto:kyoshi.quyn@fitchratings.com)

Peter Hoflich  
Singapore  
+65 6796 7229  
[peter.hoflich@thefitchgroup.com](mailto:peter.hoflich@thefitchgroup.com)

**Applicable Criteria**

National Scale Ratings Criteria (pub. 18 Jul 2018)  
Bank Rating Criteria (pub. 12 Oct 2018)

**Additional Disclosures**

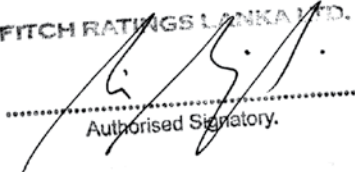
Dodd-Frank Rating Information Disclosure Form  
Solicitation Status  
Endorsement Policy

FITCH RATINGS LANKA LTD.



.....  
Authorised Signatory.

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

#### Treasury & Investment Banking Division

Nations Trust Bank PLC

242, Union Place,

Colombo 02.

Telephone 011-4313212/4313295

Fax 011-4791723

### Bankers to the Issue

#### Nations Trust Bank PLC

242, Union Place,

Colombo 02.

T: +94 11 4313201/3

F: +94 11 4313202

### 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

### **Bartleet Religare Securities (Pvt) Limited**

Level "G", "Bartleet House", 65, Braybrooke Place, Colombo 2.  
Tel: +94 11 5 220 200  
Fax: +94 11 2 434 985

### **Acuity Stockbrokers (Pvt) Ltd.**

Level 6, Acuity House  
No. 53, Dharmapala Mawatha, 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

### **Asha Securities Limited**

No.60, 5th Lane, 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 4 700 100  
Fax: +94 11 4 700 101, +94 11 4 700 112

### **Somerville Stockbrokers (Pvt) Ltd.**

1A, Park Way, Park Road, Colombo 5.  
Tel: +94 11 2 502 852/4/8,  
Fax: +94 11 2 502596

### **JB Securities (Pvt) Ltd.**

150, St. Joseph Street, Colombo 14.  
Tel: +94 11 2 490900  
Fax: +94 11 2 430 070,

### **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**

4th Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03.  
Tel: +94 11 7 722000  
Fax: +94 11 2584864

### **Nation Lanka Equities (Pvt) Ltd.**

44, Guildford Crescent, Colombo - 07.  
Tel: +94 77 6306624, +94 773 030885  
Fax: +94 11 2 688 899

### **Capital Trust Securities (Pvt) Ltd**

42, Mohamed Macan Markar Mawatha, 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: +94112552290-4,  
Fax: +94 11 2 552289

### **First Capital Equities (Pvt) Limited.**

No.2, Deal Place, Colombo 02.  
Tel: +94 11 2 639898  
Fax: +94 11 5 736264

### **NDB Securities (Private) Limited.**

Level 2, NDB Capital Building,  
No. 135, Bauddhaloka Mawatha, Colombo 4.  
Tel: +94 11 2 314 170 to 2 314 178, +94 11 2 131 000  
Fax: +94 11 2 314 181

### **Enterprise Ceylon Capital (Private) Limited**

73/1 Dharmapala Mawatha, Colombo 07, Sri Lanka.  
Tel: +94 112 445 644  
Fax: +94 11 2 372 541

### **LOLC Securities Limited**

No. 481, T.B.JayahMawatha, Colombo 10.  
Tel: +94 11 5889889  
Fax: +94 11 2662883

## Trading Members

### Capital Alliance Securities (Pvt) Ltd

Level 5, "Millennium House",  
46/58 Nawam Mawatha, Colombo 2.  
Tel: +94 11 2 317777  
Fax: +94 11 2 317788

### SMB Securities (Pvt) Ltd

No. 02, Gower Street, Colombo 5.  
Tel: +94 11 5 886971  
Fax: +94 11 2550100

### 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

### 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

### Candor Equities Ltd

Level 8, South Wing, Millennium House,  
46/58 Nawam Mawatha,  
Colombo 02.  
Tel: +94 11 2 359 100  
Fax: +94 11 2305 522

### TKS Securities (Pvt) Ltd.

4th Floor,  
No. 245, Dharmapala Mawatha,  
Colombo 7.  
Tel: +94 11 7 857 799  
Fax: +94 11 7 857 857

### Richard Pieris Securities (Pvt) Ltd.

No 310, Highlevel Road,  
Nawinna,  
Maharagama.  
Tel: +94 11 4 310 500  
Fax: +94 11 2 330 711

### Navara Securities (Pvt) Ltd

No. 12B Gregory's Road,  
Colombo 7.  
Tel: +94 11 2 358 700 / 20  
Fax: +94 11 5 005 551

### Softlogic Stockbrokers (Pvt) Ltd

No.06, 37th Lane, Queens Road,  
Colombo 03.  
Tel: +94 11 7 277 000  
Fax: +94 11 7 277 099

## 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, Dudley Senanayake Mawatha,

Colombo 08.

Tel: +94 11 2 675 091-4

Fax: +94 11 2689605

### NSB Fund Management Company Limited

No 255, 1st Floor, NSB Head Office,

Galle Road,

Colombo 3.

Tel: +94 11 2 564601,

Fax: +94 11 2 574 387

## Custodian Banks

### Bank of Ceylon

Head Office, 11th Floor, 04,  
Bank of Ceylon Mawatha, Colombo 01  
Tel: +94 11 2 448 348, 2 338 742/55, 2 544 333

### Citi Bank N.A

P.O. Box 888,  
65 C, Dharmapala Mawatha,  
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, Sir Razik Fareed Mawatha,  
Colombo 01  
Tel: +94 11 2 445 010-15, 238 193-5, 430 420

### People's Bank

Head Office, 5th Floor,  
Sir Chittampalam A Gardiner Mawatha, Colombo 02  
Tel: +94 11 2 206 782

### 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, 011 7290 200-07

### Sampath Bank PLC

110, Sir James Peiris Mawatha,  
Colombo 02  
Tel: +94 11 5 600 374

### 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

### National Savings Bank

Savings House  
255, Galle Road, Colombo 03  
Tel: 5 730081-5

### Standard Chartered Bank

P. O. Box 112  
37, York Street,  
Colombo 01  
Tel: 011 479 4400, 011 248 0450

### 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,  
Colombo 03  
Tel: +94 11 2370870

### The Hong Kong and Shanghai Banking Corporation Limited

24, Sir Baron Jayathilake Mawatha,  
Colombo 01  
Tel: +94 11 2 325 435, 2 446 591, 2 446 303

### Nations Trust Bank PLC

242, Union Place,  
Colombo 02  
Tel: 0114 313131



# Annexure C

## DECLARATION FATCA DECLARATION

Manager  
Nations Trust Bank PLC

.....

I/We .....

and ..... of

..... (address) .....

..... holder/s of Passport Number/ NIC Number ..... who fall under definition of a US Persons under the provision of the Foreign Account Tax Compliance Act ("FATCA") which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We hereby request Nations Trust Bank PLC which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the Nations Trust Bank PLC and to remit any tax payable to the Internal Revenue Services (IRS) of the United States of America.

I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

Date: .....

Signature/s of Applicants







[www.nationstrust.com](http://www.nationstrust.com)