

A HERITAGE OF TRUST
SINCE 1888

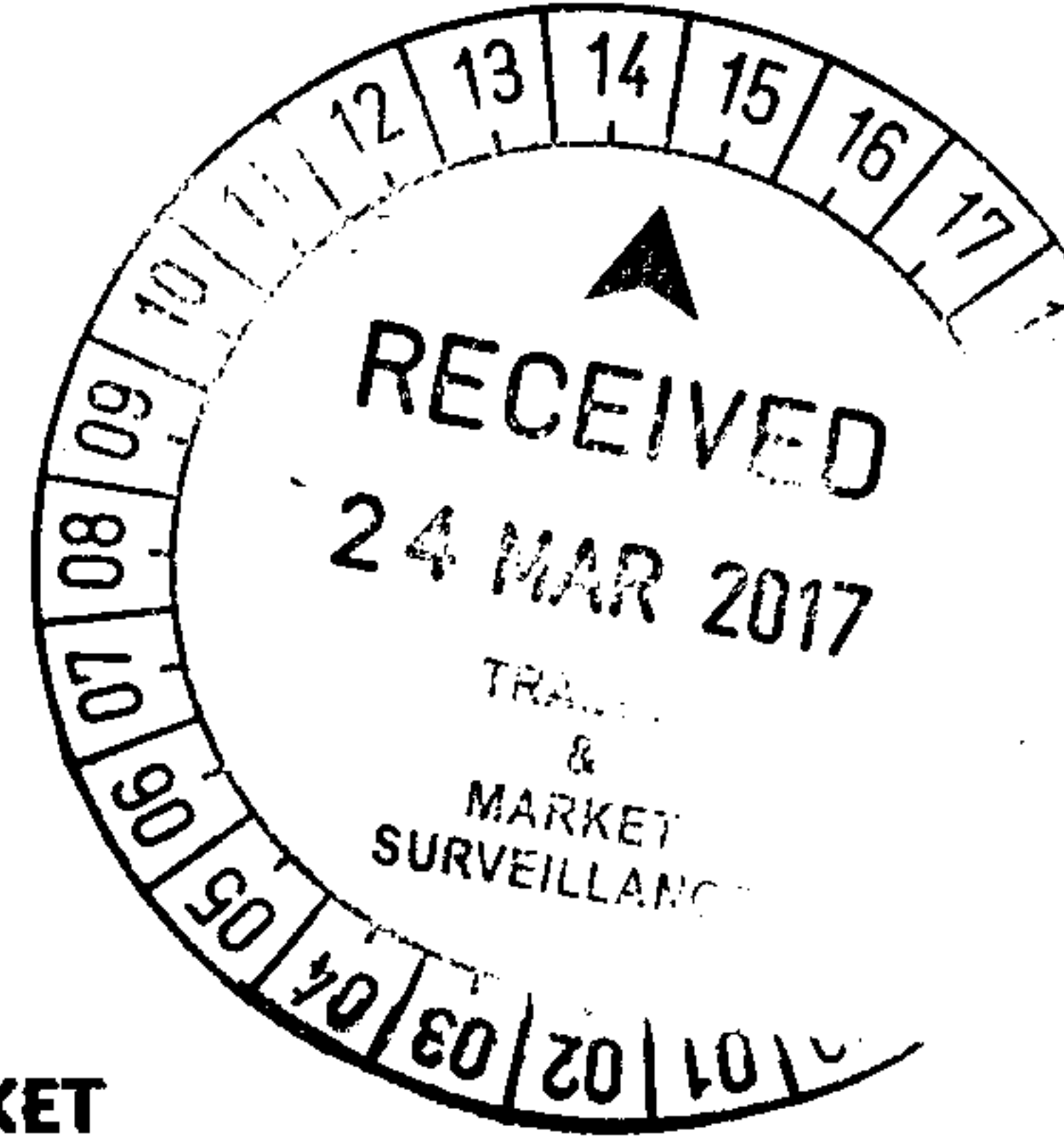


Hatton National Bank

Hatton National Bank PLC (PQ82)

March 24, 2017

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



Dear Sir,

**HATTON NATIONAL BANK PLC
UTILIZATION OF FUNDS RAISED VIA CAPITAL MARKET
DEBENTURE ISSUE – MARCH 2016**

Reference the subject matter.

In terms of the undertaking given in the Prospectus, we wish to provide the following disclosure with regard to the utilization of the proceeds of the subject Debenture Issue :

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed Date of utilisation as per Prospectus	Amount allocated from proceeds (LKR) (A)	% of Total Proceeds	Amount utilized (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	To increase the Tier II capital base of the Bank in order to further enhance the Total Capital Adequacy Ratio							
2	To minimize mismatch of durations between assets and liabilities of Bank's balance sheet	LKR 78n	31 st December 2016	LKR 78n	100%	LKR 78n	100%	N/A
3	To strengthen the Bank's liquidity position and to increase the loan portfolio							

Yours faithfully
HATTON NATIONAL BANK PLC

**Thushari Ranaweera (Mrs)
DEPUTY GENERAL MANAGER (LEGAL)/BOARD SECRETARY**

TR/OK

**Anusha Gallage (Mrs)
CHIEF FINANCIAL OFFICER**



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Hatton National Bank PLC (PQ82)

March 24, 2017

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



Dear Sir,

**HATTON NATIONAL BANK PLC
UTILIZATION OF FUNDS RAISED VIA CAPITAL MARKET
DEBENTURE ISSUE – NOVEMBER 2016**

Reference the subject matter.

In terms of the undertaking given in the Prospectus, we wish to provide the following disclosure with regard to the utilization of the proceeds of the subject Debenture Issue :

Objective Number	Objective as per Prospectus	Amount allocated as per Prospectus (LKR)	Proposed Date of utilization as per Prospectus	Amount allocated from proceeds (LKR) (A)	% of Total Proceeds	Amount utilized (LKR) (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
1	To increase the Tier II capital base of the Bank in order to further enhance the Total Capital Adequacy Ratio							
2	To strengthen the Bank's liquidity position and to increase the loan portfolio	LKR 6 Bn	31 st December 2016	LKR 6Bn	100%	LKR 6Bn	100%	N/A

Yours faithfully

HATTON NATIONAL BANK PLC

**Thushari Ranaweera (Mrs)
DEPUTY GENERAL MANAGER (LEGAL)/BOARD SECRETARY**

**Anusha Gallego (Mrs)
CHIEF FINANCIAL OFFICER**

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