

PROSPECTUS

Sustainable Bond Issue

2025



HATTON NATIONAL BANK PLC



PROSPECTUS

AN INITIAL ISSUE BY HATTON NATIONAL BANK PLC OF UP TO SRI LANKAN RUPEES FIVE THOUSAND MILLION (LKR 5,000,000,000/-) LISTED, RATED, UNSECURED, REDEEMABLE SENIOR FIVE YEAR (2025/2030) AND SEVEN YEAR (2025/2032) SUSTAINABLE BONDS OF THE PAR VALUE OF LKR 100/- EACH, WITH AN OPTION TO ISSUE UP TO A FURTHER SRI LANKAN RUPEES FIVE THOUSAND MILLION (LKR 5,000,000,000/-) OF THE SAID SUSTAINABLE BONDS AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE, TOTALLING TO A MAXIMUM OF SRI LANKAN RUPEES TEN THOUSAND MILLION (LKR 10,000,000,000/-)

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE
(Subject to the compliance with the CSE Listing Rules at the time of Listing)

ISSUE RATED “AA-(Ika)” BY FITCH RATINGS LANKA LIMITED

ISSUE OPENS ON
09TH DECEMBER 2025

MANAGER AND FINANCIAL ADVISOR TO THE ISSUE



No. 53, Dharmapala Mawatha, Colombo 03

This Prospectus is dated 02nd December 2025

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, omitted statements opinions expressed, or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Bonds which is decided solely by the Issuer. Please note that the Bank is bound by all applicable rules set out in the CSE Listing Rules.

The delivery of this Prospectus shall not under any circumstances 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 are material changes, such material changes will be disclosed 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, lawyer, or any other professional advisor.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared with available information.

This Prospectus has been prepared by HNB Investment Bank (Pvt) Ltd (hereinafter collectively referred to as ‘Managers’ or ‘HNBIB’) on behalf of Hatton National Bank PLC (hereinafter referred to as ‘HNB’ or the ‘Bank’). HNB and its Directors confirm that to the best of their knowledge and belief this Prospectus contains all information regarding the Bank and Bonds offered herein which is material; such information is true and accurate in all material aspects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on the part of the Bank are honestly held or made and are not misleading in any material respect; this Prospectus contains all material facts and presents them in a clear fashion in all material respects and all proper inquiries have been made to ascertain and to verify the foregoing. The Bank accepts responsibility for the information contained in this Prospectus.

No person has been sanctioned for making any representations not contained in this Prospectus in connection with this offer for Subscription of the Bank’s Bonds. If such representations are made, they must not be relied upon as having been authorized. Neither the delivery of this Prospectus nor any sale made in the offering shall, under any circumstances, create an implication that there has not been any change in the facts set forth in this Prospectus or in the affairs of the Bank since the date of this Prospectus.

Investors should be informed that the value of investments can vary and that past performance is not necessarily indicative of future performance. In making such investment decisions, prospective investors must rely on their knowledge, perception together with their own examination and assessment on HNB and the terms and conditions of the Bonds issued including risks associated.

The delivery of this Prospectus shall not under any circumstances 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.

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

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 Auditors and Reporting Accountants for the inclusion of their name in the Prospectus as Auditors and Reporting Accountants to the Issue and to the Bank.
- b) The written consent of the Rating Agency for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Bank.
- c) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- e) The written consent of the Company Secretary of the Bank for the inclusion of the name in the Prospectus as Company Secretary to the Bank.
- f) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- g) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- h) The written consent of the Independent External Reviewer to the Issue for the inclusion of their name in the Prospectus as Independent External Reviewer to the Issue.
- i) The written consent of the Managers and Financial Advisors to the Issue for the inclusion of their names in the Prospectus as Managers and Financial Advisors to the Issue.
- j) The written consent of the Structuring Partner to the Issue for the inclusion of their name in the Prospectus as Structuring Partner to the Issue.
- k) The declaration made and subscribed to, by each of the Directors of the Bank herein named as a 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 Auditors and Reporting Accountants to the Issue and to the Bank, Trustee to the Issue, Bankers to the Issue, Company Secretary, Managers and Financial Advisors to the Issue, Registrars to the Issue, Lawyers to the Issue, Independent External Reviewer to the Issue, , Structuring Partner to the Issue, Rating Agency have not, before the delivery of a copy of the Prospectus for registration with the Registrar 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 of Sri Lanka. Non-Resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

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, see Section 1.17 'Risks Involved in Investing in the Bonds' 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.

ISSUE AT A GLANCE

Issuer	Hatton National Bank PLC					
Instrument	Listed, Rated, Unsecured, Redeemable, Senior Sustainable Bonds for tenors 5-year (2025/2030) and 7-year (2025/2032).					
Trading Currency of the Debt Securities to be listed	Sri Lankan Rupees					
Listing	The Bonds will be listed on the Colombo Stock Exchange					
Number of Bonds to be Issued	An initial Issue of Fifty Million (50,000,000) Listed, Rated, Unsecured, Redeemable, Senior Sustainable Bonds for tenors 5 year (2025/2030) and 7-year (2025/2032), with an option to issue up to a further Fifty Million (50,000,000) of said Sustainable Bonds at the discretion of the Bank in the event of an over subscription of the initial Issue, totaling to a maximum of One Hundred million (100,000,000) Sustainable Bonds.					
Amount to be Raised	A sum of up to Sri Lankan Rupees Five Billion (LKR 5,000,000,000/-) with an option to issue up to a further Sri Lankan Rupees Five Billion (LKR 5,000,000,000/-) at the discretion of the Bank in the event of an over subscription of the initial Issue, to raise Sri Lankan Rupees Ten Billion (LKR 10,000,000,000/-).					
Issuer Rating	“AA- (Ika)/stable)” by Fitch Ratings Lanka Limited					
Issue Rating	“AA-(Ika)” by Fitch Ratings Lanka Limited for Type A and Type B Bonds					
Issue Price	LKR 100/- per each Bond					
Par Value	LKR 100/- per each Bond					
Interest Rates	Listed, Rated, Unsecured, Redeemable, Senior Sustainable Bonds for tenors 5-year (2025/2030) and 7-year (2025/2032), as described below.					
	Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
	Type A	Fixed Rate	5 years	10.25%	10.25%	Annual
	Type B	Fixed Rate	7 years	11.00%	11.00%	Annual
Maturity/ Redemption from the Date of Allotment	Type A - 05 Years Type B – 07 Years					
Type A and B Bonds	An initial Issue of Fifty Million (50,000,000) Listed, Rated, Unsecured, Redeemable, Senior 5- year (2025/2030) and 7 year (2025/2032) Sustainable Bonds, with an option to issue up to a further Fifty Million (50,000,000) of said Sustainable Bonds at the discretion of the Bank in the event of an over subscription of the initial Issue, totaling to a maximum of One Hundred million (100,000,000) Sustainable Bonds.					
Minimum Number of Bonds to be subscribed	Minimum subscription per application is 100 Bonds Sri Lankan Rupees Ten Thousand (LKR 10,000/-) and applications exceeding the minimum subscription should be in multiples of Sri Lankan Rupees Ten Thousand (LKR 10,000/-).					
Interest Payment Dates	For Type A and Type B Bonds: The dates on which payments of interest in respect of the Bonds shall fall due, which shall be twelve (12) months from the Date of Allotment and every twelve (12) months thereafter during the period of the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest shall be paid no later than three (03) Market Days following each Interest Payment Date, excluding the Interest Payment Date itself. The final interest payment will be paid together with the Principal Sum within three (03) Market Days from the Date of Redemption.					

Interest Period	For Type A and Type B Bonds : 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).
Method of Payment of Principal and Interest	Principal Sum and Interest will be paid to Bond Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank details have been provided, or by crossed cheques marked "Account Payee Only" in the event accurate bank details have not been provided.
Issue Opening Date	09 th December 2025
Closure Date of the Subscription List	<p>Subject to the provisions contained below, the subscription list for the Bonds will open at 9.30 a.m. on the 09th December 2025 will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 29th December 2025.</p> <p>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:</p> <ul style="list-style-type: none"> - The maximum of 100,000,000 Bonds being fully subscribed; or - The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 Bonds becoming fully subscribed; <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further up to 50,000,000 Bonds (having subscribed the initial Issue of 50,000,000 Bonds) but subsequently decides to close the subscription list upon part of the further issue of 50,000,000 Bonds becoming subscribed, 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 (refer Section 1.2 of this Prospectus).</p> <p>In the event the Board of Directors of the Bank decides to close the Bond Issue without the full subscription of the initial 50,000,000 Bonds, 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 4.30pm. (refer Section 1.2 of this Prospectus).</p>
Date of Allotment	The date on which the Bonds will be allotted by the Bank to Applicants subscribing thereto.
Basis of Allotment	<p>In the event of an over subscription, the Chairman and Managing director / CEO of the Bank will endeavor to decide the basis of allotment of the Bonds in a fair and equitable manner within seven (07) Market days from the closure of the Issue.</p> <p>The Board however shall reserve the right to allocate up to a maximum of 75% of the Number of Bonds to be allotted under this Prospectus on a preferential basis, to identified Investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future as future investors.</p> <p>Number of Bonds to be allotted to identified Investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds to be issued under this Prospectus under any</p>

	circumstances, unless there is an under subscription from the other investors (Investors that do not fall under preferential category). In the event of such undersubscription from the other Investors, such other investor category to be allotted in full and any remaining Bonds to be allotted to identified Investor/s
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CORPORATE INFORMATION

Name of the Bank/Issuer	Hatton National Bank PLC																					
Legal Status	Hatton National Bank PLC is a Licensed Commercial Bank registered under the Banking Act No 30 of 1988 (and amendments thereto) and was incorporated as a public limited company in Sri Lanka on 5 th March 1970 under the Companies Ordinance No 51 of 1938 and was re-registered under the Companies Act No 7 of 2007 on 27th September 2007.																					
Company Number	PQ 82																					
Place of Incorporation	Colombo, Sri Lanka																					
Registered Address	Hatton National Bank PLC No. 479, TB Jayah Mawatha, Colombo 10. Tel: +94 11 266 4664 / +94 11 246 2462 / +94 11 476 4764																					
Company Secretary	Ms. Shiromi Halloluwa Hatton National Bank PLC No. 479, TB Jayah Mawatha, Colombo 10. Tel: +94 11 2661856 / Fax: +94 112662825																					
Rating Agency	Fitch Ratings Lanka Limited No.15-04, East Tower World Trade Centre Colombo 01 Tel: +94 11 2 541 900 / Fax: +94 11 2 541 903																					
Auditors	KPMG Sri Lanka Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha Colombo 03 Tel: +94 11 5 426 426 / Fax: +94 11 2 445 872																					
Board of Directors	<table><tr><td>Mr. K. V. N. Jayawardene</td><td>Chairman, Non - Independent Non-Executive Director</td></tr><tr><td>Mr. P. G. D. B. Pallewatte</td><td>Managing Director, Chief Executive Officer</td></tr><tr><td>Mr. M. P. D. Cooray</td><td>Senior Independent Non-Executive Director</td></tr><tr><td>Mr. P. R. Saldin</td><td>Non- Independent Non-Executive Director</td></tr><tr><td>Mr. G. B. R. P. Gunawardana</td><td>Independent Non-Executive Director</td></tr><tr><td>Dr. T. K. D. A. P. Samarasinghe</td><td>Non – Independent Non-Executive Director</td></tr><tr><td>Mr. S. Renganathan</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. M. N. R. Fernando</td><td>Independent Non-Executive Director</td></tr><tr><td>Mr. S. K. Shah</td><td>Independent Non-Executive Director</td></tr><tr><td>Mrs. D. C A. Goonatilleke</td><td>Independent / Non-Executive Director</td></tr></table>		Mr. K. V. N. Jayawardene	Chairman, Non - Independent Non-Executive Director	Mr. P. G. D. B. Pallewatte	Managing Director, Chief Executive Officer	Mr. M. P. D. Cooray	Senior Independent Non-Executive Director	Mr. P. R. Saldin	Non- Independent Non-Executive Director	Mr. G. B. R. P. Gunawardana	Independent Non-Executive Director	Dr. T. K. D. A. P. Samarasinghe	Non – Independent Non-Executive Director	Mr. S. Renganathan	Independent Non-Executive Director	Mr. M. N. R. Fernando	Independent Non-Executive Director	Mr. S. K. Shah	Independent Non-Executive Director	Mrs. D. C A. Goonatilleke	Independent / Non-Executive Director
Mr. K. V. N. Jayawardene	Chairman, Non - Independent Non-Executive Director																					
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Mr. S. K. Shah	Independent Non-Executive Director																					
Mrs. D. C A. Goonatilleke	Independent / Non-Executive Director																					

RELEVANT PARTIES TO THE ISSUE

Manager and Financial Advisor to the Issue	HNB Investment Bank (Pvt) Ltd No. 53, Dharmapala Mawatha Colombo 03 Tel: +94 11 2 206 206
Structuring Partner to the Issue	Hatton National Bank PLC No. 479, TB Jayah Mawatha, Colombo 10. Tel: +94 11 266 4664 / Fax: +94 11 266 2832
Independent External Reviewer to the Issue	KPMG Sri Lanka Chartered Accountants No. 32A, Sir Mohamed Macan Markar Mawatha Colombo 03 Tel: +94 11 5 426 426 / Fax: +94 11 2 445 872
Lawyer to the Issue	Melody Wickramanayake (Attorney-at-Law) Executive Vice President / Chief Legal Officer, Legal Department, Hatton National Bank PLC No. 479, TB Jayah Mawatha, Colombo 10 Tel: +94 11 2 661 852 / Fax: +9411 2 662 832
Registrars to the Issue	Central Depository System (Private) Limited Ground Floor, M& M Center, 341/5, Central Depository Systems (Pvt) Ltd Ground Floor, M&M Center 341/5, Kotte Road, Rajagiriya Tel: +94 11 2 356456/ Fax: +94 11 2 440396
Trustee to the Issue	Bank of Ceylon Head Office, BOC Square, 1, Bank of Ceylon Mawatha, Colombo 01 Tel: +94 11 2 481 481 / Fax: +94 11 2 458 842
Company Secretary	Ms. Shiromi Halloluwa (Attorney-at-Law) Hatton National Bank PLC No. 479, TB Jayah Mawatha, Colombo 10. Tel: +94 112661856/ Fax :+94 112662825
Rating Agency to the Issue	Fitch Ratings Lanka Limited No.15-04, East Tower World Trade Centre Colombo 01 Tel: +94 11 2 541 900 / Fax: +94 11 2 541 903
Bankers to the Issue	Hatton National Bank PLC No. 479, TB Jayah Mawatha, Colombo 10. Tel: +94 (011) 266 4664, +94 (011) 266 2772, +94 (011) 476 4764/ Fax:+94 (011) 266 2832
Auditors and Reporting Accountants to the Issue	KPMG Sri Lanka Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 Tel: +94 11 5 426 426 / Fax: +94 11 2 445 872

ABBREVIATIONS USED IN THE PROSPECTUS

AER	Annual Effective Rate
AWPLR	Average Weighted Prime Lending Rate
Bn	Billion
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Pvt) Limited
CEFTS	Common Electronic Fund Transfer Switch
CEO	Chief Executive Officer
CO₂	Carbondioxide
CSE	Colombo Stock Exchange
DNSH	Do No Significant Harm
EDGE	Excellence in Design for Greater Efficiencies
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management Systems
EV	Electric Vehicle
FATCA	Foreign Account Tax Compliance Act
GBP	Green Bond Principles
GFTF	Green Finance Task Force
GHG	Greenhouse Gas
GJ	Gigajoules
GWh	Gigawatt-hour
HNB/Issuer/Bank	Hatton National Bank PLC
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Markets Association
IIA	Inward Investment Account
IPSF	International Platform on Sustainable Finance
LEED	Leadership in Energy and Environmental Design
LKR/ Rupees/ Rs.	Sri Lankan Rupees
Mn	Million
MSMEs	Micro, Small, and Medium Enterprises
MWh	Megawatt-hour
N/A	Not applicable
NBFI	Non- Banking Financial Institutions
NIC	National Identity Card
p.a	Per Annum

POA	Power of Attorney
RTGS	Real Time Gross Settlement
RPTRC	Related Party Transactions Review Committee
SBG	Sustainability Bond Guidelines 2021
SBP	Social Bond Principles 2023
SEC	Securities and Exchange Commission of Sri Lanka
SLGFT	Sri Lanka Green Finance Taxonomy
SLIPS	Sri Lanka Inter-Bank Payment System
SLSAE	Sri Lanka Standards on Assurance Engagements
SLSQC	Sri Lanka Standard on Quality Control
SPO	Second Party Opinion
SREP	Supervisory Review and Evaluation Process
TJ	Terajoules
USD	United States Dollar

GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant/s	Any person who submits an Application Form under this Prospectus
Application Form/Application	The Application Form that constitutes part of this Prospectus through which an Applicant may apply for the Bonds in Issue.
Bank/ Issuer	Hatton National Bank PLC
Bonds	All of the Listed, Rated, Unsecured, Redeemable, Senior Sustainable Bonds to be issued pursuant to this Prospectus
Bond Holder(s)	Any person who is for the time being the holder of the Bonds and includes his/her respective successors in title.
Date of Allotment	The date on which the Bonds will be allotted to the Bond Holders, which will be notified to the Bond Holders.
Date of Redemption	The date on which Redemption of the Bonds will take place as referred to in Section 1.12 of this Prospectus.
Entitlement Date	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Bond Holder would need to be recorded as being a Bond Holder on the list of Bond Holders provided by the CDS to the Bank /in whose name the Bonds are registered in the Bond Holders' register of the Bank (where applicable), in order to qualify for the payment of any interest or any Redemption proceeds.
Green Bonds	As per the ICMA Guidelines, Green Bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/ or existing eligible Green Projects and which are aligned with four core components of the Green Bond Principles namely, use of proceeds, process for project evaluation and selection, management of proceeds and reporting.
Green Projects	As per the ICMA Guidelines, Green Projects include assets, investments and activities, as well as other related and supporting expenditures, such as R&D that may relate to more than one category and/or environmental objective.
ICMA Bond Principles	The principles set forth by the International Capital Market Association (ICMA) for Green Bonds and Social Bonds. The ICMA Green Bond Principles (GBP) and Social Bond Principles (SBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond and Social Bond market by clarifying the approach for issuance of a Sustainable Bond.
Issue	The offer of Bonds pursuant to this Prospectus.
Market Day	Any day on which trading takes place at the CSE.
Non-Resident(s)	Foreign institutional investors including country funds, regional funds or mutual funds, corporate bodies incorporated outside Sri Lanka, citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka and Sri Lankans resident outside Sri Lanka.
Principal Sum	The product of the number of Bonds allotted and Par Value.
Prospectus	This prospectus dated 02 nd December 2025 issued by HNB PLC.
Redemption	The repayment of the Principal at maturity together with any interest accruing up to that time.
Registered Address	When used in relation to a Bond Holder means the address provided by the Bond Holder to the CDS.

Senior	The claims of the Bond Holders shall in the event of winding up of the Bank rank after all the claims of secured creditors and any preferential claims under any Statutes governing the Bank but pari passu to the claims of unsecured creditors of the Bank and shall rank in priority to and over any subordinated debt of the Bank and the claims and rights of the shareholder/s of the Bank.
Social Bonds	As per the ICMA Guidelines, Social Bonds are any type of bond instrument where the proceeds, or an equivalent amount, will be exclusively applied to finance or re-finance in part or in full new and/ or existing eligible Social Projects and which are aligned with the four core components of the Social Bond Principles namely, use of proceeds, process for project evaluation and selection, management of proceeds and reporting.
Social Bond Principles	As per the ICMA Guidelines, Social Bond Principles are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Social Bond market by clarifying the approach for issuance of a Social Bond.
Social Projects	Projects designed to achieve positive social outcomes for specific target populations
Sri Lanka Green Finance Taxonomy	The Sri Lanka Green Finance Taxonomy is a classification system, which defines and categorizes economic activities that are environmentally sustainable, and is a key action item outlined in the Roadmap for Sustainable Finance of Sri Lanka introduced by the Central Bank in 2019.
Sustainable	The proceeds are invested exclusively in sustainable projects that generate climate or other environmental and social benefits.
Sustainable Bonds	As per the ICMA Guidelines, Sustainable Bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance a combination of both Green and Social Projects.
Sustainable Projects	Sustainable Projects according to the Sustainable Finance Framework of the Bank are a combination of both green and social projects, with the overall objective of creating positive impacts on the environment and the society.
Trustee	Bank of Ceylon
Trust Deed	Trust Deed executed between the Bank and Bank of Ceylon on 21 st November 2025
Working Day	A day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka.

1. INFORMATION RELATING TO THE ISSUE

1.1 INVITATION TO SUBSCRIBE

The Board of Directors of Hatton National Bank PLC (hereinafter referred to as the “Board”) at the Board Meeting held on 27th August 2025 resolved to raise a sum of Rupees Five Billion (LKR 5,000,000,000/-) by an initial issue of up to Fifty Million (50,000,000) Bonds, each with a Par Value of LKR 100/- and to raise a further sum of Rupees Five Billion (LKR 5,000,000,000/-) by an issue of a further Fifty Million (50,000,000) Bonds, in the event of an over subscription of the initial issue. As such a maximum amount of Rupees Ten Billion (LKR 10,000,000,000) would be raised by the issue of a maximum of Hundred Million (100,000,000) Bonds each with the Par Value of LKR 100/-.

The below mentioned Bonds will be offered to the public:

Type	Type of Interest	Tenure	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed Rate	5 years	10.25%	10.25%	Annual
Type B	Fixed Rate	7 years	11.00%	11.00%	Annual

It is the intention of the Bank to list the Bonds on the Colombo Stock Exchange. The Colombo Stock Exchange has given its in-principal approval for the listing of the Bonds on the Colombo Stock Exchange. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE.

Senior, Listed, Rated, Unsecured, Redeemable, Sustainable Bonds issued under the prospectus are not subject to an early redemption. However, Bonds shall become immediately payable at the option of the Trustee on the occurrence of an event of default as specified in Clause 10 and individual sustainable bond holders could call for redemption of Sustainable Bonds in the circumstances as set forth in Rule 7.12.4 (A) (II) (d) of CSE Listing Rules as provided under Clause 4.4 as the dissenting option in the trust deed. Clause 4 specifies instances where immediate payment can happen to the Sustainable bond holders. This Bond is not collateralized by any asset of the Bank.

1.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Bonds will open at 9.30 a.m. on 9th December 2025 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 29th December 2025.

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 100,000,000 Bonds being fully subscribed; or
- The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 Bonds becoming fully subscribed.

In the event the Board of Directors of the Bank decides to exercise the option to issue further up to 50,000,000 Bonds (having subscribed the initial Issue of 50,000,000 Bonds) but subsequently decides to close the subscription list upon part of the further issue of 50,000,000 Bonds becoming subscribed, 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.

In the event the Board of Directors of the Bank decides to close the Bond Issue without the full subscription of the initial issue of LKR Five Thousand Million, 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.

Applications can be made forthwith in the manner set out in Section 2.0 of this Prospectus and duly completed Application Forms will be accepted at any one of the Collection Points set out in Annexure III of this Prospectus.

1.3 OBJECTIVES OF THE ISSUE

The Bank intends to use the proceeds of the Bond Issue exclusively for financing or re-financing green and social projects as defined in the Sustainable Finance Framework of the Bank, with the objective of expanding the Bank's Sustainability Lending portfolio in the ordinary course of business. Up to 60% of the funds will be utilized for Green projects and the balance 40% for Social Projects. In the event, the Bank receives applications for loans and advances (which includes leasing) in excess of the allocated maximum for either category, the Bank intends to adjust the mix stated herein subject to a minimum of Rs. 1 Billion to be disbursed towards either category to ensure full disbursement of the funds raised through this Sustainable Bond Issue within the expected timeframe of 24 months from the date of allotment of the Sustainable Bonds. The sustainability unit of the Bank will adjust the funding mix (if required) with the approval of the MD/CEO of the Bank and the Bank will make the necessary market disclosures at that time. Refinance facilities shall not exceed 50% of the total allocations at a given time.

Since the proposed Bonds have medium-to long-term tenures of 5 and 7 years, raising funds through these Bonds is expected to reduce maturity mismatches between assets and liabilities, as current deposit products have a maximum tenor of 5 years. The long-term funds, extending up to 7 years, can be utilised to support sustainable lending initiatives.

The bank intends to utilize the proceeds to finance or refinance loans and advances under initiatives such as electric vehicle lending, the recently introduced women entrepreneurship proposition, microfinance initiatives including sustainable agriculture projects, and renewable energy ventures such as solar installations, rooftop solutions, project financing.

The proceeds of the Sustainable Bond will be used to fund projects under the following categories:

Green Project Categories	
Sustainable objectives	Activities
Climate change mitigation	Renewable Energy: Development and installation of solar photovoltaic systems, wind energy, rooftop solar systems, biomass energy projects, natural gas-fired power plants and Hydropower projects (including pump storage projects).
Climate change mitigation	Energy Efficiency: Projects that achieve energy savings, such as building retrofits, efficient lighting, and smart grid technologies including manufacturing of energy efficient machinery / equipment, green lighting upgrades [energy-saving technology upgrading of high-efficient lighting products]
Climate change mitigation	Green Buildings: Construction or renovation of buildings certified under recognized green building standards. e.g., EDGE (Excellence in Design for Greater Efficiencies), LEED (Leadership in Energy and Environmental Design), Green SL (Green building certification by Green Building Council of Sri Lanka)
Natural Resource Conservation, Pollution Prevention and Control	Sustainable Water and Wastewater Management: Infrastructure for water conservation, wastewater treatment, water efficient technologies in agriculture
Pollution Prevention and Control	Waste management and Resource efficiency – Waste prevention, waste reduction and waste recycling projects
Climate change mitigation	Clean Transportation: Electric vehicles, Electric vehicle infrastructure and low-emission public transport (e.g. Metro rail systems, Electric bus fleet management).
Climate change mitigation and adaptation	Environmentally sustainable management of living natural resources and land use: Climate-smart Agriculture Projects such as crop

	diversification & precision farming, biological crop protection, drip-irrigation, rainwater harvesting, agro forestry, adoption of Sri Lanka Good Agricultural Practices (SL-GAP) certification etc.
Pollution prevention and control	Circular economy adapted products, production technologies and processes and/or certified eco-efficient products E.g. Sustainability / Organic certified coconut, rubber and dairy products
Social Project Categories	
Sustainable objectives	Activities
Affordable Housing	Financing or refinancing the development of housing for low- and middle-income populations.
Access to Essential Services	Financing or refinancing for healthcare and education in poverty provinces
Socio-economic advancement and empowerment	Financing or refinancing micro, small and medium enterprises, especially those led by women or operating in underserved regions

Summary of the ICMA Green Bond Principles:

Green Bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/ or existing eligible Green Projects.

The GBP emphasizes the required transparency, accuracy and integrity of the information that will be disclosed and reported by issuers to stakeholders through core components and key recommendations.

The four core components for alignment with the GBP are,

- **Use of Proceeds:** All designated eligible Green Projects should provide clear environmental benefits, which will be assessed and, where feasible, quantified by the issuer. The GBP explicitly recognize several broad categories of eligibility for Green Projects, which contribute to environmental objectives such as: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.
- **Process for Project Evaluation and Selection:** The issuer of a Sustainable Bond should clearly communicate to investors the environmental sustainability objectives of the eligible Green Projects; the process by which the issuer determines how the projects fit within the eligible Green Projects categories and Complementary information on processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s).
- **Management of Proceeds:** The GBP encourage a high level of transparency and recommend that an issuer's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking method and the allocation of funds from the Sustainable Bond proceeds
- **Reporting:** The GBP recommend the use of qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in quantitative determination.

Summary of ICMA Social Bond Principles:

Social Bonds are bond instruments in which the funds raised, or an equivalent amount, are used solely to finance or refinance, either fully or partially, new or existing eligible Social Projects.

- **Use of proceeds:** Social Bonds fund projects that create measurable social benefits, especially for vulnerable groups. Eligible projects include affordable infrastructure, essential services, housing, jobs, food security, and social empowerment. Issuers must clearly define project use, target populations, and financing details in the bond documentation.
- **Process for Project Evaluation and Selection:** Issuers of Social Bonds must clearly communicate the

social objectives, project selection process, and management of social and environmental risks to investors. They are encouraged to align this information with their overall social sustainability strategy, specify eligibility and exclusion criteria, reference any social standards or certifications, and outline measures to mitigate potential negative impacts of the projects.

- **Management of proceeds:** Issuers must properly track and manage the net proceeds of Social Bonds through a dedicated account or portfolio linked to Social Projects. The balance should be regularly updated to reflect project allocations, with details of any unallocated funds disclosed to investors. Proceeds may be managed per bond or as a portfolio, and transparency is encouraged through third-party verification or auditing of fund tracking and allocation.
- **Reporting:** Issuers must provide updated annual reports on how Social Bond proceeds are used until fully allocated, including project lists, descriptions, allocated amounts, and expected impacts. If full details can't be shared, aggregated data may be used. Transparency is key. Issuers should include qualitative and, where possible, quantitative impact indicators and follow ICMA's impact reporting guidelines. A summary of key bond features aligned with SBP principles is also recommended for public disclosure.

Sri Lanka Green Finance Taxonomy (May 2022)

The Green Finance Taxonomy introduced by the Central Bank of Sri Lanka (CBSL) provides a classification system to identify and define environmentally sustainable economic activities. It serves as a guiding framework for financial institutions, investors, and issuers to channel capital towards green projects that support national and global environmental objectives. It also promotes transparency, comparability, and accountability in green financing and aligns with international standards such as those of the EU and the International Capital Market Association (ICMA). This initiative is part of CBSL's broader effort to develop Sri Lanka's sustainable finance ecosystem and mobilize private sector investment towards achieving climate and environmental goals

Sustainability Bond Guidelines (2021)

The ICMA Sustainability Bond Guidelines 2021 provide a voluntary framework for issuing sustainability bonds, which finance a mix of green and social projects. The guidelines are based on four core principles: use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. They encourage transparency by requiring issuers to clearly communicate objectives, project eligibility, risk management, and impact reporting.

Key components of the guidelines

- **Use of Proceeds:** The net proceeds must be used to finance or refinance projects with both environmental and social benefits.
- **Project Evaluation and Selection:** Issuers must provide details on the process for evaluating and selecting projects, including project eligibility criteria, and their alignment with market-based or official taxonomies (like the EU Taxonomy).
- **Management of Proceeds:** Proceeds should be tracked and managed separately from other funds, for example, through a sub-account or sub-portfolio.
- **Reporting:** Annual reports should provide information on the allocation of proceeds and their impact. This can be reported at the project or portfolio level, and issuers are encouraged to disclose methodologies and assumptions used for impact reporting.

The proposed Sustainable Bonds will be issued under the framework which aligns with the Green Bond Principles (2025), Social Bond Principles (2025) and Sustainability Bond Guidelines (SBG) (2021) of the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable. The objectives of the HNB Sustainable Bond will be utilized to finance or refinance, in whole or in part the eligible green and social projects that align with the criteria of such Sustainable Projects as per ICMA GBP, SBP and SBG. The process, management and reporting detailed below aligns with the GBP, SBP and SBG.

Process for Project Evaluation and Selection

HNB will establish a clear and transparent process for evaluating and selecting projects eligible for financing and refinancing under its Sustainable Finance Framework. This process will ensure that all selected projects align with the criteria set out in the Sri Lanka Green Finance Taxonomy (May 2022) issued by CBSL and are consistent with the

relevant ICMA green bond principles, social bond principles and Sustainability Bond Guidelines (SBG) set forth.

A team that includes sustainability and credit experts, will screen and assess the facilities granted to select the eligible projects to finance/ re-finance using the proceeds. Each project will be assessed based on its environmental and/or social benefits, financial feasibility, alignment with priority sectors defined in the CBSL Direction No. 05 of 2022 – Sustainable Finance Activities of Licensed Banks and international sustainability goals:

The evaluation process will include:

- (a) Screening new projects against the eligibility criteria / Identification of facilities for financing/refinancing under the Sustainable Finance Framework
- (b) Assessing potential environmental and social impacts against the criteria defined for each eligible project category
- (c) Project Tagging and Disbursement Projects may include new investments or refinancing of existing assets, provided they meet the eligibility criteria and fall within the defined look-back period of 24 months. Refinanced facilities shall not exceed 50% of the total allocations at a given time.

Management and Reporting on the proceeds and utilization of proceeds

- **Management of Proceeds**

The net proceeds from HNB's Sustainable Bonds will be deposited into a dedicated account or sub-portfolio within the bank's treasury system and tracked using an internal register. This register will record the allocation of proceeds to eligible projects and ensure transparency and accountability. Unallocated proceeds will be temporarily held in cash or short-term liquid instruments that are consistent with HNB's liquidity management policies and will not be invested in excluded categories as defined in the Sustainable Finance Framework. These instruments may include government securities, money market funds, or other low-risk investments. HNB will aim to allocate the full amount of proceeds within 24 months of issuance. If a project becomes ineligible or is cancelled, the proceeds will be reallocated to other eligible projects as soon as practicable. The bank will ensure that proceeds are not used to finance projects or activities that are on the Bank's exclusion list set out in the Sustainable Finance Framework.

- **Reporting**

HNB is committed to providing transparent and regular reporting on the use of proceeds and the environmental and social impacts of financed projects. An annual Sustainability Finance Report will be published and made available to investors and stakeholders. The report will include an allocation report and an impact report.

- **Allocation Report**

- Total funds raised from Sustainable Finance Instruments issued under the Framework.
- List of projects financed or refinanced utilizing such funds including geographic locations.
- The amount allocated to each loan category. and percentage of projects financed and refinanced.
- The balance of unallocated proceeds.

- **Impact Report**

HNB will also assess the impact the projects financed on the sustainability objectives as stated in the Framework using qualitative and quantitative metrics as per the impact indicator the extent possible.

Sustainable objectives	Activities	Impact indicators
Climate change mitigation	Renewable Energy: Development and installation of solar photovoltaic systems, wind energy, rooftop solar systems, Biomass energy projects and Hydropower projects (including pump storage projects).	<ul style="list-style-type: none"> ▪ Capacity of renewable energy plants constructed /rehabilitated in MWh ▪ Annual renewable energy generation in MWh/GWh ▪ Annual GHG Emissions reduced / avoided in tonnes of CO2 equivalent
Climate change mitigation	Energy Efficiency: Projects that achieve energy savings, such as building retrofits, efficient lighting, and smart grid technologies including	<ul style="list-style-type: none"> ▪ Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) ▪ Annual GHG Emissions reduced / avoided in tonnes of CO2 equivalent

	manufacturing of energy efficient machinery / equipment, green lighting upgrades [energy saving technology upgrading of high-efficient lighting products]	
Climate change mitigation	Green Buildings: Construction or renovation of buildings certified under recognized green building standards e.g., EDGE (Excellence in Design for Greater Efficiencies), LEED (Leadership in Energy and Environmental Design), Green SL (Green building certification by Green Building Council of Sri Lanka)	<ul style="list-style-type: none"> Number of green buildings funded Level of certification Minimum requirement – Gold level certification
Natural Resource Conservation, Pollution Prevention and Control	Sustainable Water Management: Infrastructure for water conservation, wastewater treatment, water efficient technologies in agriculture	<ul style="list-style-type: none"> Volume of wastewater treated, reused or avoided (m3) No. of people with access to clean drinking water through infrastructure supporting sustainable and efficient water use
Pollution Prevention and Control	Waste management and resources efficiency – Waste prevention, waste reduction and waste recycling projects	<ul style="list-style-type: none"> Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes p.a. Tons of waste reduced Reduction in quantity of waste per unit of output Tons of secondary raw materials or compost produced
Climate change mitigation	Clean Transportation: Electric vehicle, Electric vehicle infrastructure, and low-emission public transport. (eg. Metro rail systems, Electric bus fleet management).	<ul style="list-style-type: none"> Number of EV charging stations installed Number of EVs manufactured or financed No. of EVs (Buses, trains etc) deployed for public transportation
Climate change mitigation and adaptation	Environmentally sustainable management of living natural resources and land use: Climate-smart Agriculture Projects such as crop diversification & precision farming, biological crop protection, drip-irrigation, rainwater harvesting, agro forestry, adoption of Sri Lanka Good Agricultural Practices (SL-GAP) certification etc.	<ul style="list-style-type: none"> Number of sustainability certified agriculture projects financed Sustainable agriculture land areas covered (hectares or acres)
Pollution prevention and control	Circular economy adapted products, production technologies and processes and/or certified eco-efficient products E.g. Sustainability / Organic certified coconut, rubber and	<ul style="list-style-type: none"> Number of certified eco-efficiency production facilities financed

	dairy products	
Access to Essential Services	Financing or refinancing for healthcare and education in poverty provinces	<ul style="list-style-type: none"> ▪ Number of healthcare projects funded ▪ Number of education projects funded ▪ Number of Beneficiaries from financed healthcare and education projects
Socio-economic advancement and empowerment	Financing or refinancing micro, small and medium enterprises, especially those led by women or operating in underserved regions	<ul style="list-style-type: none"> ▪ Number o MSMEs financed ▪ Number of women-led MSMEs financed ▪ Total financing provided to MSMEs ▪ Breakdown of MSMEs by region

Green Projects

Some of the Impact Indicators of Green Projects are given below.

- Capacity of renewable energy plants constructed /rehabilitated in MWH
- Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
- Level of certification, Volume of wastewater treated, reused or avoided
- Number of EV charging stations installed
- Number of sustainability certified ¹agriculture / etc.
- Number of waste recycling projects financed
- Number of sustainability certified agriculture projects financed

Social Projects

Some of the Impact Indicators of Social Projects are given below;

- Number of houses constructed
- Number of healthcare projects funded
- Number of beneficiaries from financed healthcare and education projects
- Number of MSME financed
- Number of women-led MSME financed

For more information on the activities done under each sustainable objective and their impact indicators please refer to the Sustainable Bond Framework of HNB Sustainable Bond. The Sustainable Finance Framework is hosted as a separate document to this Prospectus on the websites of the CSE (www.cse.lk) and the Bank (www.hnb.lk) respectively

Pre Issuance Assurance

HNB will obtain a verification in the form of a pre-issuance assurance from a reputable independent external reviewer to assess the alignment of the Sustainable Finance Framework with Green Bond Principles (June 2025), Social Bond Principles (June 2025), Sustainability Bond Guidelines (June 2021) issued by the ICMA and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable.

The Independent External Reviewer will review the Framework's alignment with the core components of the ICMA principles including the use of proceeds, project evaluation and selection, management of proceeds, and reporting practices.

Post Issuance Audit

An Independent External Reviewer will review the Sustainable Bond which is aligned with the Principles, guidelines and requirements set out in CSE Listing Rule 2.2.1 (o) for which the Bond instrument is issued, and, -provide an external review on the alignment of the Sustainable Bonds with the International Capital Market Association Principles and Guidelines and where applicable Green Finance Taxonomy or any related Taxonomy issued by the

¹ Eligibility criteria would be as per the Sustainable finance Framework where the respective reference is made to the CBSL Green Finance Taxonomy. Certification of projects would be as stated in the taxonomy (Eg. GAP and organic certifications as stated in E1.1 - 1.6, Certified agriculture projects as per M2.1 and A1.6 etc)

Central Bank of Sri Lanka via any of the methods of reviews as set out in Section 2.2.1 o (c) of the CSE listing Rules.

HNB may also seek third-party assurance on the environmental and social impact metrics reported in the annual Sustainable Finance Report, which will form part of the Bank's Annual Report.

All external review reports, including the Pre-issuance assurance report on the Sustainable Finance Framework and the post-issuance assurance reports, will be made publicly available on HNB's website to ensure full transparency for investors and stakeholders.

Utilization of Bond Proceeds

The proceeds of the Sustainable Bond will be managed by HNB's Treasury Department, and fund allocations to specific projects will be done by the Treasury Back Office following specific recommendations from the Sustainability Management Committee.

Sustainability Department will maintain a schedule of projects that are financed and/or refinanced with the proceeds of the Sustainable Bond. Once disbursed, the Credit Administration Department will tag the earmarked projects in the Bank's core banking system.

Any potential transaction with related parties will be carried out in compliance with all applicable Statutes, Directions, Regulations, and section 9 of the CSE Listing Rules including following the due process of RPT Review committee (RPTRC). Please refer to Section 3.11 for the composition of the Related Party Transactions Review Committee as at 30th September 2025.

If the proceeds are not utilized immediately upon the receipt of funds. proceeds of the Sustainable Bond, will be invested in cash or short-term liquid instruments and such instruments include Government securities, money market funds, or other low-risk investments in accordance with the Bank's cash management policies at the prevailing rates.

This reporting will be validated by the Independent External Reviewer and reported on an aggregated basis in the HNB Annual Report until the funds are fully utilized for the Sustainable Bond objectives.

The Sustainable Bond issue does not fall within the definition of a major transaction in terms of section 185 of the Companies Act no 7 of 2007.

Bond Issue proceeds utilization as at dd-mm-yyyy

Objective number	Objective as Per Prospectus	Amount allocated as Per prospectus in LKR	Proposed date of Utilization as Per prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amounts utilized in LKR (B)	% of utilization against allocation (B/A)	Clarification if not fully utilized including where the funds are invested (eg: whether lent to related party)
1. a	Financing and Re-financing of Green Projects	Upto 60% of the funds raised (Minimum of LKR 1 Bn to be disbursed)	In up to 24 months upon allotment of the Bonds					
						To be disclosed in the Annual Report and the Financial Statements		
1. b	Financing and Re-financing of Social Projects	Upto 40% of the funds raised (Minimum of LKR 1 Bn to be disbursed)	In up to 24 months upon allotment of the Bonds					

HNB undertakes to disclose the progress of the utilization of proceeds in all of their future interim and annual financial statements, until funds are fully utilized for the respective objectives stated in the Prospectus in the format presented above. Continuous Disclosure regarding status of utilization of funds raised via the Bond Issue will be presented in the following format in the subsequent interim and annual financial statements.

In the event the proceeds raised are fully utilized between two financial periods in terms of the objectives disclosed in the prospectus prior to submission of the Bank's next immediate succeeding financial statements (i.e. either interim financial statements or annual report, whichever is published first), the Bank to disclose the fact that proceeds have been utilized in its entirety as per the above template. The Bank will make immediate disclosure in the instances which specified under item 34 of the Appendix 8A of the Section 8 of the CSE listing Rules. The Bank will comply with the requirements stipulated under continuous listing rules of the CSE specifically applicable to Sustainable Bonds.

The Bank will submit a report on the utilization of the proceeds of the Sustainable bond to CSE as per the tracking done by the bank using the internal process duly signed by two directors of the Bank for dissemination to the market on a quarterly basis along with the quarterly financial statements of the Bank and within twelve (12) months from the date of issuance of the Sustainable Bond and thereafter on an annual basis along with the Annual Report of the Bank until the proceeds allocated to the Green and Social Project/s are fully utilized.

Specific Risks relating to the Objective

Dependence of proceeds of the Issue to achieve the objectives is marginal, as the Bank in the ordinary course of business has access to multiple sources of funds such as different types of deposits and borrowings.

Further, the risk of under-subscription of the Bond Issue will be greatly mitigated through appointing experienced managers to the Issue, pre-marketing and building a pipeline of potential investors. The Bank has a pool of funds to finance loan disbursements, mainly raised through deposits, which stood at Rs. 1,880.5 Bn as at the end of September 30, 2025. Total deposits recorded a growth of Rs 165 Bn during the first nine months of 2025 hence, the dependency on the Bond proceeds to grow the Green and Social Lending portfolio of the Bank is relatively marginal. The Bank's Total Green Financing Portfolio, classified according to the CBSL Green Finance Taxonomy 2022, stood at Rs. 38.42 Bn (unaudited) as at 30th September 2025. The average monthly LKR disbursements of Green Financing for the three months ended 30th September 2025 amounted to Rs. 4.2 Bn (unaudited). In addition, the Bank's average monthly disbursements to the MSME segment totalled Rs. 29.4 Bn (unaudited) during the same period.

However, pending loan disbursement, the unallocated proceeds of the Sustainable Bond, will be temporarily invested in cash, or short-term liquid instruments and such instruments include government securities, money market funds, or other low-risk investments, in accordance with the Bank's cash management policies. It is expected that the Sustainable Bond proceeds will be fully allocated within a period of 24 months respectively for Type A and Type B bonds from the date of bond listing.

The risk of the Bank being unable to utilize the funds to achieve the Objectives of the Issue is minimum as the Company already has demand from their existing clients as well as inquiries from new potential clients for financing such projects. As such, based on Bank's past experience and the growth achieved as at date there is no specific risk factor that may lead to non-achievement of expanding the Bank's loan portfolio within the specified timeline of 24 months from the date of allotment via the proceeds of the Issue up to a maximum of LKR 10 Billion.

However, in the highly unlikely event of the Bank fails to lend these funds due to any unforeseen reasons, these funds would be invested in cash or short-term liquid instruments and such instruments include Government securities, money market funds, or other low-risk investments at the current market rates until the use of funds for the purpose of the above said objectives of the issue. If due to some unforeseen reason, these funds are not utilized as proposed, the Bank will seek relevant approvals (as applicable) regarding the course of action to be

taken. In such an instance HNB will make a prior market announcement through the CSE in this regard.

1.4 INTEREST

The Bond Issue comprises of Bonds that will carry rates of interest as described below on the interest payment dates:

In relation to the Bonds, Interest on the Bonds accruing on a daily basis will be paid Annually as applicable from the Date of Allotment until the Date of Redemption (inclusive of redemption date) on the outstanding Principal Sum.

The interest due on the Bonds for a particular Interest Period will be calculated based on the actual number of days (irrespective of holidays) in such Interest Period (actual/actual) and will be paid not later than three (03) Market Days following each Interest Payment Date, excluding the Interest Payment Date itself. In order to accommodate the Bond interest cycles in the CDS the payment of interest for a particular Interest Payment Date will include Bond Holders holding Bonds in the CDS as of the Entitlement Date.

Payment of the interest on the Bonds will be made after deducting any taxes and charges thereon (if any) in Sri Lanka Rupees as per the applicable law prevalent at the time of interest payment to the Bond Holders. Please refer Section 1.11 for further details on taxes applicable for Bonds.

1.5 PAYMENT OF INTEREST

Type	Tenure	Coupon Payment Frequency	Interest Rate	AER
Type A	5 year	Payable Annually on the Interest Payment Date	10.25%	10.25%
Type B	7 year	Payable Annually on the Interest Payment Date	11.00%	11.00%

The Bank will redeem the Bonds on the Date of Redemption as specified in Section 1.12 and the interest payments will be made as specified in Section 1.5.

The payment of Principal Sum and Interest will be made either through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS in the event accurate bank account details of the Bond Holders are provided to the CDS to effect such transfers or by cheque/s marked "Account Payee Only" sent by ordinary mail to the addresses provided by the Bond Holders to the CDS, at the risk of the Bond Holders if bank account details are not provided to the CDS or the bank account details provided to the CDS are inaccurate.

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

The payment of Principal Sum and Interest will be made in Sri Lanka Rupees in favour of the Bond Holders as of the Entitlement Date. In the case of joint Bond Holders, the payment of Principal Sum and Interest will be made to the one whose name stands first in the register of Bond Holders.

1.6 INSPECTION OF DOCUMENTS

The Articles of Association, Trust Deed, Accountant's Report and Five Years (05) Summary of Financial Statements for the five years ended 31 December 2020 to 31 December 2024, Audited Financial Statements for the Five (05) years immediately preceding the date of this Prospectus, and Interim Financial Statements for the Nine Months ended 30th September 2025, Issue Rating Report and all other documents referred to in Rule 3.3.13 (a) of the CSE Listing Rules, including material contracts and management agreements entered or in the case of contracts not reduced into

writing, a Memorandum giving full particulars thereof by the Bank if any, would be made available from four market days (including the date of hosting of the Prospectus and documents on the CSE's and other websites stated in this Prospectus) prior to the Opening of the subscription list, for inspection by the public, during normal working hours at the registered office of the Bank, HNB Towers, No. 479, T. B. Jayah Mawatha , Colombo 10, Sri Lanka until the Date of Redemption of the Bonds.

The Prospectus, Trust Deed and Articles of Association of the Bank are available on the website of CSE (www.cse.lk) and the website of the Bank (www.hnb.lk) from Four (04) Market Days including the date of hosting of the Prospectus and documents on the CSE's and other websites stated in this Prospectus prior to the opening of the subscription list until the Date of Redemption of the Bonds as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

1.7 UNDERWRITING

The Issue is not conditional upon any minimum subscription amount being raised. The Bank has not entered into any underwriting arrangement with regard to this Issue.

In the event the Issue is undersubscribed, the subscribers shall be allotted in full and funds raised shall be utilized to the extent of such amount to meet the Objectives of the Issue as stipulated in Section 1.3 of this Prospectus, the balance funding will be sourced through Bank borrowings and other unutilized credit facilities.

1.8 THE MINIMUM SUBSCRIPTION APPLICABLE FOR INVESTORS

The minimum subscription requirement applicable for an investor applying for Bonds shall be Sri Lankan Rupees Ten Thousand (LKR 10,000/-) and any application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).

1.9 COST OF THE ISSUE

The Board estimates that the total cost of the Issue including fees to professionals, advertising and other costs connected with the Issue will be approximately Rs 55 Mn. Such costs will be financed by the internally generated funds of the Bank.

1.10 BROKERAGE

Brokerage fee of Fifteen Cents (LKR 0.15) per Bond shall be paid in respect of the number of Bonds allotted on Applications bearing the original seal of any Bank operating in Sri Lanka or a Trading Participant of the CSE or any other party identified by the Bank and/or Managers as involved in the Issue.

1.11 TAXATION

Interest on the Bond will be paid after deducting any taxes and charges thereon (if any) as per the applicable law prevalent at the time the interest payment is due to the Bond holders.

1.12 REDEMPTION

HNB PLC shall redeem the said Bonds on the expiry of Five (05) years and Seven (07) years respectively from the Date of Allotment in accordance with the provisions contained in the Trust Deed. Early redemption is not applicable for Bonds issued under this Prospectus, subject to the provisions contained in the Trust Deed. The Bonds shall become immediately payable at the option of the Trustee on the occurrence of an event of default as specified in Clause 10 and individual sustainable bond holders could call for redemption of Sustainable Bonds in the circumstances as set forth in Rule 7.12.3 (A) (II) (d) of CSE Listing Rules as provided under Clause 4.4 as the dissenting option in the trust deed. Clause 4 specifies instances where immediate payment can happen to the

Sustainable bond holders. On the Date of Redemption of the Bonds, the Bank shall in accordance with the provisions contained in the Trust Deed pay to the Bond Holders the Principal Sum of the Bonds which ought to be redeemed and interest (if any) remaining unpaid up to the Date of Maturity/ Redemption of the Bond. 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 and Interest shall be paid up to the date immediately preceding such Market Day (including holidays).

1.13 RATING OF THE SUSTAINABLE BOND

Fitch Ratings Lanka Limited has assigned HNB PLC's AA-(Ika) proposed Sri Lankan rupee-denominated Listed, Rated, Unsecured, Redeemable, Senior Sustainable Bonds for tenors 5- years (2025/2030) and 7-years (2025/2032) of up to LKR 10 Bn a final National Long-Term Rating of 'AA-(Ika)'.

The proposed Sustainable Bond is rated at the same level as HNB's National Long-Term Rating as it constitutes a direct, unconditional, unsubordinated, and unsecured obligation of the bank, and will rank pari passu with all of its present and future unsecured and unsubordinated obligations.

Source: <https://www.fitchratings.com/products/rating-definitions#about-rating-definitions>

The Board of Directors will undertake to keep the Trustee of the Bond Issue and CSE informed on any change to the credit rating of the Bonds as soon as the Bank / any of the Directors are aware of any changes to the ratings.

1.14 TRUSTEE TO THE ISSUE

Bank of Ceylon has agreed to act as the Trustee to the Bond Holders. The Bank has entered into an agreement with the Trustee (hereinafter called the "Trust Deed"). Bond Holders in their Application Forms for subscription will be required to authorize the Trustee to act as their agent in entering into such deeds, writings, and instruments with the Bank and to act as the agent and Trustee for the Bond Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Bonds will be subject to the terms and conditions incorporated in the said Trust Deed. The annual fee payable to the Trustee will be LKR 390,000 plus statutory levies until maturity of the Bonds. Trustee and the Directors of the Trustee has no conflict of interest with the Bank, except that the Trustee is one of the Bank's rendering banking related services to the Bank.

1.15 INDEPENDENT EXTERNAL REVIEWER

The Bank has appointed KPMG Sri Lanka as the Independent External Reviewer to the issue. (hereinafter referred to as 'External Reviewer'). The annual financial auditing function and the independent external review report are handled by two different divisions within KPMG Sri Lanka.

The Independent External Reviewer has provided an Independent External Verification in the form of a Pre-Issuance Assurance Report for Hatton National Bank PLC's Sustainable Financing Framework, in accordance with the pre-issuance assurance requirements of the Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (SLGFT) (May 2022) issued by the Central Bank of Sri Lanka (CBSL) where applicable.

The External Reviewer has no conflict of interest with the Bank. The External Reviewer is an independent party to the Bank and will remain independent until the maturity of the Sustainable Bond.

Key Personnel involved in the Independent External Reviewer Report:

- Pyumi Sumanasekara**
Partner – ESG, Global Assurance, Family Business & Board Governance, KPMG Sri Lanka
 Pyumi is a Partner of KPMG’s member firm in Sri Lanka and counts over 16 years of experience in audit services and advisory services a large portfolio of banking and financial services clients. Pyumi has considerable industry experience and has a strong understanding of SLFRS and IFRS.
- Shazaad Ninzer**
Director – Climate Change & Sustainability Services, Global Assurance, KPMG Sri Lanka
 Shazaad counts 11 years of experience in Audit and Assurance Services and has considerable industry experience which includes Agriculture, insurance, banking and NBFI hospitality, consumer markets and logistics.
- Lucie Dettaille**
Director – ESG Assurance, KPMG Luxembourg
 Lucie counts over 10 years of experience in audit, regulation, and sustainability. She has considerable experience in the banking sector, regulatory oversight, and ESG and sustainable finance, with a strong focus on sustainability reporting and assurance.
- Callishia Fernando**
Senior Manager - Climate Change & Sustainability Services, Global Assurance
 Callishia counts over 8 years of experience in Global Assurance Division and has considerable industry experience which includes consumer markets, banking and finance, manufacturing and logistics.
- Fahima Mohideen**
Manager-Climate Change & Sustainability Services, Global Assurance, KPMG Sri Lanka
 Fahima counts 8 years of experience in KPMG under Global Assurance and Tax. She has considerable industry experience which includes consumer markets, banking and finance, manufacturing, and construction.
- Amrithaa Chandrakumar**
Assistant Manager – Climate Change & Sustainability Services, Global Assurance, KPMG Sri Lanka
 Amrithaa counts over 6 years of experience in the global assurance division at KPMG Sri Lanka. She has considerable industry experience, which includes airline and aviation sector, oil and gas, banking and finance, technological mobility solutions, manufacturing and automotive sector.

Past Experience of the Independent External Reviewer

Client (Anonymized)	Year	Type of Bond	Internationally recognized market standards, principles, and guidelines (e.g. ICMA GBP, ASEAN GBS, CBI CBS)	Project Categories
International financial institution based in Luxembourg	2015-2025	Green bonds and sustainability bonds framework under the ICMA principles	ICMA GBP, EU Taxonomy, EU GBS	In relation to green bonds: <ul style="list-style-type: none"> Energy generation and supply Transport and mobility Buildings and construction Manufacturing & Industrial Processes

				<ul style="list-style-type: none"> • Energy Efficiency & Demand Management • Research, Development & Innovation (RDI) <p>In relation to sustainability bonds:</p> <ul style="list-style-type: none"> • Biodiversity • Education • Housing • Health • Water
Rolling stock leasing company serving the European market.	2023-2025	Green bonds and/or green loans under the ICMA principles	ICMA GBP	Rolling stock related projects
Provider of flexible leasing solutions in Europe and based in Luxembourg, has owned and leased locomotives and passenger trains for nearly 25 years.	2022	Green bonds and/or green loans under the ICMA principles	ICMA GBP	Rolling stock related projects
German conglomerate, headquartered in Luxembourg	2022-2025	Sustainability-linked bonds (Sustainability Performance Targets outlining the performance against the SPT and the related impact, and timing of such impact, on a bond's financial performance)	ICMA, SBTi	Investments in companies operating in the areas of consumer goods, coffee, luxury fashion, animal health, and fast food, among others.
Leading Banking Institution in Sri Lanka	2024	Green Bond in alignment with the Green Bond Principles (June 2021, with June 2022 Appendix) published by	ICMA GBP	Eligible Projects / Criteria: Ground and rooftop mounted Solar PV electricity generation projects conforming to the requirements of the Sri Lanka Green Finance Taxonomy (May 2022) (including mounting structures, transmission

		the ICMA		infrastructure, grid connections and other supporting infrastructure including inverters, transformers, energy storage systems and control systems).
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Key members who are involved in the external review for Hatton National Bank PLC possess experience in delivering ESG and sustainability assurance services across several industries including financial institutions.

The scope of the pre-issuance assurance engagement was to provide limited assurance on material aspects of the Sustainable Financing Framework which formed the basis for the proposed Sustainable Bond based on the Pre-Issuance Requirements set out in the Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainable Bond Guidelines (June 2021) issued by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (SLGFT) (May 2022) by the Central Bank of Sri Lanka (CBSL) where applicable, as listed below:

- Use of Proceeds
- Process for Project Evaluation & Selection
- Management of Proceeds
- Reporting

1.16 RIGHTS AND OBLIGATIONS OF THE BOND HOLDERS

(a) Bond Holders are entitled to the following rights.

- Receiving Annual interest at the Rate of Interest as set out in Section 1.4 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 1.5 of this Prospectus.
 - In the event of liquidation, rank above the ordinary voting shareholders of the Bank.
 - To receive a copy of the Annual Report of the Bank within the timeline stipulated in terms of Rule 7.5 (a) of the CSE Listing Rules.
 - Calling and attending meetings of Bond Holders under this Bond Issue as set out in the Trust Deed.
 - The other rights of the holders of these Bonds as set out in the Trust Deed.
- In the event of any Sustainable Bond Holders dissenting to the resolution/s passed at the meeting of the Sustainable Bond Holders referred to in Listing Rule 7.12.4 (A) (II) (d) the Bank shall pay the maturity proceeds relating to the Sustainable Bonds held by such dissenting Sustainable Bond Holders within seven (07) Market Days from the meeting of the Sustainable Bond Holders.

(b) Bond Holders do not have the following rights

- Attending and voting at meetings of holders of Shares and other Bonds
- Sharing in the profits of the Bank
- Participating in any surplus in the event of liquidation
- Calling for redemption before maturity, subject to the provisions stated in the Trust Deed. In terms of CSE Rule 7.12.4 (A)(II)(c) and (d), the dissenting option may be exercised in the event the Listed Entity fails to rectify the non-compliance within the stipulated six (06) month period, whereby GSS+ Bond Holders who dissent to the proposed course of action may opt to be repaid their maturity proceeds within seven (07) Market Days from the date of the Bond Holders' meeting. Thereafter, the Exchange shall cease to recognize such Debt Securities as GSS+ Bonds, and the remaining bonds will continue to be listed on the Exchange.

(c) Obligations of the Bond Holders

Each Bond Holder must ensure that the information in respect of the securities account maintained with the CDS/the Company Secretaries or Registrars (where applicable) is up to date and accurate. Each Bond Holder absolve the Bank from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS/Bank.

Provided further that the Bond Holders absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Bond Holders.

1.17 RISKS INVOLVED IN INVESTING IN THE BONDS

Subscribers to the Bonds could be exposed to the following risks. It is vital to note that these risks are not unique to Bonds Issued by the Bank and apply generally to any Bond listed in the CSE.

Interest Rate Risk

Provided all other factors are equal, the market price of the Bonds will generally fluctuate in the opposite direction to the fluctuation in market interest rates. Thus, the interest rate risk could be identified as the reduction in the market price of Bonds resulting from a rise in interest rates.

Reinvestment Risk

Interest on the Bonds are payable annually. An Investor may decide to reinvest these interest payments and earn interest from that point onwards. Depending on the prevailing interest rates at the point of reinvestment, the risk of returns generated by Bond Holders by reinvesting such interest received being higher or lower than the return offered by the Bonds is known as reinvestment risk.

Duration Risk

Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates based on the time to maturity of principal and coupon payments. The higher the duration, the greater the price volatility or duration risk, while a lower duration carries a lower risk.

Credit Risk

Credit risk is also referred to as default risk. This is the risk that the issuer of a Bond may default, i.e. the issuer will not be able to pay interest and principal payments on a timely basis. This risk is gauged in terms of rating assigned by different rating agencies. Fitch Ratings Lanka Limited has assigned a National Long- term Rating of “AA-(lka)” to these Bonds and will be periodically reviewing the same.

Liquidity Risk

Liquidity risk is associated with the ease in which an investment can be sold after the initial placement. In order to reduce the liquidity risk of the Bonds, the Bank has applied for a listing of these Bonds on the CSE and has received in-principle approval for such listing whereby Bond Holders will be able to sell the Bonds through the CSE in order to convert the Bonds to cash and exit from the investment. However, transaction price or bid-ask spread will be dependent upon the marketability, demand, supply and other macro factors such as market interest rates. Furthermore, it should be noted that the secondary debt market is not as developed as the secondary equity market in Sri Lanka.

Inflation Risk

If the Sri Lankan inflation rate is to increase, this would compel the CBSL to increase policy rates which would eventually have an upward push on the interest rates of the existing Government Bonds and the Corporate Bonds at the given time period. As the price of Bond/Debenture is inversely proportional to the interest rate of the same instrument, this will have an impact on the price of the Bond as they will be pushed down.

Sustainable Bond Risk

The International Capital Market Association's (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP) and Sri Lanka's Green Finance Taxonomy serve as benchmarks for determining the green and social credentials of a bond. When issuing a Sustainable Bond on the Colombo Stock Exchange (CSE), issuers must obtain an External Review from an Independent External Reviewer to confirm that the Sustainable Bonds align with these standards. However, the market has faced challenges in evaluating the environmental and social benefits claimed by Sustainable bond issuers. The reputational risk for issuers is significant, as bonds labeled as Sustainable Bonds may not always align with true environmental and social objectives. This can erode investor trust and hinder the growth of the Sustainable bond market. Dissenting option would be provided to debt holders, where they could prematurely get their bonds redeemed in its entirety. The CSE shall cease to recognize such Debt Securities of the Bank as Sustainable Bonds (Green and Social Bonds). Such non-recognition may lead the Bank to effect changes to the existing features of the proposed Green and Social Bonds along with any other benefits attached to the proposed Sustainable Bond.

1.18 BENEFITS OF INVESTING IN THE BONDS

- Provides an opportunity to earn a regular cash flow of interest payments on a periodic basis, up to a fixed period of Five (5) and Seven (7) years.
- Opportunity to realize capital gains according to interest rate fluctuations in the financial market. Also, if held to maturity, there will be no capital loss incurred.
- Listed Bonds provide the investor with an exit option through the CSE thereby bringing liquidity to these Bonds.
- These Bonds could be used as collateral to obtain both corporate and personal facilities from financial institutions, subject to the policies of those institutions.

1.19 TRANSFER OF BONDS

The Bonds will be transferable and transmittable in the manner set out in the Trust Deed, which is reproduced below.

- (a) These Bonds shall be freely transferable and transmittable through the CDS as long as the Bonds are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- (b) Subject to provisions contained in the Trust Deed, the Bank may register without assuming any liability any transfer of Bonds, 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 Bond 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 Bond Holder was the sole or only surviving holder; shall be the only persons recognized by the Bank as having any title to his/her Bonds.
- (d) Any person becoming entitled to any Bond in consequence of bankruptcy or winding up of any Bond Holder, upon producing proper evidence that such person sustains the character in respect of which such person proposes to act or such person's title as the Board of Directors of the Bank thinks sufficient, may at the discretion of the Board be substituted and accordingly, registered as a Bond Holder in respect of such Bonds subject to the applicable laws, rules and regulations of the Bank, CDS, CSE and

SEC.

(e) No change of ownership in contravention to these conditions will be recognized by the Bank.

1.20 LISTING

An application has been made to the CSE for permission to obtain a listing for the Bonds and the CSE has granted its approval in-principle for the same. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE. It is the intention of the Bank to list the Bonds on the Colombo Stock Exchange upon the allotment thereof. There are no other approvals required for the said Bond issue apart from the approval of the CSE.

At the point of listing, the Company will ensure that the Bonds to be listed are fully paid and issued only for cash.

The CSE however, assumes no responsibility for the correctness of the statements made or omitted statements 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 Bonds.

2. PROCEDURE FOR APPLICATION

2.1 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Bonds from the following categories of applicants.

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

Applications will not be accepted from Applicants who are under the age of 18 years, or in the names of sole proprietorships, partnerships, or unincorporated trusts.

“Individuals resident outside Sri Lanka” will have the same meaning as in the notice published under the Foreign Exchange Act in Gazette No. 12 of 2017 in Gazette No. 2045/56 dated 17 November 2017.

When permitting Non-residents to invest in the Bonds, the Bank will comply with the relevant Exchange Control Regulations including the conditions stipulated in the notice under the Foreign Exchange Act with regard to the Issue and transfer of Bonds of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 2045/56 dated 17 November 2017.

2.2 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

- a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available for inspection from the website of CSE, www.cse.lk and the website of the Bank, www.hnb.lk.

The Prospectus and Application Form can be downloaded on the website of CSE (www.cse.lk) and the website of the Bank (www.hnb.lk) from Four (04) Market Days including the date of hosting of the Prospectus and documents on the CSE's and other websites stated in this Prospectus prior to the opening of the subscription list until the Date of Redemption of the Bonds as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

The bank has formally requested a waiver of Rule 2.4 (f) of the CSE Listing Rules, which pertains to the printing of the prospectus, through a letter addressed to the CSE dated 14th November 2025. This request was made with the bank's commitment to environmental sustainability and the green initiative of this Sustainable Bond Issue. The CSE has decided to grant the waiver, allowing the bank to proceed without adhering to the standard prospectus printing requirements outlined in the aforementioned rule.

Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected.

- b) If the ownership of the Bonds 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.
- c) An applicant of a joint application will not be eligible to apply for the Bonds through a separate Application Form either individually or jointly. 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 Bonds (except in the case of executors, administrators or heirs of a deceased member). Joint Applicants should note that all parties to the Application should either be residents of Sri Lanka or Non-Residents.

Applicants should apply only for one type of Bond under one Application Form. In the event an Applicant wishes to apply for more than one type of Bond, separate Application Forms should be used. Once an Application Form has been submitted for a particular type of Bond, it will not be possible for an applicant to switch between the types of Bonds.

More than one application submitted by an applicant under the same type of Bond will not be accepted. An applicant of a joint application is also not eligible to send any additional application form for the same type of Bonds either individually or jointly.

- d) Applications by companies, corporate bodies, 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 Bonds 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.
- e) All Applicants should indicate in the Application for Bonds, their CDS account number.
- f) All resident individual Applicants should ensure that;
 - If the Applicant's CDS account carries the NIC number, the NIC number of the Applicant is stated in the relevant cage of the Application Form; or
 - If the Applicant's CDS account carries the passport number, the passport number of the Applicant is stated in the relevant cage of the Application Form.

All Non-Resident individual Applicants and corporate Applicants should ensure that the passport number/company number and CDS Identification Number (CDS ID) are stated in the relevant cages of the Application Form.

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.

- g) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin Provider/Applicant's name" signed by the margin provider, requesting a direct deposit of the Bonds to the Applicant's margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can apply under their own name and such Applications will not be construed as multiple Applications.

- h) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. Original of the POA should not be attached.
- i) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annexure V 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"
- j) Funds for the investment in Bonds and the payment for Bonds by Non-Residents should be made only out of the monies available to the credit of a "Inward Investment Account" (IIA) of the Non- Resident Applicants opened and maintained in a licensed commercial bank in Sri Lanka in accordance with the directions given by the Controller of Exchange in that regard to licensed commercial banks.

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

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

2.3 SUBMISSION OF APPLICATIONS

Applications sent by post or courier or delivered to any Collection Point set out in Annexure III of this Prospectus should reach the office of the, **Registrars to the Issue, Central Depository Systems (Pvt) Ltd, Ground Floor, M&M Center 341/5, Kotte Road, Rajagiriya Sri Lanka, at least by 4.30 p.m. local time on the following Market Day immediately upon the Closing Date.** Applications received after the said period will be rejected even though they have been delivered to any of the said Collection Points prior to the Closing Date or carry a postmark dated prior to the Closing Date.

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

Only Non-resident Investors may submit a clear scanned copy or photocopy of the duly completed application form via email to registrars@cse.lk, through their respective investment advisors. This submission must be accompanied by an undertaking from the investment advisor on behalf of the Non-resident Investors confirming that the original application form will be posted, couriered, or hand-delivered to the Registrars to the Issue no later than 12.00 noon on the second working day from the issue Closing Date.

Investors applying through Margin trading accounts or making payment through bank guarantee, Non-Resident Applicants and Foreign Citizens must send Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope marked **“HNB PLC –SUSTAINABLE BOND ISSUE 2025”** on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to the Registrars to the Issue or Collection Points mentioned in Annexure III of this Prospectus.

Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF BONDS WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Please note that upon the allotment of Bonds under this Issue, the allotted Bonds would be credited to the Applicant's CDS account so indicated.

Hence, BOND CERTIFICATES WILL NOT BE ISSUED.

2.4 NUMBER OF BONDS TO BE SUBSCRIBED

Applicants are allowed to invest in Bonds subject to the minimum subscription 100 Bonds (LKR 10,000.00). Applications exceeding the minimum subscription should be in multiples of 100 Bonds (LKR 10,000.00)

2.5 MODE OF PAYMENT

- a) Payment in full for the total value of Bonds 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/SLIPS/CEFTS transfers directed through any licensed commercial bank

operating in Sri Lanka, as the case may be, subject to (b) below.

- b) Payments for Applications for values **above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)** should be supported by either;
- Bank guarantee issued by a licensed commercial bank; or
 - Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka; or
 - An RTGS / Internal Direct transfer with value on the Issue opening date.

In the case of Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka each of which should be for a value less than Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) will be accepted.

- c) Payments for Applications for values **below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-)** should be supported by either
- Single bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka or
 - Payments for Applications for **up to and inclusive of Sri Lanka Rupees Five Million (LKR 5,000,000/-)** should be supported by either a CEFTS/SLIPS/RTGS transfer; and
 - Payments for Applications for values **above Sri Lanka Rupees Five Million (LKR 5,000,000/-)** should be supported by a RTGS/ Internal Direct transfer.

Multiple cheques, Bank Guarantees or RTGS transfers will not be accepted for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-).

- d) Cheques or bank drafts should be made payable to **“HNB PLC SUSTAINABILITY BOND ACCOUNT 2025”** and crossed **“Account Payee Only”**, and must be honoured on the first presentation.
- e) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **“HNB PLC SUSTAINABILITY BOND ACCOUNT 2025”** in a manner acceptable to the Bank, and be valid for a minimum of one (01) month from the Issue opening date (i.e 9th December 2025).

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. 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 with regard to such bank guarantees should be borne by the Applicants.

- f) In case of RTGS / Internal Direct transfers and other electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as CEFTS/SLIPS/, such transfers should be made to the credit of the following bank account with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

Account Name: HNB PLC SUSTAINABILITY BOND ACCOUNT 2025

Account Number: 003010560218

Bank Name: Hatton National Bank PLC

Bank Code: 7083

Branch: Head Office

Branch Code: 003

It is mandatory to provide the CDS Account Number as the transaction reference for all types of Electronic Fund transfers. In case payment for the Application is made via a CEFTS or a SLIPS transfer, the CDS Account Number of the Applicant should be mentioned as the narration of such fund transfers

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 Bonds applied for to the credit of “**HNB PLC SUSTAINABILITY BOND ACCOUNT 2025**” bearing Account Number **003010560218** at HNB PLC 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 /Internal Direct 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 Two Decimal Five Zero per centum (2.50%) per annum from the date of such transfers up to the Date of Allotment. If any transfers are affected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date. However, no interest will be paid if the RTGS transfers are not realized before 4.30 p.m of the Closure Date of the Subscription List. 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.

- g) Cash/ cash deposits will not be accepted to ensure the accuracy of the application submission process, bank reconciliation process and timely allocation of Bond within the given timelines
- h) Payment for the Bonds 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 of 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.

- i) The amount payable should be calculated by multiplying the number of Bonds applied for by the Par Value (LKR 100/-). The number of Bonds applied for should be in multiples of 100.

If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or transferred via RTGS/SLIPS/CEFTS, the Application will be rejected.

- j) In the event that cheques are not realized prior to the date of deciding the basis of allotment, the monies will be refunded and no allotment of Bonds will be made. Cheques must be honored on first presentation for the Application to be valid.
- k) All cheques/bank drafts received in respect of the Applications for Bonds will be banked commencing from the Working Day immediately following the Closing Date. Cheques must be honored on first presentation for the Application to be valid.

2.6 REJECTION OF APPLICATIONS

- Application Forms and the accompanying cheques/bank drafts/bank guarantee or SLIPS/CEFT/RTGS transfers, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the Application Form will be rejected at the sole discretion of the Bank.
- Applications received from Applicants who are under the age of 18 years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.
- Any Application Form, which does not state a valid CDS account number, will be rejected and no allotment shall be made to such investor.

- More than one application submitted **under one Type of Bonds** by an applicant will not be accepted. If two or more application forms are submitted from a single applicant under one Type of Bond, those would be considered as multiple applications and the Bank will not accept such multiple applications or suspected multiple applications.
- Any application form with more than three (03) natural persons as joint applicants for any type of Bonds will be rejected.
- Applications delivered by hand to the Registrars to the Issue after the subscription list is closed will be rejected (excluding the original hard copies of the softcopies submitted by Non-residents). Applications received by post or courier after 4.30 p.m. on the Market Day immediately following the Closing Date will be also rejected even if they carry a postmark dated prior to the Closing Date.
- Applications delivered to any place mentioned in Annexure III should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closing Date(excluding the original hard copies of the softcopies submitted by Non-residents). Applications received after the said duration will be rejected even though they have been delivered to any of the said Collection Points prior to the Closing Date.
- In the event that cheques are not realized prior to the date of deciding the basis of allotment and realized after such date, the monies will be refunded and no allotment of Bonds will be made.
- Cheques must be honored on first presentation for the Application to be valid. In the event cheques are dishonored/returned on first presentation, such Applications will be rejected.

2.7 BANKING OF PAYMENTS

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Working Day immediately after the Closure Date as set out in Section 2.2 of this Prospectus,

2.8 BASIS OF ALLOTMENT OF BONDS

In the event of an over subscription, the Chairman and the Managing Director / CEO of the Bank will endeavor to decide the basis of allotment of the Bonds in a fair and equitable manner within seven (07) Market days from the closure of the Issue.

The Board, however, shall reserve the right to allocate up to a maximum of 75% of the Number of Bonds to be allotted under this Prospectus on a preferential basis, to identified Investor/s of strategic importance with whom the Bank might have mutually beneficial relationships in the future as future investors.

Number of Bonds to be allotted to identified Investor/s of strategic and operational importance, on a preferential basis or otherwise will not exceed 75% of the total number of Bonds 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). In the event of such undersubscription from the other Investors, such other investor category to be allotted in full and any remaining Bonds to be allotted to identified Investor/s

Upon the allotments being decided, an announcement will be made to the CSE, within Seven (07) Market Days of closing the Issue. The Bank reserves the right to reject any Application or to accept any Application in part only, without assigning any reason thereto. A written confirmation informing successful Applicants on their allotment of Bonds will be dispatched within Ten (10) Market Days from the Closing Date as required by the CSE.

2.9 REFUNDS

- Where an Application is rejected for reasons given in Section 2.6 of this Prospectus, subsequent to being realized, the applicant's money in full or where an Application is accepted only in part, the balance of the applicant's money will be refunded.
- The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS/RTGS or cheque).
- 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.
- 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 above of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through RTGS and a payment advice will be sent.
- Funds received via IIA accounts will be refunded via IIA accounts in the event there are refunds to be made.

In the event the Applicant has not provided accurate and correct details of his bank account in the Application or if the Applicant has not provided details of the bank account in the Application Form, the Bank will make such refund payments to the Applicant by way of a cheque and sent by post at the risk of the Applicant.

In the case of Joint Application, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

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

<https://www.lankaclear.com/downloads/bank-branch-directory/>

Refunds on Applications rejected, or partly allotted Bonds would be made within eight (08) Market Days from the date of closing the issue (excluding the date of issue closure). Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus Five decimal Zero per centum (5.00%) for the delayed period on any refunds not made within this period.

2.10 CDS ACCOUNTS AND SECONDARY MARKET TRADING

Bonds allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of twelve (12) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

The Bank will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Bonds.

Trading of Bonds 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.

3. FINANCIAL AND OTHER INFORMATION

3.1 BACKGROUND

Hatton National Bank PLC (HNB) is one of Sri Lanka's most prominent private sector banks, with a legacy spanning over 136 years. Originally established to serve the financial needs of tea planters in the Hatton region, HNB has evolved into a full-service commercial bank with a strong national presence.

HNB is a Licensed Commercial Bank registered under the Banking Act No 30 of 1988 (and amendments thereto) and was incorporated as a public limited company in Sri Lanka on 5th March 1970 under the Companies Ordinance No 51 of 1938 and was re-registered under the Companies Act No 7 of 2007 on 27th September 2007 under the re-registration number PQ 82. The Bank's ordinary shares (both voting and non-voting) and listed, rated, unsecured, subordinated redeemable debentures are listed on the Colombo Stock Exchange. Fitch Ratings Lanka Ltd has assigned the Bank a National Long-Term Rating of AA-(Ika).

3.2 NATURE OF BUSINESS

HNB is a diversified bank with several subsidiaries spanning investment banking, real estate, finance and insurance sectors. With 255 branches and over 800 self-service machines, HNB serves more than 2.7 Mn individuals, 244,000 SMEs and micro-entrepreneurs, and over 3,300 corporates.

Recognized as a Domestic Systemically Important Bank (D-SIB), HNB plays a critical role in maintaining the stability of Sri Lanka's financial system. The bank is known for its robust digital transformation, pioneering innovations in mobile and internet banking, and commitment to sustainability and inclusive growth. HNB's strategic focus includes business growth, customer experience, technology enablement, people development, and environmental stewardship.

HNB has consistently been at the forefront of banking innovation through its pioneering endeavors to redefine the customer by leveraging cutting-edge solutions to enhance financial accessibility for all Sri Lankans. From introducing ATMs and mainstream internet banking to ground-breaking mobile banking apps, transaction banking solutions and cutting-edge digital payment platforms, HNB has embraced technology to stay ahead of the curve. In 2024, HNB reported strong financial performance, with a profit after tax of Rs 41.3 Bn and a return on equity of 19.85%. The bank continues to lead in green financing, SME empowerment, and digital banking, reinforcing its position as a trusted financial partner and a catalyst for national development. Licenses to carry out banking business do not have a date of expiry.

3.3 FINANCIAL YEAR

The financial year of the Bank commences on 01st January and ends on 31st December.

3.4 FINANCIAL STATEMENTS & FINANCIAL SUMMARY

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

- Audited financial statements of HNB PLC as at 31st December 2024
- Interim financial statements of HNB PLC as at 30th September 2025 Summarized financial statement for the five years ended 31st December 2020 to 31st December 2024 preceding the date of the Application stating the accounting policies adopted by the Bank certified by the Auditors and Qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

3.5 LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

Contingent Liabilities that would affect current and future profits of the Bank as at 30th September 2025 and 31st December 2024.

Description	30 th September 2025*	31st Dec 2024
	LKR '000'	LKR '000'
Acceptances	19,587,981	14,718,039
Guarantees	85,810,268	78,546,123
Bid Bond	37,116,812	33,573,676
Documentary letters of Credit	54,913,352	27,331,743
Forward Contracts	236,733,951	192,849,984
Commitments for unutilized credit facilities	477,941,788	514,220,558
Other capital expenditure commitments	6,715,959	6,003,716
Total	918,820,111	867,243,839

*unaudited

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

3.6 PARTICULARS OF LONG-TERM LOANS AND OTHER BORROWINGS OF THE BANK

The outstanding borrowings of HNB as at 30th September 2025 and 31st December 2024 comprise of the following categories of borrowings;

Description	30 th September 2025*	31st Dec 2024
	LKR '000'	LKR '000'
Due to banks	47,577,679	6,595,571
Other borrowing	16,658,614	19,740,135
Debt securities issued		
Subordinated term debt	27,358,021	28,174,227

*unaudited

3.7 OTHER DEBT SECURITIES IN ISSUE - AS AT THE DATE OF THE PROSPECTUS

Details on the BASEL III compliant Subordinated Debentures in issue as at 30th September 2025 are as follows:

Year of Issuance	Bond Code	Ranking	Tenor	Interest Rate p.a.	Issue Value LKR (Mn)	Issue Date	Maturity Date
2019	HNB-BD-22/09/26-C2431-12.8	Subordinated	7 Year	12.80%	8,077,430	23-Sep-2019	22-Sep-2026
2021	HNB-BD-28/07/31-C2480-9.5	Subordinated	10 Year	9.50%	7,000,000	28-Jul-2021	28-Jul-2031
2024	HNB-BD-26/08/29-C2542-13	Subordinated	5 Year	13.00%	8,212,500	27-Aug-2024	26-Aug-2029
2024	HNB-BD-26/08/29-C2543-12.6	Subordinated	5 Year	12.60%	2,198,400	27-Aug-2024	26-Aug-2029
2024	HNB-BD-26/08/31-C2545-13.25	Subordinated	7 Year	13.25%	282,400	27-Aug-2024	26-Aug-2031

2024	HNB-BD-26/08/34-C2544-13.5	Subordinated	10 Year	13.50%	1,306,700	27-Aug-2024	26-Aug-2034
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The above-mentioned holders of BASEL III compliant subordinated debentures are entitled to receive the principal sum on the date of maturity/ redemption and interest on the debentures as per the provisions set out and stated in the Prospectuses issued in relation to the respective debentures. The holders of the said debentures can convert to ordinary shares at an objective, pre-specified trigger point determined by the Monetary Board of the CBSL. The securities would in the event of winding up of the Issuer be subordinated to the claims of depositors and all other creditors of the Issuer share the profits of the Bank or to participate in any surplus assets of the Bank.

3.8 DEBT SERVICING DETAILS OF THE BANK

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

In LKR Mn	2024	2023	2022	2021	2020
Gross interest due on Debentures (LKR' 000)	2,433.43	2,502.64	2,911.77	3,108.79	3,552.06
Debenture interest paid on or before due date (LKR' 000)	2,433.43	2,502.64	2,911.77	3,108.79	3,552.06
Debenture interest paid after the due date (LKR' 000)	-	-	-	-	-
Debenture interest not paid as of to date (LKR' 000)	-	-	-	-	-

3.9 KEY FINANCIAL RATIOS

	30.09.2025*	31.12.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Debt / Equity Ratio (%) **	13.28	16.85	19.55	30.91	28.27	67.56
Interest Cover Ratio (Times) ***	17.65	22.64	8.49	4.30	5.12	3.95
Capital adequacy - Core capital ratio % ****	16.74	19.59	13.66	11.06	18.16	14.73
Capital adequacy - Total capital ratio % ****	20.13	23.96	17.13	14.00	14.53	17.98

*unaudited

** Debt/ Equity Ratio = [Long Term Borrowing including Debt Securities / Total Equity]

*** Interest Cover Ratio = $\frac{\text{Profit before Tax} + \text{Depreciation} + \text{Amortization} + \text{Impairment} + \text{Interest Expense}}{\text{Interest Expense}}$

INTEREST COVER - A ratio showing the number of times interest charges is covered by earnings before interest and tax. Includes interest paid on Borrowings and Debentures

**** Minimum Statutory requirement of core capital and total capital ratio as at 30th September 2025 was 9.50% and 13.50% respectively

3.10 MAJOR SHAREHOLDERS AS AT 30TH SEPTEMBER 2025

Twenty (20) largest shareholders (Voting) of the Bank as at 30th September 2025 are given below:

NO	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	CEYLON STEEL CORPORATION LIMITED	45,493,077	9.98
2	EMPLOYEE'S PROVIDENT FUND	44,443,363	9.75
3	SRI LANKA INSURANCE CORPORATION LTD – LIFE FUND	37,696,270	8.27
4	MILFORD EXPORTS (CEYLON) (PVT) LIMITED	36,055,836	**7.91
5	STASSEN EXPORTS (PVT) LIMITED	31,252,000	**6.85
6	SONETTO HOLDINGS LIMITED	22,410,383	4.91
7	MR. YONMERENNE SIMON HEWAGE INDRAKUMARA SILVA	22,391,891	4.91
8	SRI LANKA INSURANCE CORPORATION LTD – GENERAL FUND	19,366,354	4.25
9	MR. HUZAIFA HAMZAALLY ABDULHUSEIN	15,250,000	3.34
10	DISTILLERIES COMPANY OF SRI LANKA PLC	13,982,540	**3.07
11	NATIONAL SAVINGS BANK	13,148,066	2.88
12	MR. NIRMAL ANRUDHA MADANAYAKE	9,330,862	2.05
13	STANDARD CHARTERED BANK SINGAPORE S/A BANK SINGAPORE BRANCH	8,558,121	1.88
14	MR. YONMERENNE SIMON HEWAGE RUKSHANKA SULAKSHANA SILVA	7,421,546	1.63
15	FIRST CAPITAL HOLDINGS	5,600,000	1.23
16	JANASHAKTHI INSURANCE PLC - SHAREHOLDERS	4,940,000	1.08
17	SIMONAS TRUST SERVICES PVT LTD.	4,640,728	1.02
18	CITIBANK NEWYORK S/A NORGES BANK ACCOUNT 2	4,483,788	0.98
19	GALLE FACE CAPITAL PARTNERS PLC	3,500,000	0.77
20	PERERA AND SONS BAKERS PVT LIMITED	2,525,000	0.55

**Pursuant to the provisions of the Banking Act Directions No. 1 of 2007, the total collective voting rights in the Bank, of Milford Exports (Ceylon) Limited, Stassen Exports Limited and Distilleries Company of Sri Lanka (who collectively hold 17.83% of the voting shares of the Bank) are limited to 10% of the total voting rights of the Bank with effect from 15th March 2012 as the voting rights in excess of such percentage is deemed invalid from that date.

Twenty (20) largest shareholders (Non-voting) of the Bank as at 30th September 2025 are given below:

NO	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	COMMERCIAL BANK OF CEYLON PLC/ METROCORP (PVT)LTD	9,500,000	8.20
2	AKBAR BROTHERS PVT LTD A/C NO 1	6,562,381	5.66
3	HNB INVESTMENT BANK (PVT) LTD/ MR. ELAYATHAMBY THAVAGNANASOORIYAM & MR. ELAYATHAMBY THAVAGNANA SUNDR	4,867,725	4.20
4	AMBEON HOLDINGS PLC	2,000,000	1.73
5	BROWNS INVESTMENTS PLC (CONSISTING OF SAMPATH BANK PLC/BROWNS INVESTMENTS PLC & BROWNS INVESTMENTS PLC ACCOUNTS)	1,980,398	1.71
6	MR. KARUNA RANARAJA EKANAYAKE MUDIYANSELAGE DHARSHAN MADURANGA BANDARA JAYASUNDARA	1,500,000	1.29
7	DFCC BANK PLC A/C NO.02	1,291,190	1.11
8	COMMERCIAL BANK OF CEYLON PLC/G.S.N.PEIRIS	1,290,477	1.11
9	SABOOR CHATOOR (PVT) LTD	1,248,000	1.08
10	J.B. COCOSHELL (PVT) LTD	1,028,000	0.89
11	MR.EJAZ CHATOOR	1,020,000	0.88
12	MR. NIRMAL ANRUDHA MADANAYAKE	1,000,000	0.86

12	N P CAPITAL LTD	1,000,000	0.86
12	PEOPLE'S LEASING & FINANCE PLC/MR. I. D. R. PERERA	1,000,000	0.86
12	RIL PROPERTY PLC	1,000,000	0.86
13	MR. ROGER KEITH MODDER	935,000	0.81
14	SAMPATH BANK PLC/ ANDARADENIYA ESTATE PRIVATE LIMITED	900,000	0.78
15	MANDALA VENTURES PVT LTD	880,000	0.76
16	HATTON NATIONAL BANK PLC A/C NO 2 - (EMPLOYEE PROVIDENT FUND)	833,694	0.72
17	HATTON NATIONAL BANK PLC- SENFIN GROWTH FUND	803,688	0.69
18	EMPLOYEES TRUST FUND BOARD	788,289	0.68
19	SENKADAGALA FINANCE PLC/ E. THAWAGNASUNDARAM	783,209	0.68
20	PEOPLE'S LEASING & FINANCE PLC/DON AND DON HOLDINGS (PRIVATE) LIMITED	702,125	0.61

3.11 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee was established to be effective from 1st January 2014 in terms of the then Section 9 of the CSE rules on voluntary basis and thereafter re-constituted the Related Party Transactions Review Committee as a Board Sub-Committee with effect from 1st January 2016. Further w.e.f. 1st January 2025 the RPTRC committee was made a mandatory committee in terms of the Banking Act Direction No: 5 of 2025 on Corporate Governance issued by CBSL.

Composition of the Related Party Transactions Review Committee as at the date of the Prospectus is as follows

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Mr. Suresh Shah	Chairman	Independent / Non-Executive
Mr. Rasitha Gunawardana	Member	Independent / Non-Executive
Mr. Nanda Fernando	Member	Independent / Non-Executive
Ms Dilani Alagaratnam	Member	Independent / Non-Executive
Mr. Devaka Cooray	Member	Senior Independent / Non-Executive

4. ACCOUNTANT'S REPORT AND 5-YEAR SUMMARY



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
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Internet www.kpmg.com/lk

24 October 2025

Board of Directors
Hatton National Bank PLC
HNB Towers
Level 21
No. 479, T.B. Jayah Mawatha
Colombo 10

Dear Sirs,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF HATTON NATIONAL BANK PLC FOR ISSUANCE OF SENIOR SUSTAINABLE BOND.

This report has been prepared for the inclusion in the Prospectus issued in connection with the Public Offer of Listed, Rated, Unsecured, Redeemable Senior Sustainable 5-year and 7-year Bond issue of Hatton National Bank PLC with a value of Rupees Five Billion (LKR 5,000,000,000/-) with an option to issue a further Rupees Five Billion (LKR 5,000,000,000/-), at the discretion of the Company in the event of an oversubscription of the initial issue totaling up to Sri Lankan Rupees Ten Billion (LKR 10,000,000,000/-), which will be exclusively used for financing or re-financing green and social projects.

We have examined the respective audited financial statements of Hatton National Bank PLC ("the Bank") and the Group for the financial years ended 31st December 2020 to 31st December 2024, and report as follows.

1. INCORPORATION

Hatton National Bank PLC (the "Bank") is a public quoted company incorporated on 5th March 1970 with limited liability and domiciled in Sri Lanka. It is a licensed commercial bank registered under the Banking Act No. 30 of 1988 and amendments thereto. The Bank was re-registered under the Companies Act No. 07 of 2007. The registered office of the Bank is situated at No 479, T B Jayah Mawatha, Colombo 10. The shares of the Bank have a primary listing on the Colombo Stock Exchange. The unsecured subordinated debentures of the bank are also listed on the Colombo Stock Exchange.

The Bank does not have an identifiable parent of its own. The Hatton National Bank PLC is the ultimate parent of the Group.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Ratnaparkhi FCA
M.H.M. Shanee FCA
Ms. P.M.K. Sumanasekera FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyaratne FCA
Ms. S.K.D.T.N. Rodrigo FCA
Ms. C.T.K.R. Perera ACA
R. G. H. Raddella ACA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Asanakeen ACA

Principals: S.R.I. Perera FQAA (UK), I.I.B. Attorney-at-Law, H.S. Gonswardene ACA, Ms. F.R. Dyer FQAA (UK), FCI,
K. Somasundaram ACMA (UK), Ms. D. Conal Chatterjee



The Bank is licensed by the Central Bank of Sri Lanka to conduct banking and related activities. The principal activities of the Bank are banking and related activities such as deposit acceptance, corporate and retail banking, personal financial services, off shore banking, foreign currency operations, trade services, investment banking, development banking, rural finance, project finance, leasing, issuing of local and international debit and credit cards, internet banking, mobile banking, money remittance facilities, dealing in government securities and treasury-related products, export and domestic factoring, pawning, margin trading, digital banking services, bancassurance and Islamic banking products and services etc.

2. FINANCIAL STATEMENTS

2.1 Five Years Summary of Financial Statements

A summary of Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of the Bank and Group for the years ended 31st December 2020 to 31st December 2024, are based on the audited financial statements prepared in accordance with SLFRSs and LKASs are summarised in the Annexure to the accountants' report.

2.2 Audit Reports

We have audited the financial statements of the Bank and Group for the years ended 31st December 2020 to 31 December 2024. Unmodified audit opinions have been issued for the said financial years, by our reports dated 19 February 2021, 18 February 2022, 17 February 2023, 15 February 2024 and 21 February 2025, respectively.

2.3 Application of Accounting Standards and Accounting Policies

The financial statements of the Bank/Group for the financial years ended 31st December 2020 to 31st December 2024 complied with the applicable Sri Lanka Accounting Standards.

Accounting policies of the Bank/Group are stated in detail in the audited financial statements of Hatton National Bank PLC for the year ended 31st December 2024. The adoption of revised/new accounting standards and a summary of related amendments to the accounting policies of the Bank/Group from financial years ended 31st December 2020 to 31st December 2024 are given below.

Financial Year	Adoption of revised Accounting Standards and related changes in Accounting Policies
31 st December 2020	<p>The Bank initially adopted definition of the Business (Amendments to SLFRS 3) from 01 January 2020. A number of other new standards are also effective from 01 January 2020 that did not have a material effect on the financial statements.</p> <p>Definition of Business</p> <p>The Bank applied Definition of a Business (Amendments to SLFRS 3) to business combinations whose dates of acquisition are on or after 01 January 2020 in assessing whether it had acquired a business or a group of assets. The amendments do not have a material effect on the Bank's financial statements because the Bank has not acquired any subsidiaries during the year. However,</p>

	<p>the Bank has amended its accounting policies for acquisition on or after 01 January 2020.</p> <p>Reclassification of financial instruments</p> <p>The Bank re-classified its International Sovereign Bond Portfolio consequent to the changes in the business model of managing such assets with effect from 1st April 2020 as per the Guidance Notes issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) on Accounting Consideration of the Covid 19 Outbreak (updated on May 11, 2020). Accordingly, International Sovereign Bond investments amounting to Rs 47 Bn which were previously classified as financial assets measured at Fair Value Through Other Comprehensive Income (FVOCI) were re-classified as financial assets measured at amortised cost. There was no change to the effective interest rate used and interest revenue recognised in respect of the reclassified assets for the year ended 31st December 2020. Had these investments continued to be carried at fair value through other comprehensive income, the fair value of same as at 31st December 2020 would have amounted to Rs 55 Bn and would have resulted in the recognition of a fair value loss of Rs 29 Bn in other comprehensive income during the year.</p>
31 st December 2021	<p>Interest Rate Benchmark Reform (IBOR) (Amendments to SLFRS 9, LKAS 39 and SLFRS 7)</p> <p>A fundamental reform of major interest rate benchmark is being undertaken globally, replacing certain interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform"). The Bank has exposure to certain IBORs on its financial instruments that are being reformed as part of these market-wide initiatives.</p> <p>CA Sri Lanka issued amendments to SLFRS 9, LKAS 39 and SLFRS 7 due to Interest Rate Benchmark Reform Phase 1 and Phase 2. The effective date of both IBOR reform Phase 1 and Phase 2 amendments are for annual reporting periods beginning on or after 01 January 2021 in the Sri Lankan context and the requirements under phase 2 amendments have to be applied retrospectively.</p> <p>The Bank commenced a process to evaluate the impact from this reform on its financial instruments. This process will involve evaluating the extent to which loans advanced, loan commitments, liabilities, and derivatives reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform, how to manage communication about IBOR reform with counterparties and the changes required for the existing credit policies.</p> <p>As at 31 December 2021, the IBORs for certain key currencies to which the Bank had exposure to were in the process of reforming. However, there was no material impact to the Bank's financial statements.</p>
31 st December 2022	<p>Banking Act Direction No 13 of 2021 on "Classification, Recognition and Measurement of Credit Facilities in Licensed Banks", Banking Act Direction No 14 of 2021 on "Classification, Recognition and Measurement of Financial Assets</p>

<p>other than Credit Facilities in Licensed Banks" and Banking Act Direction No 11 of 2021 on "Supplementary Circular to Banking Act Direction On Classification, Recognition and Measurement of Credit Facilities and Other Financial Assets in Licensed Banks" Central Bank of Sri Lanka on 14th and 30th September 2021 issued the above Directions with a view to further strengthening and harmonising the regulatory framework on classification, recognition and measurement of credit facilities and other financial assets with the Sri Lanka Accounting Standard SLFRS 9 – "Financial Instruments" and establishing consistent and prudent practices in the banking industry.</p> <p>Accordingly, All rescheduled loans are classified as stage 3 unless upgraded due to satisfactory performing period. Further loans which have been restructured up to two times unless upgraded due to satisfactory performing period are classified as stage 2 while such loans which have been restructured more than two times are classified as stage 3 in accordance with Banking Act direction No 13 of 2021 on "Classification, Recognition and measurement of credit facilities in Licensed Bank</p> <p>Restructured facilities are upgraded in accordance with board approved policies upon the settlement of due payment and bank is satisfied, the customer is able to service debt obligations up to a foreseeable future and the upgraded credit facility has exhibited a sustained/trend/status of improvement to justify an improved classification in accordance with Banking Act Direction No 13 of 2021 on "Classification, recognition and measurement of credit facilities in licensed banks"</p> <p>Reclassification of Debt portfolio from Fair value through Other Comprehensive Income to Amortized Cost</p> <p>The Bank re-classified its debt securities portfolio measure at fair value through other comprehensive income category to amortized cost category with effect from 01 April 2022 in accordance with "Statement of Alternative Treatment (SoAT) on Reclassification on Debt Portfolio" issued by CA Sri Lanka.</p> <p>Accordingly, Government of Sri Lanka Treasury bills, Government of Sri Lanka Treasury Bonds and International Sovereign Bond investments which were previously classified as financial assets measured at fair value through other comprehensive income were re-classified as financial assets measured at amortized cost. There was no change to the effective interest rate used and interest revenue recognized in respect of the re-classified assets for the year ended 31 December 2022.</p> <p>Had these investments continued to be carried at fair value though other comprehensive income, the fair value of same as at 31 December 2022 would have amounted to Rs 22 Bn and would have resulted in the recognition of a fair value loss of Rs 6 Bn (net of tax) in other comprehensive income statement during the period.</p>

	<p>Bank has allocated government securities amounting to Rs 8.8 Bn (2021- Rs 34.8 Bn) in respect of securities sold under repurchase agreements. Whereas, the comparative amount of Rs 34.8 Bn was reclassified to Amortised Cost due to the above policy change for debt portfolio.</p> <p>Surcharge tax</p> <p>As per the surcharge tax Act No. 14 of 2002 surcharge tax is pertaining to the year of assessment 2020/21. According to the said Act, surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment 2020/21. Since the Act supersedes the requirements of Sri Lanka Accounting standards, the surcharge tax expense has been accounted as recommended by the Statement of Alternative Treatment (SoAT) on Accounting for Surcharge Tax issued by CA Sri Lanka.</p> <p>The liability arising from the Surcharge Tax Act No. 14 of 2022 has been accounted as recommended by the Statement of Alternative Treatment (SoAT) issued by CA of Sri Lanka.</p> <p>Accordingly, the Bank recognized the total liability to the surcharge tax as an adjustment to the opening retained earnings as at 01 January 2022.</p>
31 st December 2023	<p>The Bank adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 01 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases.</p> <p>For leases the Group is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.</p> <p>The Bank previously accounted for deferred tax on leases by applying the integrally linked² approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Bank has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.</p> <p>However, there was no impact on the statement of financial position because the balances qualify for offset under LKAS 12. There was also no impact on the opening retained earnings as at 01 January 2022 as a result of the change. The key impact for the Bank relates to disclosure of the deferred tax assets and liabilities recognised.</p>

	<p>Material accounting policy information</p> <p>The Bank also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 01 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies.</p> <p>The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.</p> <p>Impairment- Sri Lanka Development Bonds</p> <p>On 01st July 2023, the Sri Lankan Parliament approved the Government's policy on domestic public debt optimization strategy. The Sri Lanka Development Bonds (SLDBs) held by the Bank were subject to this Domestic Debt Optimization (DDO) strategy. Consequently, on 15th August 2023 the Bank exchanged its outstanding SLDBs, valued at USD 50 Mn, for local currency denominated treasury bonds. These treasury bonds comprised of five new instruments with variable coupons (SLFR + 1%).</p> <p>This exchange resulted in reversal of related impairment provisions amounting to Rs 3 Bn and the local currency denominated treasury bonds received in lieu of SLDBs have been classified along with investments in Government of Sri Lanka treasury bonds.</p>
31 st December 2024	<p>Recognition of new instruments</p> <p>As per SLFRS 9- "Financial instruments", the above noted exchange resulted in derecognition of the previously held SLDBs due to the significant modification to the cash flows and the terms and conditions. The bank recognized the new instruments at fair value. The bank assessed the fair value of the new instruments in accordance with SLFRS 9, using the discounted cash flow valuation method. The discount rate was determined using a risk-free rate derived based on long term US treasury bills, which was adjusted for credit, liquidity and other risks. Accordingly, the bank applied a rate of 10.25% to determine the fair value of PDI Bonds and a rate of 8.5% was used for the fair value determination of USD Step-up bond after adjusting for the de-risk factor. The Bank has recognized a loss on derecognition of Rs 52.55Bn in respect of this restructure, which was netted off against the realisation of the exchange fee bond paid to bondholders who validly delivered the original bonds before the expiration date. The resultant net loss on derecognition amounted to Rs 49.5Bn.</p> <p>Nature and purpose of reserve</p> <p>The Central Bank of Sri Lanka instructed banks to establish a special temporary reserve equivalent to 15% of the amortised cost of the USD Step-Up Bonds</p>



	received in settlement of the restructured SLISBs. This requirement is effective for a six-month period starting from 31 December 2024. The amortized cost of the USD Step-Up Bonds stood at Rs 11,070 Mn as of 31 December 2024, requiring the Bank to transfer Rs 1,660.5 Mn to this reserve. Notably, this new reserve shall not be included in the Bank's regulatory capital.
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2.4 Dividends

The Bank had declared the following dividends in respect of ordinary shares (both voting and non voting) for the years ended 31 December 2020 to 31 December 2024.

Year ended. 31 December	Dividend Per Share Rs.	Details on how dividend was paid
2020	8	Rs. 4.50/- by way of cash dividend and Rs.3.50/- by way of a scrip dividend.
2021	9	Rs. 6.50/- by way of a cash dividend and Rs. 2.50/- by way of a scrip dividend
2022	5	Rs. 5.00/- by way of a scrip dividend.
2023	8	Rs. 4.00/- by way of a cash dividend and Rs. 4.00/- by way of a scrip dividend.
*2024	15	Rs. 15.00/- by way of a cash dividend

*Proposed Dividends

The Directors recommended a final cash dividend of Rs. 15.00/- per share on both voting and non-voting shares of the Bank, be paid for the financial year ended 31st December 2024.

2.5 Purpose and restriction on use and distribution

This report is made solely for the purpose of the Board of Directors of Hatton National Bank PLC for the inclusion in the prospectus in connection with the Public Offer of Listed, Rated, Unsecured, Redeemable Senior Sustainable 5-year and 7-year Bond issue of Hatton National Bank PLC with a value of Rupees Five Billion (LKR 5,000,000,000/-) with an option to issue a further Rupees Five Billion (LKR 5,000,000,000/-), at the discretion of the Company in the event of an oversubscription of the initial Issue totaling up to Sri Lankan Rupees Ten Billion (LKR 10,000,000,000/-).

This report should not be used, circulated, quoted or otherwise referred to for any other purpose.

Yours faithfully,

Chartered Accountants
Colombo

Classification | Confidential: External

Annexure 1
INCOME STATEMENT

	BANK				GROUP			
For the year ended 31st December	2020	2021	2022	2023	2020	2021	2022	2023
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Gross Income	335,813,648	316,947,325	242,412,424	298,139,347	390,869,912	135,710,455	370,596,409	330,258,144
Interest Income	193,044,600	68,600,557	397,019,154	284,097,697	222,660,257	112,545,465	270,582,207	304,578,112
Less Interest Expense	59,235,246	48,541,201	104,168,470	179,758,441	145,423,151	50,945,255	189,042,793	180,551,566
Net Interest Expense	44,709,146	49,559,357	102,876,876	104,342,295	96,288,102	59,402,287	131,506,544	118,074,562
Fees & Commission Income	7,704,030	9,803,283	15,520,143	18,308,907	18,422,096	8,190,541	10,543,300	17,287,073
Less Fee & commission expense	241,810	279,792	345,951	407,572	654,308	221,884	581,556	534,980
Net fee & commission income	7,545,249	9,523,491	15,174,192	17,841,335	17,767,788	7,968,657	9,961,744	16,752,093
Net interest, fee and commission income	82,254,395	59,082,848	118,051,068	122,183,632	114,055,896	67,368,944	131,468,250	124,830,735
Net gain/loss from trading	174,890	922,039	4,898,719	11,951,627	61,308,429	164,810	4,895,568	11,890,018
Net gain from financial instruments at fair value through other comprehensive income	207,323	195,027	22,610	277,537	379,132	209,217	23,099	380,892
Net insurance premium income	1,053,543	5,879,517	14,585,868	10,412,813	149,481,540	8,607,231	12,759,481	15,549,250
Net gain arising on recognition of financial assets	2,858,113	6,879,517	14,585,868	10,412,813	3,585,385	1,106,640	5,974	11,545,250
Net other operating income	98,328,389	6,776,473	137,934,130	118,916,334	93,893,408	3,042,217	15,857,553	149,481,540
Total operating income	335,258,208	18,770,647	90,481,304	40,959,311	716,860,000	78,073,886	189,875,998	349,489,608
Less: Impairment charge	41,069,344	45,957,376	47,482,845	78,327,023	142,559,388	18,046,578	91,736,678	42,523,010
Net operating income	335,258,208	18,770,647	90,481,304	40,959,311	716,860,000	59,027,308	98,139,320	306,966,598
Less operating expenses	335,258,208	18,770,647	90,481,304	40,959,311	716,860,000	33,023,438	18,406,520	20,024,218
Personnel Expenses	15,488,382	10,257,583	16,005,908	16,044,200	21,899,318	3,704,890	11,725,598	15,278,799
Benefits, claims and underwriting expenditure	10,869,613	11,875,054	15,261,679	18,050,859	25,015,737	3,127,427	10,202,501	14,222,208
Other expenses	22,168,985	22,633,327	30,367,667	36,503,815	42,294,184	34,805,747	49,805,549	60,375,195
Total operating expenses	48,526,980	44,765,964	61,635,154	60,604,874	89,209,239	17,638,064	71,736,648	89,876,112
Operating profit before taxes on financial services	335,258,208	18,770,647	90,481,304	40,959,311	716,860,000	41,389,244	26,402,772	21,942,386
Less: Taxes on financial services	3,955,645	4,468,822	5,371,172	20,134,513	80,536,046	4,041,465	5,247,895	10,523,130
Operating profit after taxes on financial services	335,258,208	18,770,647	90,481,304	40,959,311	716,860,000	37,347,779	21,154,877	11,419,256
Share of profit of joint venture (net of income tax)	15,083,180	19,856,027	11,073,906	32,688,695	79,820,757	40,7215	292,537	303,971
Profit before income tax	335,258,208	18,770,647	90,481,304	40,959,311	716,860,000	37,347,779	21,154,877	11,419,256
Less: Income tax expense	3,018,544	2,525,250	12,029,207	15,318,577	10,408,054	17,380,394	23,053,394	34,479,457
Profit for the year	335,258,208	17,245,397	78,452,097	25,640,734	706,451,946	20,367,385	18,101,483	17,939,801
Profit attributable to: Equity holders of the Bank Non-controlling interest	335,258,208	17,245,397	78,452,097	25,640,734	706,451,946	20,367,385	18,101,483	17,939,801
Profit for the year	335,258,208	17,245,397	78,452,097	25,640,734	706,451,946	20,367,385	18,101,483	17,939,801



Annexure 1
STATEMENT OF FINANCIAL POSITION

As at 31st December	2020	2021	2022	2023	2024	BANK		GROUP	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Assets									
Loans and receivables to customers (net)	772,550,770	878,354,503	934,131,252	964,880,316	1,059,875,345	800,815,971	911,553,345	1,014,518,009	988,681,597
Cash, short term funds and statutory deposits with the CBIL	41,535,967	64,005,743	112,583,222	85,382,997	70,259,258	42,311,352	68,720,861	111,974,039	85,993,298
Property, plant and equipment	20,705,096	24,953,718	34,826,779	35,498,510	30,128,457	41,827,384	49,724,477	49,816,338	50,164,667
Deferred tax assets	806,539	4,461,953	30,473,351	33,944,563	3,393,795	1,208,148	4,841,209	30,761,356	33,687,277
Other assets	419,423,254	398,666,886	548,517,410	814,518,128	911,073,193	484,968,848	471,616,778	599,493,669	888,383,713
Total	1,291,854,536	1,358,336,821	1,609,538,664	1,834,833,454	2,075,538,098	1,371,482,606	1,463,599,653	1,798,275,353	2,047,049,480
Liabilities and Shareholders' Funds									
Customer deposits	967,821,404	1,075,709,387	1,407,800,492	1,579,790,228	1,716,484,227	994,948,932	1,107,056,800	1,443,179,221	1,509,153,685
Balance borrowings	15,089,310	14,269,812	9,046,718	9,062,590	31,547,841	15,089,310	14,269,812	9,949,736	9,052,190
Other liabilities	174,929,157	185,316,268	113,466,358	159,542,886	180,088,813	109,413,485	143,889,860	148,934,239	201,824,239
Deferred tax Liabilities	-	-	-	-	-	5,371,320	5,157,028	6,465,009	6,552,515
Shareholders' funds	134,000,665	392,041,354	169,337,376	184,917,177	234,473,275	154,340,475	178,888,041	183,791,836	201,748,048
Non controlling interests	-	-	-	-	-	5,459,954	5,699,232	5,295,098	7,318,735
Total	1,291,854,536	1,358,336,821	1,609,538,664	1,834,833,454	2,075,538,098	1,371,482,606	1,463,599,653	1,798,275,353	2,047,049,480
Net assets per share (Rs.)	261.73	289.10	297.50	330.47	404.81	301.28	335.93	342.25	370.18
									457.07



Annexure 1
STATEMENT OF CHANGES IN EQUITY
BANK

	Stated Capital		Statutory Reserve	Other Reserves				Retained Earnings	Total
	Voting Shares	Non-Voting Shares		Capital Reserve	Available-for-Sale Reserve	Special Reserve	ESOP Reserve		
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Balance as at 1st January 2020	27,839,760	5,981,137	7,060,000	10,790,094	2,782,097	55,100,000		17,680,160	127,604,156
Total comprehensive income for the year									
Net profit for the year 2020								11,462,638	11,462,638
Other comprehensive income, net of tax					19,520,734			(1,705,874)	(3,277,600)
Total comprehensive income for the year					19,520,734			9,756,764	8,225,228
Transactions with equity holders, recognised directly in equity									
Contributions by and distributions to equity holders									
Dividends to equity holders									
Final dividend 2020 - Cash									
Final dividend 2020 - Scrip	1,404,704	346,730						(1,751,434)	(1,751,434)
Total contributions by and distributions to equity holders	1,404,704	346,730						(1,751,434)	(1,751,434)
Transfer of / subsequent settlement of unclaimed dividends								32,153	32,153
Transfers during the year 2020						1,000,000		(1,000,000)	(18,388)
Balance as at 31st December 2020	29,244,472	6,327,867	7,660,000	10,782,706	1,221,353	56,100,000	-	28,656,227	136,001,525
Balance as at 1st January 2021	29,244,472	6,327,867	7,660,000	10,782,706	1,221,353	56,100,000		28,656,227	136,001,525
Total comprehensive income for the year									
Net profit for the year 2021								17,209,767	17,209,767
Other comprehensive income, net of tax								1,217,035	3,044,230
Total comprehensive income for the year								18,426,802	20,254,000
Transactions with equity holders, recognised directly in equity									
Contributions by and distributions to equity holders									
Dividends to equity holders									
Final dividend 2020 - Cash									
Final dividend 2020 - Scrip	1,436,189	355,795						(1,791,985)	(1,791,985)
Total contributions by and distributions to equity holders	1,436,189	355,795						(1,791,985)	(1,791,985)
Transfer of / subsequent settlement of unclaimed dividends								1,000,000	1,000,000
Transfers during the year 2021								1,000,000	1,000,000
Balance as at 31st December 2021	30,680,661	6,683,663	8,660,000	15,084,596	1,254,053	57,100,000		35,380,667	152,041,354



Classification | Confidential External

Balance as at 31st January 2022	10,680,583	6,683,653	8,650,000	14,084,585	(1,254,053)	57,100,000	35,866,507	152,041,364
Adjustment for surcharge tax levied under the surcharge								
Tax Act No.12 of 2022								
Adjusted balance as at 1st January 2022	30,880,683	8,683,653	8,650,000	14,084,585	-	57,100,000	(3,611,625)	(3,611,625)
Total comprehensive income for the year								
Net profit for the year 2022								
Transfer of fair value losses on debt instruments measured at FVOCI upon reclassification to amortised cost measurement category								
Other comprehensive income, net of tax				61,527,240				
Total comprehensive income for the year				61,527,240				
Transactions with equity holders, recognised directly in equity								
Contributions by and distributions to equity holders								
Dividends to equity holders								
Final dividend 2021 - Cash								
Final dividend 2021 - Scrip	1,552,250	262,611						
Total contributions by and distributions to equity holders	1,552,250	262,611						
Transfer of / subsequent settlement of unclaimed dividends	1,042,360	362,611						
Transfers during the year 2022			750,000			1,000,000		
Balance as at 31st December 2022	33,773,243	8,946,264	9,370,000	13,827,316	-	58,100,000	40,766,963	159,327,376
Balance as at 31st January 2023	33,773,243	8,946,264	9,370,000	13,827,316				
Total comprehensive income for the year								
Net profit for the year 2023								
Other comprehensive income, net of tax								
Total comprehensive income for the year								
Transactions with equity holders, recognised directly in equity								
Contributions by and distributions to equity holders								
Dividends to equity holders								
Final dividend 2022 - Cash								
Final dividend 2022 - Scrip	1,820,883	455,228						
Total contributions by and distributions to equity holders	1,820,883	455,228						



Transfer of / (subsequent settlement of)





Balance as at 31 January 2022	30,480,000	6,683,163	8,686,006	31,318,086	(1,223,032)	27,145,054	381,145	151,201	43,043,860	178,688,011	6,109,112	285,267,251
Adjusted for the savings for interest under the swap hedge for AUD NOL as of 2022												
Acquisition of non-controlling interest during amalgamation of 1948 Finance P.L.C. with Prime Finance P.L.C.									11,802,900	13,916,895	688,100	13,916,895
Total contributions received for the year												
Total contributions received for the year	30,480,000	6,683,163	8,686,006	31,318,086	-	1,223,032	381,145	151,201	43,043,860	178,688,011	6,109,112	285,267,251
Net profit for the year 2021									37,716,900	172,791,112	6,219,032	378,688,223
Transfer of fair value losses on open instruments measured at FVOCI upon reallocation to amortised cost measurement category (net of tax)									15,348,439	15,348,439	419,603	15,768,042
Other non-controlling interests, net of the transactions with equity holders, net of tax					2,081,040							
Total contributions received for the year directly in equity				12,214,032	12,214,032				1,510,155	12,100,439	293,727	12,394,166
Contributions by and distributions to equity holders				11,203,859	11,203,859				85,939,897	18,339,144	675,399	16,794,634
Distributions to equity holders										2,881,048		2,881,048
Final dividend 2021 – Cash										12,100,439		12,100,439
Final dividend 2021 – SFP										12,333,431		12,333,431
Total contributions by and distributions to equity holders	1,092,320	162,601							1,510,155	12,100,439	293,727	12,394,166
Merger reserve arising from amalgamation of subsidiary, 1948 Finance P.L.C. and Prime Finance P.L.C.	1,092,320	162,601										
The amalgamation price of Prime Finance P.L.C transfer to the equity holder reserve fund												
Transfer of 7 business unit settlement of unclaimed dividends												
Transfers during Financial year 2022			293,200									
Balance as at 31 December 2022	16,716,348	6,845,764	8,118,806	31,108,417	(1,426,816)	28,106,607	381,145	151,201	43,043,860	178,688,011	6,109,112	285,267,251



Balance as at 31 January 2023	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	90,247,389	193,316,839	8,208,998	89,418,391
Total comprehensive income for the year	-	-	-	-	-	-	33,770,391	83,770,391	83,770,391	83,770,391
Net profit for the year 2023	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Transfer to the policy holder reserve fund	-	-	-	-	-	-	-	-	-	-
Transfer of / subsequent settlement off	-	-	-	-	-	-	-	-	-	-
unclaimed dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31 January 2024	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	124,017,780	277,087,237	8,326,348	123,691,439
Total comprehensive income for the year	-	-	-	-	-	-	33,770,391	83,770,391	83,770,391	83,770,391
Net profit for the year 2024	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Transfer to the policy holder reserve fund	-	-	-	-	-	-	-	-	-	-
Transfer of / subsequent settlement off	-	-	-	-	-	-	-	-	-	-
unclaimed dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	157,788,171	360,857,629	8,443,739	157,238,240
Total comprehensive income for the year	-	-	-	-	-	-	33,770,391	83,770,391	83,770,391	83,770,391
Net profit for the year 2024	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Transfer to the policy holder reserve fund	-	-	-	-	-	-	-	-	-	-
Transfer of / subsequent settlement off	-	-	-	-	-	-	-	-	-	-
unclaimed dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31 January 2023	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	90,247,389	193,316,839	8,208,998	89,418,391
Total comprehensive income for the year	-	-	-	-	-	-	33,770,391	83,770,391	83,770,391	83,770,391
Net profit for the year 2023	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Transfer to the policy holder reserve fund	-	-	-	-	-	-	-	-	-	-
Transfer of / subsequent settlement off	-	-	-	-	-	-	-	-	-	-
unclaimed dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	124,017,780	277,087,237	8,326,348	123,691,439
Total comprehensive income for the year	-	-	-	-	-	-	33,770,391	83,770,391	83,770,391	83,770,391
Net profit for the year 2023	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Transfer to the policy holder reserve fund	-	-	-	-	-	-	-	-	-	-
Transfer of / subsequent settlement off	-	-	-	-	-	-	-	-	-	-
unclaimed dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31 January 2024	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	157,788,171	360,857,629	8,443,739	157,238,240
Total comprehensive income for the year	-	-	-	-	-	-	33,770,391	83,770,391	83,770,391	83,770,391
Net profit for the year 2024	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	-	117,350	553,498	117,350	553,498
Transfer to the policy holder reserve fund	-	-	-	-	-	-	-	-	-	-
Transfer of / subsequent settlement off	-	-	-	-	-	-	-	-	-	-
unclaimed dividends	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2024	10,782,741	8,640,384	9,210,040	28,493,407	11,347,711	11,347,711	191,558,562	444,628,020	8,561,139	191,004,742



Annexure 1
STATEMENT OF CASH FLOWS

	BANK				GROUP			
For the year ended 31st December	2020	2021	2022	2023	2024	2020	2021	2022
Net cash generated from operating activities	159,405,131	(48,860,175)	135,444,794	316,302,893	26,431,614	364,771,496	(46,565,668)	341,981,287
Net cash used in investing activities	(168,767,743)	59,198,468	(34,888,912)	(316,331,984)	(50,681,149)	(361,143,693)	32,123,674	(48,132,517)
Net cash used in/ generated from financing activities	(2,206,958)	(6,276,597)	11,099,327	(6,495,832)	6,110,769	(2,359,973)	16,321,758	(2,318,671)
Net increase/(decrease) in cash and cash equivalents	(12,568,170)	4,061,696	96,424,609	(6,435,009)	24,128,773	1,371,470	348,254	91,536,099
Cash and cash equivalents at the beginning of the year	36,691,731	34,133,592	10,185,254	134,825,099	323,190,046	45,753,221	47,055,303	47,271,645
Cash and cash equivalents at the end of the year	34,123,561	38,195,288	134,609,863	128,390,090	349,318,819	47,124,691	47,403,557	138,807,744



5. STATUTORY DECLARATIONS

STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Directors of Hatton National 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 us and we collectively and individually accept full responsibility for the accuracy and completeness 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 Bank have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Bank and making assumptions that are considered to be reasonable at the present point in time in our best judgment of us.

The parties to the Issue including Manager and Financial Advisor, Lawyers, External Reviewer, Auditors, Registrars, Bankers, Trustees, Company Secretary and Rating Agency 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. Further, HNB Investment Bank (Pvt) Limited, the Manager and Financial Advisor to the Issue is a fully owned subsidiary of HNB PLC

An application has been made to the CSE for permission to deal in and for a listing for Bonds issued by the Bank and those Bonds which are the subject of this Issue.

Such permission will be granted when Bonds are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed, reports included or omissions made in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Bank or of the Bonds issued.

Name of Directors	Designation	Signature
Mr. K. V. N. Jayawardene	Chairman, Non - Independent Non-Executive Director	Sgd
Mr. P. G. D. B. Pallewatte	Managing Director, Chief Executive Officer	Sgd
Mr. M. P. D. Cooray	Senior Independent Non-Executive Director	Sgd
Mr. P. R. Saldin	Non-Independent Non-Executive Director	Sgd
Mr. G. B. R. P. Gunawardana	Independent Non-Executive Director	Sgd
Dr. T. K. D. A. P. Samarasinghe	Non – Independent Non-Executive Director	Sgd
Mr. S. Renganathan	Independent Non-Executive Director	Sgd
Mr. M. N. R. Fernando	Independent Non-Executive Director	Sgd
Mr. S. K. Shah	Independent Non-Executive Director	Sgd
Mrs. D. C. A. Goonatilleke	Independent Non-Executive Director	Sgd

STATUTORY DECLARATION BY THE MANAGER AND FINANCIAL ADVISOR TO THE ISSUE

We, HNB Investment (Private) Limited of No. 53, Dharmapala Mawatha, Colombo 03, who are named in the Prospectus as the Manager and Financial Advisor to the Issue hereby declare and confirm that to the best of our knowledge and belief based on the information provided to us by HNB PLC, the Prospectus constitutes full and true disclosure of all material facts about the Issue and HNB PLC whose Bonds are being listed.

Signed by two Directors of HNB Investment Bank (Private) Limited, being duly authorized thereto, at Colombo on this 02nd December 2025.

Sgd.
Director

Sgd.
Director



RATING ACTION COMMENTARY

Fitch Assigns Hatton National Bank's Proposed Senior Sustainable Debt Final 'AA-(lka)'

Thu 27 Nov, 2025 - 4:36 AM ET

Fitch Ratings - Colombo - 27 Nov 2025: Fitch Ratings has assigned Hatton National Bank PLC's (HNB, AA-(lka)/Stable) proposed Sri Lankan rupee-denominated senior unsecured listed sustainable bonds of up to LKR10 billion a final National Long-Term Rating of 'AA-(lka)'.

The bonds will mature in five or seven years and will be listed on the Colombo Stock Exchange. The bank plans to use the proceeds from the issuance to expand its sustainability lending portfolio.

The final rating is the same as the expected rating assigned on 21 October 2025 and follows the receipt of documents conforming to information already received.

KEY RATING DRIVERS

The bonds are rated at the same level as HNB's National Long-Term Rating as they constitute a direct, unconditional, unsubordinated and unsecured obligation of the bank, and will rank pari passu with all of its present and future unsecured and unsubordinated obligations.

Fitch reviewed HNB's ratings with no rating action on 8 September 2025. Please refer to the latest rating action commentary - [Fitch Upgrades 10 Sri Lankan Banks' National Ratings and Affirms Five after Scale Recalibration](#) - published on 21 January 2025 for the key rating drivers and sensitivities.

<https://www.fitchratings.com/research/banks/fitch-assigns-hatton-national-bank-proposed-senior-sustainable-debt-final-aa-lka-27-11-2025>

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RATING SENSITIVITIES**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

A downgrade of the bank's National Long-Term Rating would lead to the downgrade of the bond rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the bank's National Long-Term Rating would lead to the upgrade of the bond rating.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕			PRIOR ↕
Hatton National Bank PLC				
senior unsecured	Natl LT	AA-(Ika)	New Rating	AA-(EXP)(Ika)

[VIEW ADDITIONAL RATING DETAILS](#)**FITCH RATINGS ANALYSTS**

Jeewanthi Malagala

Director

Primary Rating Analyst

+94 11 7066 605

<https://www.fitchratings.com/research/banks/fitch-assigns-hatton-national-bank-proposed-senior-sustainable-debt-final-aa-ika-27-11-2025>

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11/27/25, 3:15 PM

Fitch Assigns Hatton National Bank's Proposed Senior Sustainable Debt Final 'AA-(lka)'

jeewanthi.malagala@fitchratings.com

Fitch Ratings Lanka Ltd.

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Additional information is available on www.fitchratings.com

<https://www.fitchratings.com/research/banks/fitch-assigns-hatton-national-bank-proposed-senior-sustainable-debt-final-aa-lka-27-11-2025>

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PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

National Scale Rating Criteria (pub. 22 Dec 2020)

Bank Rating Criteria (pub. 22 Mar 2025) (including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

Potential Conflicts Resulting from Revenue Concentrations

ENDORSEMENT STATUS

Hatton National Bank PLC

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Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

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Independent Limited Assurance Report

Conclusion

We have performed a limited assurance engagement on whether the Sustainable Finance Framework ("Subject Matter Information") of Hatton National Bank PLC ("the Issuer" / "the Bank") has been prepared in alignment with the pre-issuance requirements of the Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (June 2021) published by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable ("Criteria").

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Issuer's Sustainable Finance Framework which will form the basis for its Sustainable Bonds proposed to be issued, is not, in all material respects, prepared in accordance with the Criteria. Our conclusion on the Sustainable Finance Framework of Hatton National Bank PLC does not extend to any other information that accompanies or contains the Sustainable Finance Framework of Hatton National Bank PLC and our report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (SLSAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics).

The firm applies Sri Lanka Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Green Bond Principles (GBP) (June 2025), Social Bond Principles (SBP) (June 2025), Sustainability Bond Guidelines (June 2021) published by the International Capital Market Association (ICMA) and the Sri Lanka Green Finance Taxonomy (May 2022) issued by the Central Bank of Sri Lanka where applicable ("Criteria").

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Ms. P.M.K. Sumanasekera FCA

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W. K. D. C. Abeyaratne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Abalasekera ACA

Principals: S.R.J. Perera FQMA (UK), LL.B., Attorney-at-Law, (H.S. Goonewardene ACA, Ms. T.R.Ziyad PCMA (UK), FCIT, K. Sornasudaram AQMA (UK), Ms. D. Conna O'Riordan)



Other Matters

The maintenance and integrity of the issuer's website is the responsibility of the Issuer's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Issuer's website. Our conclusion is not modified in respect of this matter.

Intended purpose of our Report

We have been engaged by the Management of Hatton National Bank PLC ("the Bank") to provide limited assurance on whether the Sustainable Finance Framework of the Bank has been prepared in alignment with the Criteria.

Restriction on use or distribution of our Report

This report has been prepared for the Directors of Hatton National Bank PLC for the purpose of providing an assurance conclusion on whether the Sustainable Finance Framework of the Bank has been prepared in alignment with the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Bank, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Hatton National Bank PLC, for any purpose or in any other context. Any party other than Hatton National Bank PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Hatton National Bank PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Management's responsibility

The Management of the Issuer is responsible for:

- Designing, implementing and maintaining internal controls relevant to the preparation of the Sustainable Finance Framework such that it is free from material misstatement, whether due to fraud or error.
- Selecting suitable criteria for preparing the Sustainable Finance Framework and appropriately referring to or describing the criteria used;
- Preparing the Sustainable Finance Framework in accordance with the Criteria.
- Ensuring that the Issuer and its Proposed Sustainable Bonds including the Sustainable Finance Framework complies with Criteria. This responsibility includes designing, implementing and maintaining systems and processes relevant for the management of sustainable bond proceeds and for the evaluation process related to the selection of eligible projects.
- Preventing and detecting fraud and for identifying and ensuring that the Issuer complies with laws and regulations applicable to its activities; and
- Ensuring that staff involved with the preparation and presentation of the description in the issuer's Sustainable Finance Framework are properly trained, and information systems are properly updated.

Inherent Limitations in Preparing the Subject Matter Information

Our assurance process was subject to the following limitations as we have not been engaged to:

- Determine which, if any, recommendations should be implemented
- Provide assurance on information outside the defined reporting boundary and period
- Verify the Issuer's financial statements & economic performance
- Verify the Issuer's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects provided by the Issuer.



Our work was not designed to opine on the design, implementation or operating effectiveness of controls employed by the Issuer to ensure ongoing compliance with the Issuer's Sustainable Finance Framework and, accordingly, we do not express a conclusion thereon.

Our Responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Issuer's Sustainable Finance Framework is prepared in accordance with the Criteria;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of Hatton National Bank PLC.

Our responsibility is to report in the form of an independent limited assurance conclusion in relation to the above scope based on the procedures performed and the evidence obtained. We conducted our engagement with a multidisciplinary team which included professionals with suitable skills and experience in carrying out assurance engagements on environmental, social and economic information in line with the requirements of ISAE 3000 standard.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainable Finance Framework that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Issuer's Sustainable Finance Framework and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- Interviews with management and key staff of the Issuer responsible for the Sustainable Bond to obtain an understanding of the processes, systems and controls in place for preparation of the Bond Framework and management of bond proceeds;
- Inspection of the Issuer's Sustainable Finance Framework that describes processes, systems and controls in place for management of bond proceeds; investment areas for sustainable bond proceeds and intended management of unallocated proceeds; and
- Inspection of the planned technical specification of the Issuer's Sustainable Finance Framework defined projects, which will qualify to be associated with the Sustainable Bond and assessment of their conformance with the eligibility requirements set out in Criteria.
- Assessment of the suitability of the Criteria used by the Issuer in preparing the Sustainable Finance Framework

The scope of our pre-issuance assurance engagement was to provide assurance on information on material aspects of the Sustainable Finance Framework which will form the basis for the proposed sustainable bonds based on the Criteria, for the areas listed below:

- Use of Proceeds
- Process for Evaluation and Selection of Projects & Assets
- Management of Proceeds
- Reporting

We planned and performed our work to obtain all the evidence, information and explanations that we considered necessary to obtain a meaningful level of assurance in relation to the above scope. The procedures we performed were based on our professional judgment and included, as appropriate, inquiries, inspection of documents and evaluating the appropriateness of reporting policies.

Our engagement included assessing the appropriateness of the subject matter information, the Issuer's Sustainable Finance Framework for suitability with the Criteria. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the Issuer's Sustainable Finance Framework.

A handwritten signature in blue ink, appearing to read 'KPMG' with a stylized flourish at the end.

CHARTERED ACCOUNTANTS
Colombo
24th November 2025

ANNEXURE III - COLLECTION POINTS

Issuer Hatton National Bank PLC No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka Tel: +94 11 2 660 160	Manager and Financial Advisor to the Issue HNB Investment Bank (Private) Limited No. 53, Dharmapala Mawatha Colombo 03, Sri Lanka Tel: +94 11 2 206 206
Registrars to the Issue Central Depository System Ground Floor, M&M Center 341/5, Kotte Road, Rajagiriya, Sri Lanka Tel: +94 11 2356456 / +94 11 7 420 400	Bankers to the Issue Hatton National Bank PLC No. 479, T B Jayah Mawatha, Colombo 10, Sri Lanka Tel: +94 11 2 660 160

Branch Network of Hatton National Bank PLC

Copies of the Application Form can be obtained free of charge from all branches of Hatton National Bank PLC.

Trading Participants of the CSE

HNB Stockbrokers (Private) Limited No. 53, Dharmapala Mawatha Colombo 03 Tel: +94 11 2 206 206 Fax: +94 11 2 206 298-9 E-mail: sales@hnbstockbrokers.lk	Asha Securities Limited No. 60, 5 th Lane, Colombo 03 Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: asl@ashasecurities.net
Asia Securities (Private) Limited 4 th Floor, Lee Hedges Tower No. 349, Galle Road Colombo 03 Tel: +94 11 7 722 000 Fax: +94 11 258 4864 E-mail: inquiries@asiasecurities.lk	Bartleet Religare Securities (Private) Limited Level "G", "Bartleet House" 65, Braybrooke Place Colombo 02 Tel: +94 11 4 221 000 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com
Capital Trust Securities (Private) Limited 42, Sir Mohamed Macan Markar Mawatha Colombo 03 Tel: +94 11 2 174 174 / +94 70 5 666 777 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk	CT Smith Securities (Private) Limited 4-14, Majestic City 10, Station Road Colombo 04 Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctsmith.lk
First Capital Equities (Pvt) Limited Level 12, Vallible Property Building, No. 480, Galle Road, Colombo 03.	J B Securities (Private) Limited 150, St. Joseph Street Colombo 14 Tel: +94 11 2 490 900

<p>Tel: +94 11 2 123 901 E-mail: equity@firstcapital.lk</p>	<p>Fax: +94 11 2 430 070 E-mail: jbs@jb.lk</p>
<p>John Keells Stockbrokers (Private) Limited 186, Vauxhall Street, Colombo 02. Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com</p>	<p>Lanka Securities (Private) Limited 3rd Floor, "M2M Veranda Offices", No34, W.A.D. Ramanayeke Mawatha, Colombo 2. Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: info@lankasec.com</p>
<p>Somerville Stockbrokers (Private) Limited 410/95,1/1, Baudhaloka Mawatha, Colombo 7 Tel: +94-11 2 502 858/ 62 Fax: +94 11 2 502 852 E-mail: contact@somerville.lk</p>	<p>NDB Securities (Private) Limited Level 2, NDB Capital Building, No. 135, Baudhaloka Mawatha, Colombo 04 Tel: +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk</p>
<p>SC Securities (Private) Limited 5th Floor, No. 26B, Alwis Place Colombo 03 Tel: +94 11 4 711 000 / +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk</p>	<p>ACS Capital (Pvt) Ltd No. 44, Guildford Crescent, Colombo 07. Tel: +94 11 789 8302 E-mail - info@acscapital.lk</p>
<p>Almas Equities (Pvt) Ltd Westin Tower, 5th Level, No 2 - 4/1, Lake Drive, Colombo 8 Tel: +94 707 144 551 Fax: +94 11 2 673 908 E-mail: info@almasequities.com</p>	<p>Softlogic Stockbrokers (Private) Limited Level 16, One Galle Face Tower Colombo 02 Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: info@softlogicstockbrokers.lk</p>
<p>Capital Alliance Securities (Private) Limited Level 5, "Millennium House" 46/58, Navam Mawatha Colombo 02 Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk</p>	<p>Ambeon Securities (Private) Limited No.100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: info@ambeonsecurities.lk</p>
<p>Senfin Securities Limited 4th Floor, No.180, Baudhaloka Mawatha, Colombo 04 Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@senfinsecurities.com</p>	<p>LOLC Securities (Private) Limited No.481, T.B. Jayah Mawatha Colombo 10 Tel: +94 11 758 2000 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com</p>

Enterprise Ceylon Capital (Private) Limited 2nd Floor-4B, Liberty Plaza, 250, R A De Mel Mawatha, Colombo 3 Tel: +94 11 2 445 644 E-mail: info@ecc.lk	Nestor Stockbrokers (Pvt) Limited The Landmark Building, No 385, Galle Road, Colombo 03 Tel: +94 11 4 758 813 Fax: +94 11 2 550 100 E-mail: info@nestorstockbrokers.lk
ACAP Stockbrokers (Pvt) Limited No. 46/46, Greenlanka Towers, 6th Floor, Nawam Mawatha, Colombo 02. Tel: +94 11 7 564 000 Fax: +94 112 331 756 E-mail: info@acapstockbrokers.lk	Richard Pieris Securities (Pvt) Limited No. 310, High Level Road Navinna, Maharagama Tel: +94 11 4 310 500 Fax: +94 11 2 802 385 E-mail: communication@rpsecurities.com
First Guardian Equities (Pvt) Ltd. 32nd Floor, East Tower, World Trade Centre, Colombo 1. Tel : +94 11 446 4400 E-mail: info@fge.lk	

Trading Participants – Debt

Capital Alliance PLC Level 5, "Millenium House" 46/58, Nawam Mawatha Colombo 2 Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 E-mail: info@cal.lk	Wealthtrust Securities Limited No. 102/1 Dr. N. M. Perera Mawatha Colombo 08. Tel: +94 11 2 675 091 – 4 Fax: +94 11 2 689 605 E-mail: info@wealthtrust.lk
Seylan Bank PLC Level 3, Seylan Towers, 90, Galle Road, Colombo 03. Tel: +94 11 245 6300 Fax: +94 11 245 2215 E-Mail: info@seylan.lk	

ANNEXURE IV - CUSTODIAN BANKS

Bank of Ceylon (Head Office) 7th Floor, 04, Bank of Ceylon Mawatha, Colombo 01 T: +94 11 2 448 348, 2 338 742/55, 2 544 333	Citi Bank, N A 65 C, Dharmapala Mawatha, Colombo 07 T: +94 11 2 447 316/8, 2 447 318, 2 449 061
Commercial Bank of Ceylon PLC Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01 T: +94 11 2 445 010-15, 238 193-5, 430 420	Deutsche Bank AG 86, Galle Road, Colombo 03 T: +94 11 2 447 062, 2 438 057
Hatton National Bank PLC HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10 T: +94 11 2 661 762	The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 2325435, 2446591, 2446303
People's Bank (Head Office) 5th Floor, Sir Chittampalam A Gardiner Mawatha, Colombo 02 T: +94 11 2 206 782	Standard Chartered Bank 37, York Street, Colombo 01 T: +94 11 4 794 400, 2480 450
Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 T: +94 11 5 600 374	State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01 T: +94 11 4 622 350
Seylan Bank PLC Level 8, Ceylinco Seylan Towers, 90, Galle Road, Colombo 03 T: +94 11 2 456 789, 4 701 812, 4 701 819	Union Bank of Colombo Limited 64, Galle Road, Colombo 03 T: +94 11 2 374 100
Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15 T: +94 11 4 711 411	Pan Asia Banking Corporation PLC (Head Office) 450, Galle Road, Colombo 03 T: +94 11 2 565 565
Public Bank Berhad 340, R.A. De Mel Mawatha, Colombo 03 T: +94 11 2 576 289	Banque Indosuez C/o Hatton National Bank Limited, Cinnamon Garden Branch, 251, Dharmapala Mawatha, Colombo 07. T: +94 11 2 686 537, 011 2 689 176

ANNEXURE V – FATCA DECLARATION

Manager

Hatton National 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 Hatton National 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
HNB 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