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Hatton National Bank

Hatton National Bank PLC (PQ82)

April 27, 2017

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

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27/04/17



Dear Sir,

**HATTON NATIONAL BANK PLC
CORPORATE DISCLOSURE**

In terms of the Listing Rules of the Colombo Stock Exchange, we write to inform you that the Board of Directors of the Hatton National Bank PLC, at a Meeting held today, 27th April 2017, decided on the following:-

RIGHTS ISSUE OF SHARES

To issue up to 70,082,228 new ordinary shares comprising 55,995,792 ordinary voting shares and 14,086,436 ordinary non-voting shares by way of a Rights Issue on the following basis :-

- Proportion in which the shares are to be issued - 1 : 6
- Price at which the shares are to be issued - (a) Rs 220/- per each ordinary voting share
(b) Rs 190/- per each ordinary non-voting share

ADDITIONAL INFORMATION

- The current stated capital of the Bank is Rs 16,798,244,894.30.
- The purpose of the share issue is to strengthen the capital base/balance sheet of the Bank and to support the overall business growth of the Bank.

The Right Issue of shares is subject to the Exchange approving the issue of shares, in principle, the listing of shares and the shareholders approving the same.



Continuation

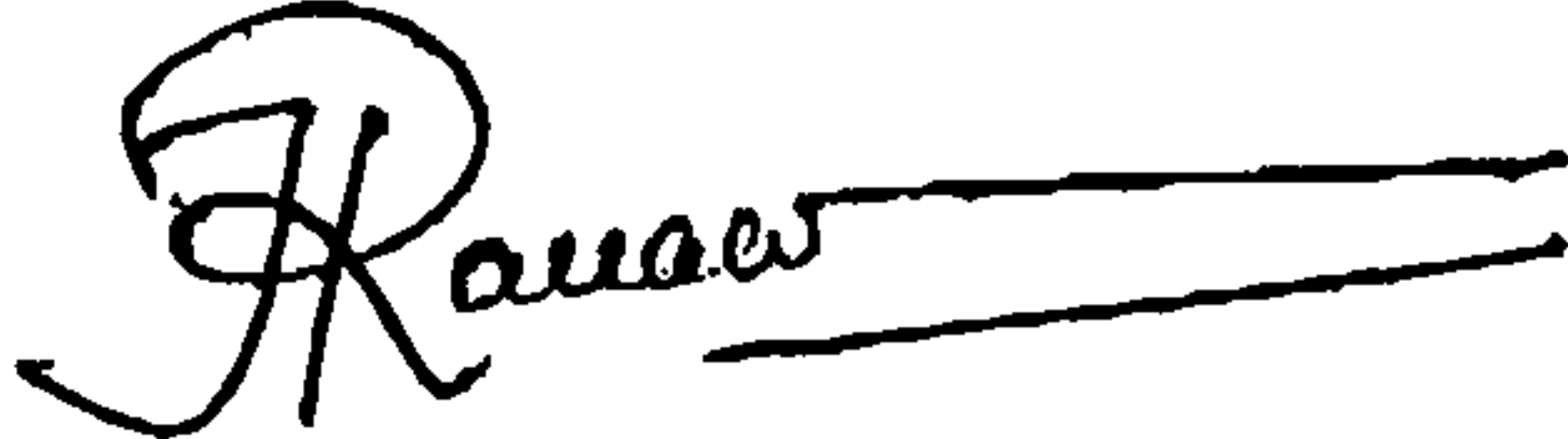
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It is to be noted that the number of shares mentioned above could increase if any shares are issued to employees of the Bank pursuant to the exercise of any options issued under ESOP (Employee Share Option Plan) of the Bank prior to the Extra-Ordinary General Meeting to be convened for the purpose of obtaining the approval of the shareholders for the Rights Issue.

The Additional Listing Application will be submitted within the stipulated time period, in terms of the Listing Rules of the Colombo Stock Exchange.

Yours faithfully,

HATTON NATIONAL BANK PLC

A handwritten signature in black ink, appearing to read 'Thushari Ranaweera', is written over two horizontal lines.

Thushari Ranaweera (Mrs)

DEPUTY GENERAL MANAGER (LEGAL)/BOARD SECRETARY