

“THIS DOCUMENT IS OF VALUE”

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY

SANASA DEVELOPMENT BANK PLC

CIRCULAR TO SHAREHOLDERS

Dear Shareholders,

1. ISSUE OF SHARES VIA A SECONDARY PUBLIC OFFERING (SPO)

SANASA Development Bank PLC (hereinafter referred to as “SDB Bank”) has been able to maintain a consistent growth despite the negative economic outlook owing to the prevailing Covid-19 pandemic. SDB Bank reported a Profit After Tax (PAT) of c. LKR 836 Mn in FY2020 marking the highest profits achieved by SDB Bank to date. Net Interest Margin of SDB Bank for the period stood at 5.89%.

In latter part of FY 2020, SDB Bank successfully carried out a capital raising of LKR 1.5 Bn through a Rights Issue to strengthen the equity base of SDB Bank which was structured as the first phase of the five-year capital raising plan of SDB Bank. The Rights Issue of SDB Bank created history on the Colombo Stock Exchange (CSE) by being the first fund raising carried by a public listed company in Sri Lanka on the CSE via digital means, connecting both local and foreign shareholders to participate in the capital raising amidst multiple challenges posed by the Covid-19 pandemic.

SDB Bank now intends to launch its second phase of the capital raising to further strengthen the Tier 1 capital base to support the anticipated asset growth of SDB Bank over the next three to four years. In light of this, the Board of Directors of SDB Bank at the meeting held on April 05, 2021 resolved to raise further capital through the issuance of new Ordinary Voting Shares to the public via a Secondary Public Offering (“SPO” or the “Issue”) as per terms detailed herein.

The SPO under consideration constitutes of an invitation to the public, by way of a Prospectus, to purchase up to Sixty Eight Million (68,000,000) new Ordinary Voting Shares of SDB Bank (Initial Issue) and in the event of an oversubscription of the Initial Issue to issue up to a further Twenty Million (20,000,000) new Ordinary Voting Shares of SDB Bank at the discretion of the Board of Directors of SDB Bank (Further Issue) resulting a total issuance of up to Eighty Eight Million (88,000,000) new Ordinary Voting Shares of SDB Bank (Total Issue).

The issue price is to be determined three (03) market days prior to the date of the Extraordinary General Meeting (“EGM”) based on the one (01) month Volume Weighted Average Price (“VWAP”) of SDB Bank share as at such date (Issue Price). Accordingly, the date of price determination for the issuance of shares via the SPO shall be May 20, 2021(Price Determination Date). The Bank will announce the Issue Price to the market, upon determining the same three (3) market days prior to the EGM date.

The rationale for SDB Bank to adopt the abovementioned mechanism to determine the Issue Price is based on the intention of the Board of Directors to price the SPO around the market price taking into consideration the time period between the initial announcement pertaining to the SPO by SDB Bank and the requisite approvals

from the shareholders via the EGM for the same and the possible volatility in the market price of the shares of SDB Bank in the Colombo bourse during this period.

As required by the Companies Act No.7 of 2007 (as amended) (Companies Act), the Board of Directors of SDB Bank also resolved that in its opinion, the price at which the new Ordinary Voting Shares to be issued via the SPO, i.e. the one (01) month VWAP for the period ending on the Price Determination Date would be fair and reasonable to SDB Bank and all its existing shareholders.

It should be noted that given the availability of an active market for the shares of SDB Bank and the fact that adequate information about SDB Bank is in the public domain, as per the request made by SDB Bank, the CSE in consultation with the Securities and Exchange Commission of Sri Lanka (SEC) has decided to grant a waiver of the requirement to incorporate a Valuation/Research Report issued by an Independent Valuer/Managers to the Issue in line with the CSE Listing Rule 3.1.4 (c) in the Prospectus to be issued in connection with the SPO and to proceed with the public subscription without a valuation/research report to justify the Issue Price.

The new Ordinary Voting Shares to be issued through the SPO, once allotted, shall rank equal and *pari passu* in all respects with the existing Ordinary Voting Shares of SDB Bank including the right to participate in any dividend declared by SDB Bank subject to the shareholding limits set out in the Banking Act No. 30 of 1988 (as amended) (Banking Act).

An application has been made to the CSE as per Rule 5.5 of the CSE Listing Rules seeking approval for the issue and the listing of the new Ordinary Voting Shares under the SPO by way of a Prospectus. The above fund raising via the SPO is to take effect subject to receiving the shareholder approval by means of a Special Resolution at the EGM convened for this purpose and **the subsequent receipt of in-principle approval of the CSE for the Issue.**

The dates relevant to the SPO will be announced by SDB Bank in due course.

2. PROPOSED ALLOCATION OF SHARES UNDER THE SPO

As investors have access to a readily available market to purchase the Ordinary Voting Shares of SDB Bank, as per the request made by SDB Bank, the CSE in consultation with the SEC has decided to grant a waiver of Rule 2.1.1 (g) of the CSE Listing Rules to SDB Bank, provided twenty per centum (20%) of the shares on offer are made available to Retail Individual Investors as defined in the CSE Listing Rules (applicable where the value of the public subscription is below LKR 3 Bn).

Considering the size of the SPO (i.e. > LKR 3Bn) and in accordance with the above waiver, the Board of Directors of SDB Bank has reserved the right to allot the new Ordinary Voting Shares under the SPO in the following manner in case of an oversubscription of the Issue.

Investor Category	Allocation of SPO (%)
Identified Investors as decided by the Board of Directors of SDB Bank	50.0%
Existing Shareholders of SDB Bank*	37.5%
Other Investors*	12.5%
	100.0%

*The Board of Directors of SDB Bank shall allocate 20% of the Ordinary Voting Shares of the Issue to the Retail Individual Investors (as defined in the CSE Listing Rules) in accordance with the above waiver, depending on the level of subscription by such category under the SPO. In the event of an under-subscription by the Retail Individual Investors, SDB Bank will allot the unsubscribed shares to investors in other categories.

The allotment of shares under the SPO will be made to the investors subject to the shareholding restrictions in the Banking Act No. 30 of 1988 (as amended).

3. PURPOSE OF THE ISSUE

3.1 Utilisation of Proceeds of the Issue

SDB Bank intends to utilise the proceeds of the Issue for the following objectives:

Objective 1: Further Strengthen the Equity Base of SDB Bank and thereby Improve Tier I Capital Adequacy Requirements stipulated Under Basel III Guidelines of the Central Bank of Sri Lanka (CBSL)

As per the CBSL letter dated March 27, 2020, the revised regulatory minimum Capital Adequacy Ratios which are applicable for SDB Bank as a Non D-SIBS (Non Domestic Systemically Important Banks) are disclosed in Table 1 given below.

Table 1: Capital Adequacy Position of SDB Bank

Components of Capital	Capital Adequacy Requirements		Capital Adequacy Levels of SDB Bank		
	Minimum Regulatory Requirement (As per the Banking Act Direction No. 1 of 2016 dated 29 December, 2016)	Revised Regulatory Minimum (as per CBSL letter dated 27 March, 2020)	Capital Adequacy Level as of 31 December, 2020	Capital Adequacy Level Post Initial Issue (i.e. assuming full subscription of the Initial Issue)	Capital Adequacy Level Post Total Issue (i.e. assuming full subscription of Total Issue)
Common Equity Tier I Capital with Capital Conservation Buffer	7.00%	6.5%	9.85%	13.80%	14.96%
Total Tier I Capital with Capital Conservation Buffer	8.50%	8.0%	9.85%	13.80%	14.96%
Total Capital Ratio with Capital Conservation Buffer	12.50%	12.0%	13.38%	17.34%	18.50 %

Note: For the purpose of arriving at an approximate size of the Initial Issue and the Total Issue, the one (01) month Volume Weighted Average Price ("VWAP") of LKR 54.90 (rounded to the nearest 10 cents) as of 23 April, 2021 (being the latest practicable date prior to dispatching of circular to the shareholders) has been considered. SDB Bank will announce the Issue Price for the SPO to the market, upon determining the same three (3) market days prior to the EGM date (i.e. 20 May, 2021).

The proposed capital enhancement through the Issue would facilitate SDB Bank to increase its total capital up to c. LKR 17,465,652,222/- at one (01) month Volume Weighted Average Price (“VWAP”) of LKR 54.90 (rounded to the nearest 10 cents) as of 23 April, 2021 from the total capital of LKR 12,634,452,222/- as of 31 December, 2020.

The capital adequacy position of SDB Bank subsequent to the full subscription of the Initial Issue and Total Issue is disclosed in Table 1 above based the said VWAP of LKR 54.90. The ultimate capital adequacy position of SDB Bank would depend on the Issue Price on Price Determination Date and number of shares to be allotted via the SPO.

Objective 2: Part Finance the Growth in the Loan Portfolio of SDB Bank

The funds raised via this Issue would be utilized to meet the planned credit growth of SDB Bank during FY 2021 and FY 2022 including provision of short and medium term financial assistance primarily targeting Retail and SME Sector customers. As at 31 December, 2020, gross loans and receivables stood at LKR 106.0 Bn which is an increase of 19.45% over the loans and receivables as at 31 December, 2019. The monthly average disbursement of loans and advances for the quarter ended 31 March, 2021 was LKR 7.335Bn. The impact of COVID -19 pandemic to SDB Bank and its operations which may have an impact on the growth of the loan portfolio has been disclosed in Note 6 of the Explanatory Notes to the Interim Financial Statements for the period ended 31 December, 2020.

SDB Bank expects to meet Objective 1 mentioned above, upon the allotment of shares through the SPO. Further SDB Bank intends to utilise the proceeds of the Issue gradually to meet Objective 2 and complete the utilisation of the same before the end of FY 2022 based on the anticipated demand for credit. SDB Bank will obtain the approval from the Investment Committee of SDB Bank to invest any unutilised proceeds in Government securities at zero default risk and in fixed deposits in Licensed Commercial Banks and money market funds generating a minimum return equivalent to the prevailing overnight REPO rate until such proceeds are utilised for Objective 2 identified above. The Investment Committee which is a sub-committee of the Assets and Liability Management Committee (ALCO) comprises of 8 members including Chief Executive Officer, Deputy Chief Executive Officer, Chief Risk Officer, Chief Financial Officer, Head of Treasury, Head of Credit, Head of Marketing, and Head of Finance.

SDB Bank, as at the date of this Circular, has not recognized any related parties for the lending of the proceeds from the fund raisings and as such, SDB Bank will disburse the proceeds in the ordinary course of business. In the event SDB Bank decides to disburse part of the proceeds of the Issue to any related party, such disbursements would be carried out in compliance with the Banking Act, its Directions and Section 9 of the Listing Rules of the CSE, as applicable.

The objectives of the Issue do not amount to a major transaction as per the Companies Act.

Audited Financial Statements and composition of Board Related Party Transactions Review Committee are available under “Annual Report –2020” on the web link of SDB Bank <https://www.sdb.lk/en/investor-relations/annual-reports> and the web link of the CSE, <https://www.cse.lk/home/company-info/SDB.N0000/financial>.

3.2 Benefit of Fund Raising

It is expected that the improvement in capital adequacy levels emanating from a successful SPO would strengthen the Tier I capital base of SDB Bank and thereby support the anticipated asset growth of SDB Bank for next three (03) to four (04) financial years. This would further enhance the stability of the business operations of SDB Bank and extend an opportunity for the shareholders and new investors to be part of the growth of SDB Bank and benefit from returns in the future through improvement in expected profitability.

The strengthening of the capital base would enable SDB Bank to maintain healthy capital adequacy levels and may lead to an improvement of the credit rating of SDB Bank which would enable SDB Bank to access a wider array of funding options which could be less costly and thereby enhance the loan portfolio and profitability of SDB Bank.

3.3 Specific Risks Relating to the Objectives of the Issue

The proposed amount to be raised through the SPO would strengthen the Capital Adequacy Ratios (post Issue) of SDB Bank and fulfil Objective 1. Certain key shareholders of SDB Bank and external investors have indicated their in-principle interest to subscribe for the Issue. In the event the Issue is not fully subscribed; SDB Bank would resort to alternate options of raising capital with the participation of external investors via Private Placements (as appropriate) and BASEL III Compliant Debt Instrument subject to obtaining relevant regulatory and shareholder approvals. Further, in the event SDB Bank contemplates on any of the aforesaid alternate options of raising capital, SDB Bank will make necessary market disclosures to the shareholders in accordance with the CSE Listing Rules as appropriate.

Given the nature of the business and considering the current demand for credit, SDB Bank does not foresee any deviations from its objectives or delays in deploying the funds raised via the Issue as mentioned above during the time frames stipulated. However, if the funds raised via the SPO is utilised for any purpose, other than the purposes mentioned above or any deviation from the stipulated time frame to achieve such objectives or any deviation from amount allocated for such objectives, SDB Bank will make necessary disclosures to the shareholders via the CSE and include relevant disclosures in the Interim Financial Statements and Annual Report as appropriate. Further, SDB Bank will take necessary steps to obtain the approvals of the relevant parties including the shareholders as appropriate at that point in time and make necessary disclosures as appropriate.

SDB Bank will disclose the information pertaining to the utilisation of funds raised through the Issue in the Annual Report and Interim Financial Statements from the date of raising funds until the objectives are achieved, and funds are fully utilised as per the template referred to below.

Issue proceeds utilisations as at dd-mm-yyyy

Objective Number	Objective of the Issue	Amount Allocated (LKR Mn)	Proposed Date of Utilisation of Issue Proceeds	Amount Allocated from Proceeds (LKR Mn) (A)	% of Total Proceeds	Amounts Utilised (LKR Mn) (B)	% of Utilisation against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested (e.g. whether lent to related parties etc.)
01.	Further Strengthen the equity base of SDB Bank and thereby improve the Tier I Capital Adequacy Requirements		Upon the allotment of shares through the Issue					To be disclosed in Annual Reports and Interim Financial Statements
02.	Part finance the growth in the loan portfolio of SDB Bank		Before the end of FY 2022					

In the event the proceeds raised through the SPO have been fully utilised by SDB Bank as disclosed in the Circular to Shareholders/Prospectus between two financial periods, SDB Bank would disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first subsequent to the utilisation in its entirety as per the above template.

4. UNDERWRITING ARRANGEMENT

SDB Bank has not entered into any formal underwriting arrangement in relation to the Issue.

However, certain key shareholders of SDB Bank and external investors have indicated their in-principle interest to subscribe for the Issue.

5. CAPITAL STRUCTURE

The approximate Stated Capital of SDB Bank post SPO is as follows based on the assumption that the SPO (i.e. both the Initial Issue and Further Issue) will be fully subscribed by the public.

	Pre SPO	Via Initial Issue under SPO	Post Initial Issue Under SPO	Via Further Issue (assuming issuance of maximum shares) Under SPO	Post SPO (assuming full subscription for Total Issue)
Number of Ordinary Voting Shares	91,576,032	68,000,000	159,576,032	20,000,000	179,576,032
Value (LKR)	7,727,941,021	3,733,200,000	11,461,141,021	1,098,000,000	12,559,141,021

For the purpose of arriving at an approximate size of the Initial Issue and the Total Issue, the one (01) month Volume Weighted Average Price ("VWAP") of LKR 54.90 (rounded to the nearest 10 cents) as of 23 April, 2021 (being the latest practicable date prior to dispatching of circular to the shareholders) has been considered. SDB Bank will announce the Issue Price for the SPO to the market, upon determining the same three (3) market days prior to the EGM date (i.e. 20 May, 2021).

6. MARKET PERFORMANCE

The market price of the shares of SDB Bank as at 23 April, 2021 (i.e. the latest practicable date prior to dispatching of the Circular to shareholders) is LKR 50.60.

The high, low, last traded prices, number of trades and share volume of the Ordinary Voting Shares of SDB Bank during the period from 1 January, 2021 to 23 April, 2021 are as follows;

Month	High (LKR)	Low (LKR)	Last Traded (LKR)	Number of Trades	Share Volume
January	68.50	55.00	62.80	3,752	5,414,652
February	65.50	55.00	58.00	1,829	2,594,539
March	59.90	53.50	56.80	952	1,180,931
April*	58.00	50.50	50.60	1,039	726,955

Source: Colombo Stock Exchange –Monthly Details

*Up to 23 April, 2021

7. DECLARATIONS AND APPROVALS IN RESPECT OF ISSUE

The above fund raising via the SPO is to take effect subject to receiving the shareholder approval by means of a Special Resolution at the EGM convened for this purpose and **the subsequent receipt of in-principle approval of the CSE for the Issue**. SDB Bank further confirms that no other approval is required for the proposed Issue other than the approvals stated herein.

SDB Bank will keep the market duly updated on any price sensitive or any significant information.

The listing of the new Ordinary Voting Shares under the SPO by the CSE will in no way be reflective of the merits of the Issue. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports included.

The Directors of SDB Bank collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief that there are no other facts, the omission of which would render any statement in this Circular misleading.

8. SHAREHOLDER INFORMATION

Top 20 shareholders of SDB Bank as at 31 March, 2021 is as follows;

Name	Number of Ordinary Shares	%
Ayenka Holdings Private Limited	11,434,399	12.4862
Seylan Bank PLC/Senthilverl Holdings (Pvt) Ltd	10,589,455	11.5636
Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	9,157,603	10.0000
CB NY S/A International Finance Corporation	5,414,163	5.9122
SBI Emerging Asia Financial Sector Fund PTE. Ltd	2,885,618	3.1511
People's Leasing & Finance PLC/L.P.Hapangama	2,414,838	2.6370
People's Leasing & Finance PLC	2,271,260	2.4802
Commercial Bank of Ceylon PLC/Ayenka Holdings (Private) Limited	2,170,554	2.3702
Alliance Finance Company PLC	2,066,310	2.2564
Sampath Bank PLC/ Dr.T.Senthilverl	1,664,710	1.8178
Sanasa Life Insurance Company Ltd (Life)	1,481,692	1.6180
Kegalle Sanasa Share Holders Trust Company Limited	1,247,746	1.3625
Sanasa Life Insurance Company Ltd (General)	1,204,934	1.3158
Sanasa General Insurance Company Ltd	1,124,418	1.2279
Polgahawela Sanasa Societies Union Ltd	820,098	0.8955
Sanasa Federation Limited	780,970	0.8528
Hatton National Bank PLC/Mr.Gerard Shamil Niranjan Peris	515,619	0.5631
Sampath Bank PLC/Mr.Arunasalam Sithampalam	464,981	0.5078
DFCC Bank PLC/N.G.N.Maduranga	425,066	0.4642
Hambanthota DTCCS Union Ltd	416,782	0.4551
Sub Total	58,551,216	63.9374
Other Shareholders	33,024,816	36.0626
Total	91,576,032	100.00%

Public float of SDB Bank as at 31 March, 2021 is 84.718%

The final public float of SDB Bank subsequent to the proposed SPO would depend on the level of subscription at the SPO by the non-public shareholders of SDB Bank. However, SDB Bank will be within the public float requirements set out under CSE Listing Rules after the Issue.

9. DIRECTORS' RECOMMENDATION

The Board of Directors of SDB Bank recommends the Issue in the manner referred to aforesaid, subject to shareholder approval at the Extraordinary General Meeting (EGM) convened on 28 May, 2021 and subsequent receipt of in-principle approval of the CSE for the Issue.

10. EXTRAORDINARY GENERAL MEETING

An Extraordinary General Meeting of SDB Bank is being convened in accordance with the Notice of Meeting attached hereto, for the purpose of passing the requisite resolution set out therein.

In the current circumstances due to the Covid-19 Pandemic and directives issued by the Health Authorities, the Board of Directors of SDB Bank has decided to convene the EGM as a 'Virtual Meeting', in the best interest of protecting its shareholders and the society against the spread of Covid-19.

SDB Bank will be taking steps to connect shareholders to the EGM via audio or audio and visual means through "Zoom Meeting Platform" or similar methods. Please refer the "Manner of Holding the Extraordinary General Meeting" in the Notice of Meeting for detailed information.

If you are unable to attend the EGM, you are entitled to appoint a Proxy Holder to attend and vote on your behalf. In such an event, please complete and return the enclosed Form of Proxy (in accordance with the instructions specified therein) to the Registered Office of SDB Bank, not less than twenty-four (24) hours before the time appointed for the holding of EGM. The Board of Directors encourages that the shareholders appoint an Independent Director in the Board as their proxy, having marked their preferences in respect of Agenda Items.

Yours faithfully,

By Order of the Board
SANASA DEVELOPMENT BANK PLC



Tamarika Rodrigo
Company Secretary
03 May, 2021

SANASA DEVELOPMENT BANK PLC
EXTRAORDINARY GENERAL MEETING
NOTICE OF MEETING

Notice is hereby given that an Extraordinary General Meeting of SDB Bank will be held by way of Online Virtual Meeting on 28 May, 2021, at 10.00 a.m. at the Board Room of SDB Bank, No.12, Edmonton Road, Kirulapone, Colombo 06 for the following purpose:

To consider and if thought fit, pass the following resolution by way of a Special Resolution.

“That the shareholders do hereby waive their right of pre-emption in terms of Article 4(1)(iii) of the Articles of Association of SDB Bank and that SDB Bank offer up to Sixty Eight Million (68,000,000) new Ordinary Voting Shares of SDB Bank by way of a Prospectus offering at an issue price based on the one (01) month Volume Weighted Average Price of SDB Bank share as at May 20, 2021 [i.e. three (03) market days before the Extraordinary General Meeting] (Issue Price) with an option to issue up to a further Twenty Million (20,000,000) new Ordinary Voting Shares of SDB Bank (“Further Issue”) at the Issue Price in the event of an oversubscription of the initial issue (“Secondary Public Offering / SPO”) and that from the date of allotment such shares shall rank equal and *pari passu* with the existing Ordinary Voting Shares in issue in SDB Bank.”

Manner of Holding the Extraordinary General Meeting:

1. The Extraordinary General Meeting (EGM) of the Bank is to be held by way of a Virtual Meeting in accordance with the Articles of Association of the SDB Bank, the prevailing laws and the guidelines issued by the Colombo Stock Exchange.
2. Chairman, Board of Directors, Chief Executive Officer, Company Secretary and the representatives of the Bank, and others essential for the administration of formalities of the EGM will assemble at the place specified as the venue of the EGM. All others, including shareholders, will participate via Zoom following the steps below;
 - a) All shareholders wishing to participate at the Virtual Meeting must forward the duly completed Form 1 (attached hereto) via post to the Company Secretary at the registered office of the Bank or email to the Company Secretary (sdbegm@sdb.lk) or to facsimile number – 011-2514256 not later than 24 hours prior to the EGM to enable the Bank to share the login information.
 - b) All participating shareholders will have to pre-register themselves online prior to the commencement of the EGM and will be authenticated to participate. As such all shareholders must strictly ensure that the details provided in the Form 1 shared with the Company Secretary and the online pre-registration must be the same.
3. shareholders who participate in the EGM required to identify themselves, if they speak at the EGM during the time allotted for comments by shareholders as directed by the Chairman. At that point, the individual will be required to give his / her name and address for the purpose of identification as a shareholder or Proxy.
4. shareholders are also given the opportunity to forward their queries via post to the Company Secretary at the registered office of the Bank or email to the Company Secretary (sdbegm@sdb.lk) or to facsimile number 011–2514256 before 24 hours prior to the EGM and your concerns will be addressed as deemed appropriate by the Chairman.

5. shareholders are encouraged to opt to duly completing the Form of Proxy clearly setting out their preference of vote under the item of the Agenda set out in the Form of Proxy and to appoint one of the Directors of the Bank to act on their behalf in order that in the event a shareholder cannot participate at the EGM, such shareholder's vote may be identified and recorded as if such shareholders were present at the EGM.

The duly completed Form of Proxy must reach the Company Secretary (in accordance with the instructions specified therein), not less than twenty-four (24) hours before the time appointed for the holding of the EGM so that your proxy could represent you at the EGM and exercise your vote in accordance with your directions.

As this EGM will be a 'Virtual Meeting' and for the Bank's administrative convenience, the Bank would very much appreciate and requests all shareholders to send in their Proxy Forms along with their Registration Form (Form 1) to reach the Bank, not later than 24 hours prior to the EGM as this would enable the Bank to efficiently make all arrangements for the Virtual Meeting.

6. The Bank intends to proceed to hold the Virtual Meeting as planned despite the present pandemic. As such in the event any further communications are to be made to the shareholders of the Bank, the same will be made via the Colombo Stock Exchange website (www.cse.lk) and/ or the Bank website (<https://www.sdb.lk/en/>)
7. Contact Company Secretary Department via 011-2832590 by the shareholders participating at the Virtual Meeting to address any technical difficulties faced in accessing / participating at the EGM.

*Login details are authorized only for the use by Individual shareholders / Proxy holder and authorized representatives in the case of corporate / institutional shareholders. The Bank will not be responsible or liable for the misuse of login details and access granted to the EGM.

By Order of the Board
SANASA DEVELOPMENT BANK PLC



Tamarika Rodrigo
Company Secretary
03 May, 2021

**FORM OF PROXY
EXTRAORDINARY GENERAL MEETING**

1. Full Name of Shareholder

2. Company/Society Registration No/National Identity Card Number of the Shareholder
.....

3. Address of the Shareholder
.....

4. To Participate Via Zoom ;

e-mail address & Mobile No

Being a member of the SANASA Development Bank PLC hereby appoint;

5. Name of Proxy Holder
.....

6. National Identity Card Number of Proxy Holder
.....

7. Address of Proxy Holder
.....

8. To Participate Via Zoom ;

e-mail address & Mobile No

Failing him / her, Chairman Mr.Lakshman Abeysekera or failing him Director Prof.Sampath Amaratunge, or failing him Director Mr.Prabhash Subasinghe, or failing him Director Mr.S.Lionel Thilakarathne, or failing him Director Mr.K.G.Wijerathne , or failing him Director Mr.Chaaminda Kumarasiri, or failing him Director Mr.Prasanna Premaratna, or failing him Director Mr.B.R.A. Bandara, or failing him Director Ms.Dinithi Ratnayake, or failing her Director Mr.J.A. Lalith G. Jayasinghe, or failing him Director Mr.Thusantha Wijemanna as my/our proxy to speak /vote for me / us on my /our behalf at the Extraordinary General Meeting of the Bank to be held on the May 28, 2021 at 10.00 a.m. at "Board Room", SANASA Development Bank PLC, No.12, Edmonton Road, Kirulapone, Colombo 06 and at any adjournment thereof and at every poll which may be taken in connection with such Meeting and to vote as indicated below;

Please indicate your preference by placing "X" in front of the resolution.

	FOR	AGAINST
1. To pass the Special Resolution in the Notice convening the Meeting	<input type="checkbox"/>	<input type="checkbox"/>

For Societies / Union / Companies

.....
Chairman

.....
Seal

.....
Vice Chairman / Secretary

.....
Date

.....
Proxy Holder's Signature

For Individuals

.....
Date

.....
Signature

.....
Proxy Holder's Signature

INSTRUCTIONS

- 1) In perfecting Form of Proxy please ensure that all details are legible
 - 2) The completed Form of Proxy should be received at the address given below, not later than 24 hours before the time fixed for the EGM.
 - 3) Please fold this form properly and post to the following address.
 - 4) The instrument appointing a proxy may be in writing under the hand of the appointer or of his / her attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney or duly authorized person and together with the instrument appointing a proxy should be deposited at the registered office of the Bank.
- ❖ **Please forward the duly filled "FORM 1" along with the "Form of Proxy" herewith not later than 24 hours prior to the EGM.**

**The Company Secretary
SANASA Development Bank PLC
No12, Edmonton Road
Kirulapone
Colombo 06.**

FORM 1

TO BE COMPLETED BY SHAREHOLDERS TO CONNECT VIA DIGITAL MEANS

**SANASA DEVELOPMENT BANK PLC
EXTRAORDINARY GENERAL MEETING – May 28, 2021**

BY EMAIL / BY FAX / BY HAND / BY POST

To: The Company Secretary
SANASA Development Bank PLC
No. 12, Edmonton Road
Kirulapone
Colombo 06
sdbegm@sdb.lk

Full Name of Shareholder (In the event of a Joint holder please indicate full name and details of <u>primary holder</u>).	
National Identity Card No (NIC) / Passport No. / Company Registration No.	
Telephone number	Mobile
	Landline
Email address	
IF A PROXY IS APPOINTED* :	
FULL Name of Proxy holder	
National Identity Card No (NIC) / Passport No. of Proxy holder	
Telephone number	Mobile
	Landline
Email address	
*Please ensure that the Proxy Form is attached.	

I/we confirm that the undersigned or as duly represented by my / our proxy will connect to the EGM of SANASA Development Bank PLC via digital means as provided by the Bank. In the event a proxy is appointed, I/we hereby acknowledge my / our vote for the resolutions detailed in the Notice of Meeting shall be in accordance with the preference indicated in the Form of Proxy.

.....
Shareholder / Shareholders signature/s

1. In case of a corporate shareholder, this form must be executed under its Common Seal (if applicable) or in such other manner prescribed by the Articles of Association or other constitutional documents.
2. If this form is signed by an Attorney, the Power of Attorney or a copy certified by a Notary Public thereof duly registered in the books of SDB Bank should be attached.
3. This form must be returned to the Company Secretary not later than 24 hours prior to the Meeting.
4. This form could be sent to the Company Secretary preferable by Email (sdbegm@sdb.lk) or through facsimile number 0112-514256 at any time between 10.00a.m to 4.00 p.m. on working days.
5. Please contact 011-2832590 for any queries.