



SANASA Development Bank PLC

Debenture Issue

PROSPECTUS

FINANCIAL ADVISORS &
MANAGERS TO THE ISSUE



SANASA Development Bank PLC
Leads the Nation

SANASA DEVELOPMENT BANK PLC

PROSPECTUS



AN INITIAL ISSUE OF TWENTY MILLION (20,000,000) RATED GUARANTEED REDEEMABLE DEBENTURES AT THE PAR VALUE OF LKR 100/- EACH TO RAISE SRI LANKA RUPEES TWO BILLION (LKR 2,000,000,000/-)

WITH AN OPTION TO ISSUE UPTO A FURTHER TWENTY MILLION (20,000,000) OF SAID DEBENTURES TO RAISE UPTO SRI LANKA RUPEES TWO BILLION (LKR 2,000,000,000/-),

AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE.

A MAXIMUM OF FORTY MILLION (40,000,000) DEBENTURES EACH WITH A PAR VALUE OF LKR 100/- TO RAISE MAXIMUM OF SRI LANKA RUPEES FOUR BILLION (LKR 4,000,000,000/-)

**TO BE LISTED ON THE
COLOMBO STOCK EXCHANGE**

**Twenty Million (20,000,000) of said Debentures
Rated "[SL] A+ (SO) with a Stable Outlook" by ICRA Lanka Limited
(Type A and Type B)**

**Twenty Million (20,000,000) of said Debentures
Rated "[SL] A- (SO) with a Stable Outlook" by ICRA Lanka Limited
(Type C and Type D)**

THE INITIAL ISSUE OF TWENTY MILLION (20,000,000) AND THE FURTHER ISSUANCE OF TWENTY MILLION (20,000,000) OF SAID DEBENTURES WILL BE A COMBINATION COMPRISING OF TYPE A, TYPE B, TYPE C AND TYPE D DEBENTURES

ISSUE OPENS ON

28th December 2015

Financial Advisors and Managers to the Issue



This Prospectus is dated 21st December 2015

The delivery of this Prospectus will not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Bank since the date of this Prospectus.

If you are in doubt regarding the contents of this document, you should consult your stockbroker, bank manager, lawyer or any other professional advisor.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared from information provided by SANASA Development Bank PLC (hereinafter referred to as the “Bank”, “SDB” or the “Issuer”) and from publicly available sources.

The Directors of the Bank have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquires 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 SDB have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to SDB and making assumptions that are considered to be reasonable at the present point in time in their best judgment.

SDB accepts responsibility for the information contained in this Prospectus. While the Bank has taken reasonable care to ensure full and fair disclosure of information, prospective investors are advised to carefully read this Prospectus and rely on their own examination and assessment of the Bank including the risks involved prior to making any investment decision.

FOR ENQUIRIES, PLEASE CONTACT THE FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE

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 to the Issue and to the Bank 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 Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- 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 for the inclusion of her name in the Prospectus as Company Secretary to the Bank.
- f) The written consent of the Financial Advisor and Manager to the Issue for the inclusion of their name in the Prospectus as Financial Advisor and the Manager to the Issue.
- g) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- h) The written consent of the Rating Agency to the Issue for the inclusion of their name in the Prospectus as Rating Agency to the Issue.
- i) 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, Lawyers to the Issue, Trustee to the Issue, Bankers to the Issue, Company Secretary, Financial Advisors and Managers to the Issue, Registrars to the Issue and Rating Agency to the Issue have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka withdrawn such consent.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside 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.

Representation

The Debentures are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, sales person or any other person has been authorised to give any information or to make any representations in connection with the Issue other than the information and representations contained in this Prospectus, and if given or made, such information or representations must not be relied upon as having been authorised by the Bank.

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 risks 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.

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 accuracy of the statements made, opinions expressed or reports included in this Prospectus. The interest rate, Redemption and other terms and conditions of the Debentures issued herein have been decided by the Bank.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Bank and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to "LKR", "Rupees" or "Rs." are to the lawful currency of Sri Lanka.

Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.



All Applicants should indicate in the Application for Debentures, their Central Depository Systems (Private) Limited (CDS) account number.

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated 22nd November 2010 and Circular No. 13/2010 issued by the CDS dated 30th November 2010, all Debentures are required to be directly deposited in to the CDS. To facilitate compliance with this directive, all Applicants are required to indicate their CDS accounts number.

In line with this directive, **THE DEBENTURES ALLOTTED TO AN APPLICANT WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH APPLICANT**, the details of which is indicated in his/her Application Form.

PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED.

Debentures will not be allotted to Applicants who have not indicated their CDS account details in the Application Form. Applications which do not specify a CDS account number will be rejected.

Applicants who wish to open a CDS account, may do so through a Member/Trading Member of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus.

If the CDS account number indicated in the Application Form is found to be inaccurate/incorrect or there is no CDS number indicated, the Application will be rejected and no allotments will be made.

ISSUE AT A GLANCE

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| Issuer | SANASA Development Bank PLC |
| Instrument | Rated Guaranteed Redeemable Debentures |
| Listing | The Debentures will be listed on the Colombo Stock Exchange |
| Number of Debentures to be Issued | An initial Issue of Twenty Million (20,000,000) Rated Guaranteed Redeemable Debentures with an option to issue up to a further Twenty Million (20,000,000) of said Debentures, at the discretion of the Bank, in the event of an oversubscription of the initial Issue |
| Amount to be Raised | Sri Lanka Rupees Two Billion (LKR 2,000,000,000/-) with an option to raise up to a further Sri Lanka Rupees Two Billion (LKR 2,000,000,000/-), at the discretion of the Bank, in the event of an oversubscription of the initial Issue |
| Entity Rating | "SL[BBB-] with a Positive Outlook" by ICRA Lanka Limited |
| Issue Rating | "[SL]A+ (SO) with a Stable Outlook" by ICRA Lanka Limited for Type A and B Debentures "[SL]A- (SO) with a Stable Outlook" by ICRA Lanka Limited for Type C and D Debentures |
| Guarantors | Sampath Bank PLC - Rated A+ (lka) with a Stable Outlook by Fitch Ratings Lanka Limited, October 2015 Seylan Bank PLC - Rated A- (lka) with a Stable Outlook by Fitch Ratings Lanka Limited, April 2015 |
| Issue Price | LKR 100/- per each Debenture |
| Par Value | LKR 100/- per each Debenture |
| Guaranteed Debentures | Pursuant to the Letter of Guarantee, an amount of maximum of Rupees Two Billion (LKR 2,000,000,000) on the maximum of Twenty Million (20,000,000) Rated, Guaranteed, Redeemable Debentures to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and two interest payments have been guaranteed by Sampath Bank PLC. Pursuant to the Letter of Guarantee, an amount of maximum of Rupees Two Billion (LKR 2,000,000,000) on the maximum of Twenty Million (20,000,000) Rated, Guaranteed, Redeemable Debentures to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and two interest payments have been guaranteed by Seylan Bank PLC. |

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| Details of Debentures | <u>Rated Guaranteed Redeemable Debentures (Guaranteed by Sampath Bank PLC)</u> (Rated “[SL]A+ (SO) with a Stable Outlook” by ICRA Lanka Limited) | | | | | |
| | <i>Type</i> | <i>Interest Rate (per annum)</i> | <i>Type of Interest</i> | <i>Coupon Payment Frequency</i> | <i>Annual Effective Rate (AER)</i> | <i>Redemption (from the Date of Allotment)</i> |
| | A | 9.60% | Fixed | Semi Annually | 9.83% | 36 Months (3 Years) |
| | B | 10.00% | Fixed | Semi Annually | 10.25% | 60 Months (5 Years) |
| | <u>Rated Guaranteed Redeemable Debentures (Guaranteed by Seylan Bank PLC)</u> (Rated “[SL]A- (SO) with a Stable Outlook” by ICRA Lanka Limited) | | | | | |
| | <i>Type</i> | <i>Interest Rate (per annum)</i> | <i>Type of Interest</i> | <i>Coupon Payment Frequency</i> | <i>Annual Effective Rate (AER)</i> | <i>Redemption (from the Date of Allotment)</i> |
| | C | 9.90% | Fixed | Semi Annually | 10.15% | 36 Months (3 Years) |
| | D | 10.30% | Fixed | Semi Annually | 10.57% | 60 Months (5 Years) |
| Number of Debentures to be Subscribed | <p>Applicants are allowed to invest in either;</p> <ul style="list-style-type: none"> ▪ Debentures of Type A; and/or ▪ Debentures of Type B; and/or ▪ Debentures of Type C; and/or ▪ Debentures of Type D <p>Subject to the minimum subscription under each type as given below.</p> <p>A minimum of One Hundred (100) Debentures (LKR 10,000/-) and in multiples of One Hundred (100) Debentures (LKR 10,000/-) thereafter</p> | | | | | |
| Interest Payment Date(s) | <p>The dates on which payments of interest in respect of the Debentures shall fall due, which shall be the six month period of the Date of Allotment and every six month period therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption</p> | | | | | |

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| Interest Period | The six month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and will include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding 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) |
| Mode of Payment of Principal Sum and Interest | <p>By cheque marked "Account Payee Only" or through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS</p> <p>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)</p> |
| Issue Opening Date | 28 th December 2015 |
| Closure Date of the Subscription List | <p>18th January 2016 or such earlier date on which;</p> <ul style="list-style-type: none"> ▪ The maximum of 20,000,000 Debentures are fully subscribed; or ▪ The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 20,000,000 Debentures becoming fully subscribed or such other higher amount less than the maximum amount of 40,000,000 Debentures becoming fully subscribed <p>with the notification to the CSE on the occurrence of the above.</p> <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further upto 20,000,000 Debentures (having subscribed the initial Issue of 20,000,000 Debentures) but subsequently decides to close the subscription list upon part of the further Issue of 20,000,000 Debentures 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.</p> |
| Date of Allotment | The date on which the Debentures will be allotted by the Bank to Applicants subscribing thereto |



Basis of Allotment

In the event of an oversubscription, the Board of SDB will endeavour to decide the basis of allotment in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

The Board however shall reserve the right to allocate up to 75% of the number of Debentures to be issued under this Prospectus on a preferential basis, to identified institutional investor/s of strategic and operational importance with whom the Bank might have mutually beneficial relationships in the future.

The number of Debentures to be issued under Debentures of Type A, and Debentures of Type B will be a maximum of 20,000,000 Debentures and;

Debentures of Type C and Debentures of Type D will be a maximum of 20,000,000 Debentures.

The Basis of Allotment of the initial issue of Twenty Million (20,000,000) and the further issuance of Twenty Million (20,000,000) of said Debentures will be a combination comprising of Type A, Type B, Type C And Type D Debentures, subject to the maximum number of Debentures specified above.

The basis of allotment will be decided at the discretion of the Board of SDB in a fair manner in the event of an oversubscription.

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1.0 CORPORATE INFORMATION

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| The Bank/SDB/Issuer | SANASA Development Bank PLC |
| Legal Status | A Public Quoted Company with limited liability. Incorporated under the Companies Act 17 of 1982 on 06 th August 1997 and Re-Registered under Companies Act No.07 of 2007 on 30 th October 2007 and registered as a Licensed Specialized Bank by Central Bank of Sri Lanka under the Banking Act No 30 of 1998 (as amended by the Banking Amendment Act of 1995.) Listed on the Colombo Stock Exchange on 30 th May 2012 and changed in Bank's name subsequent to listing on 09 th July 2012. |
| Company Number | PB 62 PQ |
| Place of Incorporation | Colombo, Sri Lanka |
| Registered Address | SANASA Development Bank PLC No. 12, Edmonton Road, Kirulapone, Colombo 06 Tel: +94 11 2 832 500 Fax:+94 11 2 514256 |
| Company Secretary | Ms. Tamarika Rodrigo No. 12, Edmonton Road Kirulapone Colombo 06 Tel: +94 11 2 832 590 |
| Rating Agency | ICRA Lanka Limited No. 10-02 East Tower, World Trade Center Colombo 01 Tel: + 94 11 433 9907 Fax: + 94 11 233 3307 |
| Auditors | Ernst & Young Chartered Accountants No. 201, De Saram Place Colombo 10 Tel : +94 11 2 463 500 Fax: +94 11 2 697 369 |
| Board of Directors | Mrs. M.S. Kiriwandeniya - Chairperson Mr. T. Karunasena - Deputy Chairman/ Senior Director Mr. B. R. Abewickrama Bandara - Non – Executive Director Mr. D.P. Kumarage - Non – Executive Director Mr. L. Abeysekera - Non – Executive Director Mr. J.A.L.Gamini Jayasinghe - Non – Executive Director Mr. W.M.M.D. Ratnayake - Non – Executive Director Mr. Thilak Rajapaksha - Non – Executive Director Mr. H.M.G.B. Herath - Non – Executive Director |



2.0 RELEVANT PARTIES TO THE ISSUE

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|---|--|
| Financial Advisors and Managers to the Issue | NDB Investment Bank Limited No. 40, Navam Mawatha Colombo 02 Tel: +94 11 2 300 385 Fax: +94 11 2 300 393 |
| Guarantors | Sampath Bank PLC No. 110, Sir James Peiris Mawatha Colombo 02 Tel: +94-11-2 300 260 Fax +94-11-2 303 085 Seylan Bank PLC Seylan Towers No 90, Galle Road Colombo 03 Tel: +94-11-2 456 789 Fax +94-11-2 421 597 |
| Lawyers to the Issue | Nithya Partners No. 97A, Galle Road Colombo 03 Tel: +94 11 4 712 625 Fax: +94 11 2 328 817 |
| Registrars to the Issue | P W Corporate Secretarial (Pvt) Ltd No. 3/17, Kynsey Road Colombo 08 Tel: +94 11 4 640 360 Fax: +94 11 4 740 588 |
| Trustee to the Issue | Bank of Ceylon Head Office, BOC Square No. 01, Bank of Ceylon Mawatha Colombo 01 Tel: +94 11 2 394 311 – 2 346 845 Fax: +94 11 2 346 842 |

RELEVANT PARTIES TO THE ISSUE

| | |
|-----------------------------------|--|
| Rating Agency to the Issue | ICRA Lanka Limited No. 10-02 East Tower, World Trade Center Colombo 01 Tel: + 94 11 433 9907 Fax: + 94 11 233 3307 |
| Bankers to the Issue | Sampath Bank PLC No. 110, Sir James Peiris Mawatha Colombo 02 Tel: +94-11-2 300 260 Fax +94-11-2 303 085 |

3.0 LIST OF ABBREVIATIONS

| | |
|--------------|--|
| AER | Annual Effective Rate |
| ATS | Automated Trading System of the Colombo Stock Exchange |
| AWPLR | Average Weighted Prime Lending Rate |
| CDS | Central Depository Systems (Private) Limited |
| CSE | Colombo Stock Exchange |
| NIC | National Identity Card |
| POA | Power of Attorney |
| RTGS | Real Time Gross Settlements |
| SEC | Securities and Exchange Commission of Sri Lanka |
| SIA | Securities Investment Account |
| SLIPS | Sri Lanka Inter Bank Payment System |

4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

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| Applicant | 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 Debentures in Issue |
| Closure Date | <p>18th January 2016 or such earlier date on which;</p> <ul style="list-style-type: none"> ▪ The maximum of 20,000,000 Debentures are fully subscribed; or ▪ The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 20,000,000 Debentures becoming fully subscribed or such other higher amount less than the maximum amount of 40,000,000 Debentures becoming fully subscribed <p>with the notification to the CSE on the occurrence of the above.</p> <p>In the event the Board of Directors of the Bank decides to exercise the option to issue further upto 20,000,000 Debentures (having subscribed the initial Issue of 20,000,000 Debentures) but subsequently decides to close the subscription list upon part of the further Issue of 20,000,000 Debentures 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.</p> |
| Bank/ SDB/ Issuer | SANASA Development Bank PLC |
| Date of Allotment | The date on which the Debentures will be allotted by the Bank to Applicants subscribing thereto |
| Date of Redemption | The date on which Redemption of the Debentures will take place as referred to in Section 5.7 of this Prospectus |
| Debentures | Rated Guaranteed Redeemable Debentures to be issued pursuant to this Prospectus |
| Debenture Holder(s) | Any person who is for the time being the holder of the Debentures and includes his/her respective successors in title |
| Entitlement Date | The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption on which a Debenture Holder would need to be recorded as being a Debenture Holder on the list of Debenture Holders provided by the CDS to the Bank in order to qualify for the payment of any interest or any redemption proceeds |

GLOSSARY OF TERMS RELATED TO THE ISSUE

| | |
|---------------------------------|--|
| Guaranteed Debentures | <p>Pursuant to the Letter of Guarantee, an amount of maximum of Rupees Two Billion (LKR 2,000,000,000) on the maximum of Twenty Million (20,000,000) Rated, Guaranteed, Redeemable Debentures to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and two interest payments have been guaranteed by Sampath Bank PLC.</p> <p>Pursuant to the Letter of Guarantee, an amount of maximum of Rupees Two Billion (LKR 2,000,000,000) on the maximum of Twenty Million (20,000,000) Rated, Guaranteed, Redeemable Debentures to be issued by the Company at an Issue Price of LKR 100/- each on account of the principal and two interest payments have been guaranteed by Seylan Bank PLC.</p> |
| Par Value | LKR 100/- per each Debenture |
| Interest Payment Date(s) | <p>The dates on which payments of interest in respect of the Debentures shall fall due, which shall be the six month period of the Date of Allotment and every six month period therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than Three (03) Working Days from each Interest Payment Date</p> |
| Interest Period | The six month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and will include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding 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) |
| Issue | The offer of Debentures pursuant to this Prospectus |
| Issue Price | LKR 100/- per each Debenture |
| Letters of Guarantee | Letter of Guarantee executed between Sampath Bank PLC and Bank of Ceylon on 15 th December 2015 and Letter of Guarantee executed between Seylan Bank PLC and Bank of Ceylon on 15 th December 2015. |
| Market Day | Any day on which trading takes place at the CSE |

GLOSSARY OF TERMS RELATED TO THE ISSUE

| | |
|------------------------|--|
| 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 Debentures allotted and the Par Value |
| Prospectus | This prospectus dated 21 st December 2015 issued by SDB |
| Redemption | Repayment of the Principal Sum and unpaid and accrued interest (if any) with regard to a Debenture to a Debenture Holder by the Bank |
| Trust Deed | Trust deed executed between SDB and Bank of Ceylon on 14 th December 2015 |
| Trustee | Bank of Ceylon |
| Unsecured | Repayment of the Principal Sum and payment of interest on the Debentures are not secured by a charge on any assets of SDB |
| Working Day | A day (other than a Saturday or Sunday or any statutory holiday or any special banking holiday) on which licensed commercial banks are open for business in Sri Lanka |

5.0 PRINCIPAL FEATURES OF THE RATED GUARANTEED REDEEMABLE DEBENTURES

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of SANASA Development Bank PLC (hereinafter referred to as the “Board”) by resolution dated 24th February 2015 resolved to raise a sum of up to Sri Lanka Rupees Two Billion (LKR 2,000,000,000/-) by an initial Issue of up to Twenty Million (20,000,000) Debentures each with a Par Value of LKR 100/-, and issue a further sum of up to Sri Lanka Rupees Two Billion (LKR 2,000,000,000/-) by an issue of up to a further Twenty Million (20,000,000) of said Debentures, in the event of an oversubscription of the initial Issue.

As such, a maximum amount of Sri Lanka Rupees Four Billion (LKR 4,000,000,000/-) would be raised by the issue of a maximum of Forty Million (40,000,000) Debentures each with a Par Value of LKR 100/-.

The issue comprises of a maximum of Twenty Million (20,000,000) Rated Guaranteed Redeemable Debentures guaranteed by Sampath Bank PLC and a maximum of Twenty Million (20,000,000) Rated Guaranteed Redeemable Debentures guaranteed by Seylan Bank PLC.

The rights of the Debenture Holders with respect to payment of the Principal Sum and accrued interest due thereon upon a winding-up of the Bank will rank equal and *pari passu* with all other unsecured creditors of the Bank, but in priority to and over the rights of any subordinated debt holders, preference and ordinary shareholders. However, provided further that the Debenture Holders of the Guaranteed Debentures (unlike the other claimants referred to above) would be entitled to the benefit of the Guarantee which has been issued by the Guarantor/s.

SDB invites Applications for Debentures of Type A and/or Debentures of Type B and/or Debentures of Type C and/or Debentures of Type D which will rank equal and *pari passu* with each other without any preference or priority of any one or more than over the others except for the interest rates and Dates of Redemption of the Debentures, as morefully described in Section 5.6 and Section 5.7 of this Prospectus respectively.

The initial issue of Twenty Million (20,000,000) and the further issuance of Twenty Million (20,000,000) of said debentures will be a combination comprising of Type A, Type B, Type C and Type D Debentures.

It is the intention of the Bank to list the Debentures on the CSE. The CSE has given its in-principle approval for the listing of the Debentures on the CSE.

5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 28th December 2015 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 18th January 2016.

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

- The maximum of 20,000,000 Debentures are fully subscribed; or
- The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 20,000,000 Debentures becoming fully subscribed or such other higher amount less than the maximum amount of 40,000,000 Debentures becoming fully subscribed.

In the event the Board of Directors of the Bank decides to exercise the option to issue further upto 20,000,000 Debentures (having subscribed the initial Issue of 20,000,000 Debentures) but subsequently decides to close the subscription list upon part of the further Issue of 20,000,000 Debentures 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.

Applications can be made forthwith in the manner set out in Section 6.0 of this Prospectus and duly completed Application Forms will be accepted at any one of the collection points set out in Annexure II of this Prospectus.

5.3 OBJECTIVE OF THE ISSUE

1. To raise medium term funds to manage assets and liability mismatch and to minimize the interest rate risk
2. To finance the budgeted lending portfolio (approximately 90% as loans and the balance as leasing) and to minimize the mismatch in funding exposure.

Further, the Bank will not seek the shareholder approval for the Issue as it is not applicable. The Bank, as at the date of the Prospectus has not recognized related parties for the lending of the proceeds of the Issue. As such, the Bank will disburse the proceeds of the Issue in the ordinary course of business.

The funds raised via this Debenture Issue would be utilized for the above stated objectives and will not be utilized to settle any outstanding Borrowings of the Bank.

Specific Risk Relating to Objectives

It is the intention of the Bank to utilize the entirety of the Debenture proceeds to finance the budgeted lending portfolio in the ordinary course of business within the next 12 months from the date of allotment which in turn will manage assets and liability mismatch and to minimize the interest rate risk. The Bank has access to array of funding sources, including different types of deposits and borrowings. As such, the proceeds of the Debenture Issue is only one such source in financing its term budgeted lending portfolio.

In the case of an under subscription, the bank will pursue on the other normal sources funding sources such as, different types of deposits and borrowings to finance any gaps required to achieve the budgeted lending portfolio.

During the first half of the FY 2015, the total disbursement of loans and advances has been over LKR 18.3 Billion compared to the budgeted lending of approximately LKR 2 Billion per month. Since the SDB forecasts a higher demand than the amount to be raised via the Debenture Issue. The Bank foresee no specific risk factor in granting loans and advances from the proceeds of the issue within the specified time period and thereby achieving the above mentioned objectives.

However, if the Bank fails to grant such loans and advances within the expected time period, the proceeds can be invested in Government Securities at zero default risk in the interim period until such funds are disbursed for lending purposes.

The proceeds of this Debenture Issue will not be taken for Tier II Capital of SDB. As such, no approvals are required from Central Bank of Sri Lanka (CBSL) with regard to the Debenture Issue.

5.4 DEBENTURES TO BE ISSUED

The Issue consists of four types of Debentures, namely Debentures of Type A, Debentures of Type B, Debentures of Type C and Debentures of Type D each with a Par Value of Rupees One Hundred (LKR 100/-).

The Applicants have the discretion of applying for Debentures issued under Debentures of Type A and/or Debentures of Type B and/or Debentures of Type C and/or Debentures of Type D.

In the case of Debentures of Type A and Type B pursuant to the Letter of Guarantee issued by Sampath Bank PLC to Bank of Ceylon ('the trustee'), a maximum amount of Rupees Two Billion (LKR 2,000,000,000) on the Twenty Million (20,000,000) Rated, Guaranteed, Redeemable Debentures to be issued by the Bank at an Issue Price of LKR 100/- each on account of the principal and corresponding interest payments for two interest payments been guaranteed.

In the case of Debentures of Type C and Type D pursuant to the Letter of Guarantee issued by Seylan Bank PLC to Bank of Ceylon ('the trustee'), a maximum amount of Rupees Two Billion (LKR 2,000,000,000) on the Twenty Million (20,000,000) Rated, Guaranteed, Redeemable Debentures to be issued by the Bank at an Issue Price of LKR 100/- each on account of the principal and corresponding two interest payments have been guaranteed.

Accordingly, an amount not exceeding Sri Lankan Rupees Two Billion (LKR. 2,000,000,000/-) on account of the principal and corresponding two interest payments may be claimed by the Trustee for and on behalf of the holders of Type A and Type B Debentures from Sampath Bank PLC in the event the Bank fails or neglects to redeem the said Debentures or pay the interest on the said Debentures in terms of Clause 4.1 (a) i, ii, iii, iv and v of the said Trust Deed or in the Event of Default as specified in Clause 10 of the said Trust Deed.

Accordingly, an amount not exceeding Sri Lankan Rupees Two Billion (LKR. 2,000,000,000/-) on account of the principal and corresponding two interest payments may be claimed by the Trustee for and on behalf of the holders of Type C and Type D Debentures from Seylan Bank PLC in the event the Bank fails or neglects to redeem the said Debentures or pay the interest on the said Debentures in terms of Clause 4.1 (a) i, ii, iii, iv and v of the said Trust Deed or in the Event of Default as specified in Clause 10 of the said Trust Deed.

In the event the Trustee recovering or receiving any monies from the Guarantors or consequent to any action or proceedings taken by the Trustee against the Guarantors the Trustee shall apply such monies in the first place in or towards settling or providing for the payment of any interest which is payable by the Bank to the Debenture Holders and thereafter for the payment of principal sum which is payable by the Bank to the Debenture Holders in proportion to their investment respectively subject however upto the aggregate amount specified in the respective Letters of Guarantee Clause 12.2 of the Trust Deed).

5.5 GUARANTORS

Sampath Bank PLC

Sampath Bank PLC is a public limited liability company incorporated in Sri Lanka on 10th March 1986 under the Companies Act No 17 of 1982 and listed on the main board of the Colombo Stock Exchange. It was originally incorporated as the Investment and Credit Bank Limited in 1986 with Mr N U Jayawardena as the Chairman. The Bank was registered under the Banking Act No 30 of 1988 as a licensed commercial bank. Sampath Bank PLC was re-registered on 28 April 2008 as mandated by the Companies Act No 7 of 2007 with a shareholder base of 17,490 shareholders, the market capitalization of Sampath Bank PLC was Rs 44,680 Mn as at 30th June 2015.

Rated as a top-tier banking and finance institution in Sri Lanka, Sampath Bank PLC is renowned for its pioneering role in Sri Lanka's banking industry. In 1988, Sampath Bank launched the first multipoint network of automated teller machines in Sri Lanka. The Bank also introduced the first debit card in South Asia in 1997. Sampath Bank has been selected as the "Best Bank in Sri Lanka - 2014" by the prestigious, global Business Magazine "The Euromoney", for the second consecutive year. The Bank has also been adjudged both the Best Commercial and the Best Retail Bank in Sri Lanka by the World Finance Banking Magazine.

Sampath Bank is one of the most technologically advanced banks in Sri Lanka since its landmark achievement of becoming the first bank in Sri Lanka to operate with a fully computerized database and related technologies in 1987. Sampath Bank has been the third largest private sector bank in Sri Lanka in terms of total assets, since 2009. The Bank now operates 223 branches and 351 ATMs including 61 offsite ATMs. (Source: www.sampath.lk)

Sampath Bank PLC - Rated A+ (lka) with a Stable Outlook by Fitch Ratings Lanka Limited, October 2015.

All latest financial information of Sampath Bank PLC is available on the website of CSE, www.cse.lk.

Seylan Bank PLC

Seylan Bank PLC, a commercial bank based in Sri Lanka, was incorporated in 28th August 1987 and commenced business on 24th March 1988. The Bank offers banking products and services ranging from savings accounts, current accounts, foreign currency services, deposits and investments, Seylan cards, loan facilities and leasing. Apart from the above, the Bank offers trade finance, remittances, corporate banking, and pawning services.

Seylan Banks' network comprises of 159 Branches, 181 ATMs and 93 Student Savings Centres and has overseas presence in many countries including Lebanon, Oman, Saudi Arabia and the United Arab Emirates. They undertake remittance business on behalf of Sri Lankan expatriates in these countries while promoting the bank's other products to them.

The regulator has classified Seylan as one of the six domestic systematically important banks (Source: Entity Rating Report issued by Fitch Ratings Lanka Ltd. – 8th July 2015). From the inception, the Bank presented itself as a flexible, customer-friendly alternative, delivering the promise of its motto – ‘The Bank with a Heart’.

Seylan Bank owns 69.91% stake in Seylan Developments PLC, a quoted subsidiary formed in 1992 for the purpose of constructing the head office building of the Bank and presently is involved in property development/management. (Source: www.seylan.lk)

Seylan Bank PLC - Rated A- (lka) with a Stable Outlook by Fitch Ratings Lanka Limited, April 2015.

All latest financial information of Seylan Bank PLC is available on the website of CSE, www.cse.lk.

5.6 INTEREST

The Debentures comprise of Debentures of Type A, Debentures of Type B, Debentures of Type C and Debentures of Type D and will carry rates of interest as described in the table below.

| | |
|---------------|--|
| Type A | Nine Decimal Six Zero <i>per centum</i> (9.60%) per annum, payable semi-annually on the Interest Payment Dates <i>Annual Effective Rate of 9.83% per annum</i> |
| Type B | Ten Decimal Zero <i>per centum</i> (10.00%) per annum, payable semi-annually on the Interest Payment Dates <i>Annual Effective Rate of 10.25% per annum</i> |
| Type C | Nine Decimal Nine Zero <i>per centum</i> (9.90%) per annum, payable semi-annually on the Interest Payment Dates <i>Annual Effective Rate of 10.15% per annum</i> |
| Type D | Ten Decimal Three Zero <i>per centum</i> (10.30%) per annum, payable semi-annually on the Interest Payment Dates <i>Annual Effective Rate of 10.57% per annum</i> |

Interest on the Debentures (Debentures of Type A, Debentures of Type B, Debentures of Type C and Debentures of Type D) accruing on a daily basis will be paid semi-annually in each year on the six month period from the Date of Allotment and every six month period thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.

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 for the avoidance of doubt interest shall be paid for the intervening days which are not Market Days.

The interest due on the Debentures for a particular Interest Period will be calculated based on the actual number of days in such Interest Period and will be paid not later than Three (03) Working Days from each Interest Payment Date.

In order to accommodate the debenture interest cycles in the ATS of the CSE, the payment of interest for a particular Interest Payment Date will include Debenture Holders holding Debentures in the CDS as of the Entitlement Date.

Payment of the interest on the Debentures 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 Debenture Holders.

As per Section 9(o) of the Inland Revenue Act No. 10 of 2006 (as amended by Section 4 of the Inland Revenue (Amendment) Act No. 18 of 2013), the interest income from any investment made on or after 01st January 2013 in corporate debt securities (i.e. debentures), quoted in any stock exchange licensed by the SEC is exempt from income tax. Furthermore, in terms of Section 13(xxxxxxx) of the Inland Revenue Act No. 10 of 2006 (as amended by Section 5 of the Inland Revenue (Amendment) Act No. 18 of 2013), the profits and income earned from any such investment has also been exempted from income tax.

5.7 REDEMPTION

Redemption of the Debentures will take place on the respective Date of Redemption in respect of each type of Debentures as described in the table below in accordance with the provisions of the Trust Deed. The Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Debentures will be paid not later than three (03) Working Days from the Date of Redemption.

Redemption Schedule

| Type of Debentures | Date of Redemption |
|--------------------|---|
| Type A | The date on which a period of Thirty Six (36) months from the Date of Allotment expires or if such date on which a period of Thirty Six (36) months from the Date of Allotment expires is not a Market Day, the Market Day immediately succeeding such date |
| Type B | The date on which a period of Sixty (60) months from the Date of Allotment expires or if such date on which a period of Sixty (60) months from the Date of Allotment expires is not a Market Day, the Market Day immediately succeeding such date |
| Type C | The date on which a period of Thirty Six (36) months from the Date of Allotment expires or if such date on which a period of Thirty Six (36) months from the Date of Allotment expires is not a Market Day, the Market Day immediately succeeding such date |
| Type D | The date on which a period of Sixty (60) months from the Date of Allotment expires or if such date on which a period of Sixty (60) months from the Date of Allotment expires is not a Market Day, the Market Day immediately succeeding such date |

The Principal Sum and unpaid and accrued interest (if any) payable on the Redemption of Debentures will be paid to the Debenture Holders not later than three (03) Working Days from the respective Date of Redemption.

These Debentures will not be subject to Redemption by the Bank prior to the Date of Redemption.

These Debentures shall not be redeemed by the Bank prior to maturity for any reason whatsoever except due to unforeseen circumstances beyond the control of the Bank. If redemption is to be done before maturity, it will be done subject to the prior written approval from the Director Bank Supervision of the Central Bank of Sri Lanka [CBSL] and the approval of the Debenture Holders of each type representing $\frac{3}{4}$ th in nominal value of the Debentures outstanding when the Principal Sum is repaid before maturity.

These Debentures shall not be subject to redemption by the Bank prior to the date of redemption except in the event of the occurrence of an "Event of Default" stated in the Clause 10 of the Trust Deed where the debentures shall become payable immediately. The Debenture holder shall not have any right or option to call for redemption of the Debentures before the date of maturity of such Debenture.

5.8 PAYMENT OF PRINCIPAL SUM AND INTEREST

The Bank will redeem the Debentures on the Date of Redemption as specified in Section 5.7 and the interest payments will be made as specified in Section 5.6.

The payment of Principal Sum and interest will be made either by cheque/s marked "Account Payee Only" dispatched to the address provided by the Debenture Holders to the CDS at the risk of the Debenture Holders or through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS and RTGS to a bank account provided to the CDS by the Debenture Holders. 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)

However, in the event such payment is over the maximum amount that can be accommodated through electronic fund transfer mechanism recognised by the banking system of Sri Lanka or if the Debenture Holder has not provided to the CDS accurate and correct details of his/her bank account for the payment of Principal Sum and interest, such payment to the Debenture Holder will be made by way of a cheque and sent by post at the risk of the Debenture Holder.

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

5.9 TRUSTEE TO DEBENTURE HOLDERS

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

The rights and obligations of the Trustee are set out in the Trust Deed and the Debentures will be subject to the terms and conditions incorporated in the said Trust Deed.

The fee payable to the Trustee will be LKR 130,000/- per semi-annual period plus statutory levies. There is no conflict of interest between the Trustee and SDB, except that the Trustee is one of the banks rendering banking related services to SDB.

5.10 RATING OF THE DEBENTURES

ICRA Lanka Limited has assigned a credit rating of “[SL] A+ (SO) with a Stable Outlook” for the Debentures of Type A and Type B which are guaranteed by Sampath Bank PLC.

ICRA Lanka Limited has assigned a credit rating of “[SL] A- (SO) with a Stable Outlook” for the Debentures of Type C and Type D which are guaranteed by Seylan Bank PLC.

The description given by ICRA Lanka Limited is as follows;

“The adequate-credit-quality rating assigned by ICRA Lanka. The rated instrument carries average credit risk”

“For the rating categories [SL] AA through to [SL] C, the sign of + (plus) or - (minus) may be appended to the rating symbols to indicate their relative position within the rating categories concerned. Thus, the rating of [SL] AA+ is one notch higher than [SL] AA, while [SL]AA- is one notch lower than [SL]AA.”

The letters SO in parenthesis suffix to a rating symbol stand for “Structured Obligations” and SO rating is specific to the rated issue, its terms and its structure.

Source: <http://www.icralanka.com/images/pdf/Rating%20Scale%20for%20Debt%20Instruments.pdf>

A copy of the rating certificate is given in Annexure I of this Prospectus.

5.11 RIGHTS AND OBLIGATIONS OF DEBENTURE HOLDERS

- (a) Debenture Holders are entitled to the following rights.
- Receiving interest at the interest rates set out in Section 5.6 of this Prospectus on Interest Payment Dates and the Principal Sum on the Date of Redemption as set out in Section 5.7 of this Prospectus.
 - Ranking equal and *pari passu* with unsecured creditors in the event of liquidation of the Bank and above the subordinated debt holders, preference shareholders and ordinary shareholders. However, provided further that the Debenture Holders of the Guaranteed Debentures would be entitled to the benefit of the Guarantee which has been issued by the Guarantor.
 - Receiving annual report of the Bank in terms of Rule 7.5 (a) of the CSE Listing Rules. Annual report will be sent to Debenture Holders in CD form, unless a specific request for a hard copy is received by the Bank
 - Calling and attending meetings of Debenture Holders as set out in the Trust Deed
- (b) Debenture Holders do not have the following rights
- Attending and voting at meetings of holders of shares and other debentures
 - Sharing in the profits of the Bank
 - Participating in any surplus in the event of liquidation

- (c) Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Debenture Holder shall 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.

Provided further that the Debenture Holders shall 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 Debenture Holders.

5.12 BENEFITS OF INVESTING IN DEBENTURES OFFERED BY THE BANK

- (a) Provides an opportunity to diversify the investment portfolio of the investor
- (b) Provides the investor with a regular cash inflow of interest payments
- (c) Provides the investor with an opportunity to invest in Debentures issued by a leading financial institution in Sri Lanka
- (d) Being listed on the CSE, the Debentures will have a secondary market, thus providing the investor with an opportunity to exit at the market price prevailing at the time of divestiture
- (e) The Debentures may be used as collateral to obtain credit facilities from banks and financial institutions
- (f) As per Section 9(o) of the Inland Revenue Act No. 10 of 2006 (as amended by Section 4 of the Inland Revenue (Amendment) Act No. 18 of 2013), as at the date of this Prospectus, the interest income from any investment made on or after 01st January 2013 in corporate debt securities (i.e. debentures), quoted in any stock exchange licensed by the SEC is exempt from income tax. Furthermore, in terms of Section 13(xxxxxxx) of the Inland Revenue Act No. 10 of 2006 (as amended by Section 5 of the Inland Revenue (Amendment) Act No. 18 of 2013), as at the date of this Prospectus, the profits and income earned from any such investment has also been exempted from income tax.

5.13 RISKS INVOLVED IN INVESTING IN THE DEBENTURES

Subscribers to the Debentures could be exposed to the following risks

(a) Interest Rate Risk

Provided all other factors are equal, the market price of the Debentures 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 Debentures resulting from a rise in interest rates.

(b) Reinvestment Risk

Interest on the Debentures are payable semi-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 Debenture Holders by reinvesting such interest received being higher or lower than the return offered by the Debentures is known as reinvestment risk.

(c) Call Risk

The uncertainty to the debenture investor is when an issuer has the option of redeeming the debentures before maturity, thus being called upon to terminate the investment early is known as "Call Risk". However, these Debentures do not carry this risk as call options are not available with these Debentures.

(d) Credit Risk

Credit Risk is also referred to as default risk. This is the risk that the issuer of a debenture 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. ICRA Lanka Limited has assigned a rating of "[SL]A+ (SO) with a Stable Outlook" for the Type A and Type B Rated Guaranteed Redeemable Debentures and "[SL]A- (SO) with a Stable Outlook" for the Type C and Type D Rated Guaranteed Redeemable Debentures.

(e) 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 Debentures, the Bank has applied for a listing of these Debentures on the CSE and has received in-principle approval for such listing whereby Debenture Holders will be able to sell the Debentures through the CSE in order to convert the Debentures to cash and exit from the investment.

(f) 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.

The risks involved in meeting the objectives of the Issue is discussed in Section 5.3 of this Prospectus.

5.14 TRANSFER OF DEBENTURES

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

- (a) These Debentures shall be freely transferable 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) The Debentures shall be transferable and transmittable through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained herein the Bank may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.

- (c) In the case of death of a Debenture Holder
- (i) The survivor where the deceased was a joint holder; and
 - (ii) The executors or administrators of the deceased or where the administration of the estate of the deceased is in law not compulsory the heirs of the deceased where such Debenture Holder was the sole or only surviving holder;
- shall be the only persons recognized by the Bank as having any title to his/her Debentures.
- (d) Any person becoming entitled to any Debentures in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Bank thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Bank, CDS, CSE and SEC.
- (e) No change of ownership in contravention to these conditions will be recognized by the Bank.

5.15 LISTING

An application has been made to the CSE for permission to obtain a listing for the Debentures and the CSE has granted its approval in-principle for the same. It is the intention of the Bank to list the Debentures on the Colombo Stock Exchange upon the allotment thereof.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. Admission to the official list is not to be taken as an indication of the merits of the Bank or of its Debentures.

5.16 COST OF THE ISSUE

The Board estimates that the total cost of the Issue including fees to professionals, printing and advertising costs connected with the Issue will be approximately LKR 27.10 Million. Such costs will be financed by the internally generated funds of the Bank.

5.17 BROKERAGE FEE

Brokerage fee of 15 cents (LKR 0.15) per Debenture shall be paid in respect of the number of Debentures allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a member/trading member of the CSE or Financial Advisors and Managers to the Issue or any other party identified by the Bank and/or Financial Advisors and Managers to the Issue as involved in the Issue.

5.18 UNDERWRITING

This Issue is not underwritten.

The offering is not conditional upon any minimum subscription amount being raised through this Issue. In the event of an undersubscription, the Bank will utilize the funds raised for the objectives described in Section 5.3 of this Prospectus, to the extent of funds raised through this Issue.

6.0 PROCEDURE FOR APPLICATION

6.1 INSPECTION OF DOCUMENTS

Articles of Association, the Trust Deed, Letters of Guarantee, Auditors' Reports and Audited Financial Statements for the five (05) financial years ended 31st December 2014 (i.e. the five (05) financial years immediately preceding the date of this Prospectus), Interim Financial Statement as at 30th June 2015 and all other documents referred to in Rule 3.3.11 (a) of the CSE Listing Rules, including material contracts and management agreements entered into by the Bank (if any) would be made available for inspection by the public during normal working hours, from seven (07) Market Days prior to the date of opening of the subscription list, at the registered office of the Bank at No. 12, Edmonton Road, Kirulapone, Colombo 06 until the Date of Redemption of the Debentures.

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.sdb.lk from seven (07) Market Days prior to the date of opening of the subscription list until the Date of Redemption of the Debentures as stipulated in Rule 3.3.11 (b) of the CSE Listing Rules.

Furthermore, copies of the Prospectus and Application Forms are available free of charge from the collection points as set out in Annexure II of this Prospectus from seven (07) Market Days prior to the date of opening of the subscription list.

6.2 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Debentures 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 Debentures.
- (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 Debentures. 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 Debentures.
- (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 Exchange Control Act in Gazette No. 15007 dated 21st April 1972.

When permitting Non-Residents to invest in the Debentures, the Bank will comply with the relevant Exchange Control Regulations including the conditions stipulated in the notice under the Exchange Control Act with regard to the issue and transfer of debentures of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 1864/39 on 28th May 2014.

6.3 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 with the Registrar to the Issue and also issued free of charge by the parties listed in Annexure II of this Prospectus.

The Application Form can also be downloaded from the website of CSE, www.cse.lk, the website of SDB, www.sdb.lk and the websites of the Financial Advisors and Managers to the Issue, www.ndbib.com until the Closure Date.

The Prospectus will be made available and can be downloaded from the website of CSE, www.cse.lk and the website of SDB, www.sdb.lk until the Date of Redemption of the Debentures and from the Financial Advisors and Managers to the Issue, www.ndbib.com until the Closure Date.

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

- (b) **Applicants should apply only for one Type of Debentures (i.e. either Type A or Type B or Type C or Type D Debentures) under one Application Form.**
- (c) In the event an Applicant wishes to apply for more than one Type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debentures, it will not be possible for an Applicant to switch between the Types of Debentures.
- (d) More than one Application submitted by an Applicant under the same Type of Debentures will not be accepted. If more than one Application Forms are submitted for one Type of Debentures from a single Applicant, those would be construed as multiple Applications and the Bank reserves the right to reject such multiple Applications or suspected multiple Applications.

- (e) If the ownership of the Debentures is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- (f) An Applicant of a joint Application for one Type of Debenture will not be eligible to apply through a separate Application Form either individually or jointly for the same Type of Debenture. Such Applicants are also deemed to have made multiple Applications and will be rejected.

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

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

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

- (g) 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 Debentures and should be made under their common seal or in any other manner as provided by their articles of association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the trustee/board of management.
- (h) According to the Foreign Account Tax Compliance Act (FATCA) of United States of America (U.S.), "U.S. Persons" investing in these Debentures must provide the duly completed declaration as per the specimen given in Annexure IV together with the Application Form. Joint holders must provide separate declarations as applicable. Under the provisions of FATCA, "U.S. Persons" include;
 - U. S. 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, Partnerships, estates and trusts/trustees
 - 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"

- (i) All Applicants should indicate in the Application for Debentures, their CDS account number.

In the case of resident individual Applicants, 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.

In the case of Non-Resident individual Applicants and corporate Applicants, ensure to provide the passport number/company number and CDS Identification Number (CDS ID) 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.

- (j) 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 Debentures 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.

- (k) 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.**

- (l) Funds for the investment in Debentures and the payment for Debentures by Non-Residents should be made only out of the monies **available to the credit of a “Securities Investment Account” (SIA)** 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 SIA, 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 SIA.

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

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 **“SANASA DEVELOPMENT BANK PLC - DEBENTURE ISSUE 2015”** on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to Registrars to the Issue, P W Corporate Secretarial (Pvt) Ltd, No. 3/17, Kynsey Road, Colombo 08 on the Closure Date.

Applications may also be handed over to any collection point set out in Annexure II of this Prospectus prior to 4.30 p.m. on the Closure Date.

In the case of Applications dispatched by post, such Applications should reach the Registrars to the Issue not later than 4.30 p.m. on the Market Day immediately following the Closure Date. Any Applications received after the above deadline shall be rejected even though the postmark is dated prior to the Closure Date.

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 DEBENTURES 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 Debentures under this Issue, the allotted Debentures would be credited to the Applicant’s CDS account so indicated.

Hence, DEBENTURE CERTIFICATES SHALL NOT BE ISSUED.

6.4 NUMBER OF DEBENTURES TO BE SUBSCRIBED

Applicants are allowed to invest in either;

- Debentures of Type A; and/or
- Debentures of Type B and/or
- Debentures of Type C and/or
- Debentures of Type D

subject to the minimum subscription under each type.

A minimum of One Hundred (100) Debentures (LKR 10,000/-) and in multiples of One Hundred (100) Debentures (LKR 10,000/-) thereafter for each type of Debentures.

An Applicant should apply only for one type of Debentures under one Application Form.

6.5 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

(a) Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka or internal fund transfer through Sampath Bank PLC, as the case may be, subject to (b) below.

(b) Payments for Application values should be supported by either;

- Bank draft(s)/cheque(s) drawn upon any licensed commercial bank operating in Sri Lanka; or
- A bank guarantee issued by a licensed commercial bank; or
- An RTGS transfer with value on the Issue opening date; or
- An internal fund transfer within Sampath Bank PLC with value on the Issue opening date.

Multiple cheques will not be accepted for Application values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-).

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

(c) Cheques or bank drafts should be made payable to “SANASA DEVELOPMENT BANK PLC - DEBENTURE ISSUE 2015” and crossed “Account Payee Only”, and must be honoured on the first presentation.

- (d) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **“SANASA DEVELOPMENT BANK PLC - DEBENTURE ISSUE 2015”** in a manner acceptable to the Bank, and be valid for a minimum of one (01) month from the Issue opening date (i.e. 28th December 2015).

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.

- (e) In case of RTGS transfers/internal fund transfers within Sampath Bank PLC, such transfers should be made to the credit of **“SANASA DEVELOPMENT BANK PLC - DEBENTURE ISSUE 2015”** bearing the account number **0029 3002 9591** at **Sampath Bank PLC** with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date).

The Applicant should obtain a confirmation from the Applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Debentures applied for to the credit of **“SANASA DEVELOPMENT BANK PLC - DEBENTURE ISSUE 2015”** bearing the account number **0029 3002 9591** at **Sampath Bank PLC** with value on the 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 and internal fund transfers within Sampath Bank PLC above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to and paid an interest at an interest rate of Three Decimal Zero per centum (3.00%) per annum from the date of such transfers up to the date of refunds. However, no interest will be paid if the RTGS transfers/ internal fund transfers within Sampath Bank PLC are not realised before the end of the Closure Date. Furthermore, even if such RTGS transfers/internal fund transfers within Sampath Bank PLC are effected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date.

- (f) Cash will not be accepted.
- (g) Payment for the Debentures by Non-Residents should be made only out of the monies available to the credit of a **“Securities Investment Account” (SIA)** maintained with any 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 SIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS/internal fund transfers within Sampath Bank PLC has been made out of the funds available in the SIA.

- (h) The amount payable should be calculated by multiplying the number of Debentures applied for by the Par Value (LKR 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, the Application will be rejected.
- (i) In the event that cheques are not realised prior to the date of deciding the basis of allotment, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid.
- (j) All cheques/bank drafts received in respect of the Applications for Debentures will be banked commencing from the Working Day immediately following the Closure Date.

6.6 REJECTION OF APPLICATIONS

Application Forms and the accompanying cheques/bank drafts/bank guarantee or 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.

More than one Application Form submitted under one type of Debenture by an Applicant will not be accepted. If more than one Application Form is submitted under one type of Debenture by a single Applicant, those would be considered as multiple Applications and the Bank reserves the right to reject such multiple Applications or suspected multiple Applications.

Any Application Form with more than three (03) natural persons as joint Applicants will be rejected.

Applications delivered by hand to the Registrars to the Issue after the subscription list is closed will be rejected. Applications received by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.

Applications delivered by hand to the Registrars to the Issue after 4.30 p.m. on the Closure Date will be rejected. Applications received by post after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a post mark dated prior to the Closure Date.

In the event that cheques are not realised prior to the date of deciding the basis of allotment and realised after such date, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the Application to be valid. In the event cheques are dishonoured/returned on first presentation, such Applications will be rejected.

6.7 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 5.2 of this Prospectus, in terms of the CSE Listing Rules.

6.8 BASIS OF ALLOTMENT OF DEBENTURES

In the event of an oversubscription, the Board of SDB will endeavour to decide the basis of allotment in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

The Board however shall reserve the right to allocate up to 75% of the number of Debentures to be issued under this Prospectus on a preferential basis, to identified institutional investor/s of strategic and operational importance with whom the Bank might have mutually beneficial relationships in the future.

The number of Debentures to be issued under Debentures of Type A and Debentures of Type B will be a maximum of 20,000,000 Debentures and;
Debentures of Type C and Debentures of Type D will be a maximum of 20,000,000 Debentures.

The Basis of Allotment of the initial issue of Twenty Million (20,000,000) and the further issuance of Twenty Million (20,000,000) of said debentures will be a combination comprising of Type A, Type B, Type C and Type D debentures, subject to the maximum number of Debentures specified above.

The basis of allotment will be decided at the discretion of the Board of SDB in a fair manner in the event of an oversubscription.

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 Debentures will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

6.9 REFUNDS

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.6 of this Prospectus; or
- the Application is accepted only in part

Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS, RTGS or cheque).

Refunds due to a Non-Resident Applicant will be made only via direct transfers to the same SIA through which the payment for the investment in the Debentures was affected. It is the responsibility of the Non-Resident Applicant to ensure that the details of the SIA are accurately stated in the Application Form to facilitate the refund payment.

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 upto and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the Applicant, through SLIPS. If the refund payment is over Rupees Five Million (LKR 5,000,000/-), refunds will be made via RTGS. A payment advice will be sent accordingly.

In the event the Applicant has not provided accurate and correct details of his/her 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 Applications, 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;

http://www.lankaclear.com/product_service/pdf/slips_bank_branch_list_sep_2013.xls

Refunds on Applications rejected or partly allotted Debentures would be made within ten (10) Market Days excluding the Closure Date. Applicants would be entitled to receive interest at the rate of the last quoted 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.

6.10 CDS ACCOUNTS AND SECONDARY MARKET TRADING

Debentures allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of eighteen (18) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the 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 Debentures.

Trading of Debentures on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

7.0 THE BANK

7.1 BACKGROUND AND NATURE OF BUSINESS

SDB was established in 1997 as the main credit institution for the Sanasa Movement. It is partly funded through Sanasa Societies. SDBL is a unique financial institution when compared to other institutions in Sri Lanka due to its heritage linked to cooperative movement with the aim of fostering sustainable economic development through the provision of credit to the rural poor. Other unique features of SDB include provision of technical assistance programmes, entrepreneurship skill development, collective business enterprises and information technology assistance to the Community. These features have expanded SDB's focus from simply profits to a broader goal of overall betterment of communities.

Over the past 18 years SDB has become an integral part of the pioneering microfinance industry in the country. SDB has been able to partner effectively with the vast network of Sanasa primary societies as well as fraternal members of Sanasa Group to reach those that remained excluded from mainstream development, improve incomes, develop sustainable livelihoods and sustainable communities.

SDB has a wide variety of products and services catering to personal banking and financing needs as well as developmental banking needs. Most of the products are unique to SDB, aimed specifically at its customer base of rural communities.

SDB has island wide coverage through a network of 82 branches, and mobile banking services with 43 field officers. Our market segments include namely informal sector, micro entrepreneurs, Small and Medium Enterprises, Businesses and the general public.

The Bank also works with a number of external agencies for technical assistance and grants. These include: Rabobank-Netherland, the International Finance Corporation, and Canadian International Development Agency (CIDA) etc.

7.2 STATED CAPITAL

The stated capital of Bank represents ordinary voting shares as given in the table below.

| Stated Capital | as at 31st December 2012 | as at 31st December 2013 | as at 31st December 2014 | as at 30th September 2015 |
|------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| Balance (Rs.) | 2,526,532,200 | 2,526,532,200 | 3,533,545,080 | 3,786,354,999 |
| Number of Shares | 25,175,322 | 25,175,322 | 37,762,983 | 40,246,625 |

7.3 FINANCIAL RATIOS

| As at | 31 st December | | | | | 30 th Sep 2015 |
|---------------------------------------|---------------------------|--------|--------|--------|--------|------------------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | |
| Debt to Equity (Borrowing)/Equity) | 0.61 | 0.48 | 0.48 | 0.56 | 0.98 | 1.34 |
| Interest Cover | 1.693 | 1.576 | 1.326 | 1.165 | 1.392 | 1.478 |
| Capital Adequacy Ratios | | | | | | |
| Tier I | 15.61 | 17.37 | 16.08 | 14.01 | 14.89 | 11.89 |
| Tier II | 16.30 | 17.77 | 16.35 | 14.13 | 15.33 | 12.40 |
| Statutory Liquidity Asset Ratio | 25.60 | 20.51 | 20.27 | 20.39 | 21.61 | 20.68 |
| EPS (Basic) (LKR) | 19.95 | 15.78 | 13.73 | 9.39 | 13.49 | 14.41 |
| DPS (LKR) | 10 | 10 | 10 | 7.00 | 10.00 | - |
| NAV (LKR) | 122.92 | 132.21 | 129.85 | 134.27 | 124.35 | 125.85 |

7.4 MAJOR SHAREHOLDERS

The twenty (20) largest shareholders of SDB as at 30th September 2015 are given in the table below.

| | Name of the Shareholder | Number of Shares | % Holding |
|----|---|-------------------------|------------------|
| 1 | Seylan Bank PLC / Thirugnanasambandar Senthilverl | 4,192,115 | 10.42 |
| 2 | Global Rubber Industries Private Limited | 2,215,303 | 5.50 |
| 3 | People s Leasing & Finance PLC | 1,866,047 | 4.64 |
| 4 | Dr. T. Senthilverl | 1,459,514 | 3.63 |
| 5 | Dr. S.Yaddehige | 1,046,150 | 2.60 |
| 6 | Seemasahitha SANASA Rakshana Samagama (General) | 1,036,061 | 2.57 |
| 7 | CB NY S/A International Finance Corporation | 959,681 | 2.38 |
| 8 | Seemasahitha SANASA Rakshana Samagama (Life) | 811,565 | 2.02 |
| 9 | Kegalle SANASA Share Holders Trust Company Limited | 718,641 | 1.79 |
| 10 | Etimos Lanka (Pvt) Limited | 590,229 | 1.47 |
| 11 | SANASA Federation Limited | 573,626 | 1.43 |
| 12 | Warakapola SANASA Share Holders Trust Company Limited | 468,478 | 1.16 |
| 13 | Gampaha District Thrift and Credit Co-Operative Societies Union Limited | 445,074 | 1.11 |
| 14 | Deutsche Bank AG as Trustee To Astrue Alpha Fund | 403,587 | 1.00 |
| 15 | Hambathota DTCCS Union Limited | 342,426 | 0.85 |
| 16 | Polpithigama SANASA Share Holders Trust Company Limited | 257,046 | 0.64 |
| 17 | Kamburupitiya SANASA Share Holders Trust Company Limited | 244,153 | 0.61 |
| 18 | Kolonnawa SANASA Share Holders Trust Company Limited | 229,352 | 0.57 |
| 19 | Polgahawela SANASA Share Holders Trust Company Limited | 225,699 | 0.56 |
| 20 | Mr.K. Sabaratnam | 213,262 | 0.53 |
| | | 18,298,009 | 45.48 |
| | Others | 21,948,616 | 54.52 |
| | Total | 40,246,625 | 100.00 |

7.5 SUBSIDIARY/ASSOCIATE COMPANIES

SDB does not have any subsidiaries or associate companies.

7.6 FINANCIAL INFORMATION

The following financial information of SDB is available on the website of CSE, www.cse.lk and the website of the Bank, www.sdb.lk;

- Audited financial statements of the Bank for the financial years ended 31st December 2012, 2013 and 2014
- Interim financial statements of the Bank for the nine months ended 30th September 2015
- Accountant's Report and Five Year Summary of Financial Statements (Please refer Section 11.1 of this Prospectus for the same)

7.7 PARTICULARS OF LONG TERM LOANS AND OTHER BORROWINGS

As at 30th September 2015, the outstanding balance of SDB's interest bearing borrowings are given in the table below.

| Outstanding Borrowings | LKR '000 |
|--|-----------------|
| As at 1 st January 2015 | 4,602,233 |
| Net Borrowings / (Settlements) during the period | 2,227,886 |
| As at 30 th September 2015 | 6,830,119 |

Total interest bearing borrowings of SDB at as 30th September 2015 comprise of the following categories of borrowings.

| Category | LKR '000 |
|----------------------------|------------------|
| Long Term Bank Loans | 3,250,910 |
| Other Long Term Borrowings | 1,688,335 |
| Short Term Bank Borrowings | 550,000 |
| Other Borrowings | 1,340,874 |
| Total | 6,830,119 |

7.8 DETAILS OF OTHER DEBENTURES IN ISSUE

The Bank does not have other debentures in issue as at 30th September 2015.

7.9 DETAILS OF CONVERTIBLE DEBT SECURITIES

The Bank does not have convertible debt securities in issue as at 30th September 2015.

7.10 CONTINGENT LIABILITIES

As at 30th September 2015, the contingent liabilities of the Bank are given below.

| Category | LKR '000 |
|------------|----------|
| Guarantees | 129,241 |
| Total | 129,241 |

7.11 LITIGATION AGAINST THE BANK

As at 30th September 2015, there are no other legal, arbitration or mediation proceedings, which may have or have had in the recent past significant effects on the Bank's financial position or profitability other than information given in Annexure V.

7.12 DETAILS OF PENALTIES IMPOSED BY REGULATORY AND STATE AUTHORITIES

There are no penalties imposed by Regulatory and State Authorities on the Bank as at 30th September 2015.

7.13 DETAILS OF MATERIAL CONTRACTS OF THE BANK

The Bank has not entered into any material contracts as at the date of this Prospectus other than contracts entered into in the ordinary course of business.

7.14 DETAILS OF COMMISSIONS PAID

There are, no commission has been paid in the two (02) years preceding the Issue or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions, for any shares in or debentures of the Bank other than information in Section 5.17.

7.15 TRANSACTIONS RELATING TO THE PROPERTY

There is no transaction relating to the property completed within the two (02) preceding years in which any vendor of the property to the Bank or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the Bank who had any interest, direct or indirect.

7.16 DETAILS OF BENEFITS PAID TO PROMOTERS

No benefit has been paid or given by the Bank within the two (02) years preceding the Issue and there are no benefits intended to be paid or given to any promoter.

7.17 DIVIDEND POLICY

The Board has adopted a policy of paying out dividends to the shareholders based on factors including but not limited to the Company's earnings, capital requirements and the overall macro financial conditions.

Details of dividends paid during the five (05) financial years preceding the date of this Prospectus is given under Section 11.1 of this Prospectus.

7.18 TAXATION

The Bank is not enjoying any tax exemptions as at the Date of this Prospectus.

8.0 BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

The Board of Directors of the Bank comprise of nine (09) Non- Executive Directors as at the date of this Prospectus. Out of them, three (03) Directors are considered as independent.

The details of the Board of Directors of the Bank as at the date of this Prospectus are given below.

| Name | Position | Independent/ Non-Independent |
|-----------------------------------|-------------------------------------|------------------------------|
| Mrs. M.S. Kiriwandeniya | Chairperson | Non-Independent |
| Mr. T. Karunasena | Deputy Chairman/ Senior Director | Independent |
| Mr. B. R. Abewickrama Bandara | Non – Executive Director | Non-Independent |
| Mr. D.P. Kumarage | Non – Executive Director | Non-Independent |
| Mr. L. Abeysekera | Non – Executive Director | Independent |
| Mr. J. A. L. Gamini Jayasinghe | Non – Executive Director | Non-Independent |
| Mr. W.M.M.D. Ratnayake | Non – Executive Director | Independent |
| Mr. Thilak Rajapaksha | Non – Executive Director | Non-Independent |
| Mr. H.M.G.B. Herath | Non – Executive Director | Non-Independent |

A brief biography of each of the Directors is provided overleaf.

Mrs. M.S. Kiriwandeniya

Chairperson (Non – Executive, Non-Independent Director)

Mrs. M.S. Kiriwandeniya, appointed as the Chairperson of SDB PLC in 2011, brings to the table extensive senior management experience in the fields of participatory development, gender issues management, micro-finance and conflict resolution. She is also Corporate Leader of the Sanasa Group. Mrs. M.S.Kiriwandeniya obtained her basic degree from the University of Peradeniya in Sociology and received a Masters degree in the same field at University of Saskatchewan, Canada.

Mr. T. Karunasena

Deputy Chairman/Senior Director (Non – Executive, Independent Director)

Mr. Karunasena was appointed to the Board of SDBL in 2007 as an Independent Director and as Senior Director / Deputy Chairman in November 2011.

He began his career with Peoples Bank and has gained experience in all aspects of banking including branch banking, regional administration and development commercial lending, international and corporate banking. He has headed some of the key areas of Peoples' Bank in charging, international, corporate banking, human resource and productivity management.

He has followed an advanced bank management course in Sweden with a follow up course in Manila. He has over 40 years of experience in banking and possess a B.A.(Hon.) Degree in Economics..

Mr. B. R. Abewickrama Bandara

(Non – Executive, Non-Independent Director)

Mr. B.R.Abewickrama Bandara holds a Diploma in Banking & Finance and he holds the position of General Manager Polgahawela Sanasa District Union Limited, Director at Sanasa Printers & Publishes Limited and Director of Sanasa Shareholders Trust Company Limited.

He is actively involved in Sanasa Movement over 26 years.

Mr. D.P. Kumarage

(Non – Executive, Non-Independent Director)

Mr. Kumarage is the Chief Executive Officer of the People's Leasing and Finance PLC. He was appointed to the Board of SDB PLC in 2007. He has over 32 years experience in banking and finance. He holds a postgraduate Diploma in Modern Banking and is a member of the Chartered Institute of Management Accountants, UK. He brings invaluable expertise and experience to the Board.

Mr. Lakshman Abeysekera

(Non - Executive, Independent Director)

Mr. Lakshman Abeysekare, Chartered Accountant, possess over 20 years experience in the Accounting field. He currently functions as a Director / CEO of Janrich (Private) Limited, Director NovEx Pharmaceuticals Limited and Governing Council Member of AAT Sri Lanka. He has held the positions of Chief Financial Officer at Emerchemie NB (Ceylon) Limited, Accountant Hoechst (Ceylon) Limited and was the Senior Accountant at Lankem Ceylon Limited.

Mr. Lakshman Abeysekare is a Fellow member of the Institute of Chartered Accountants of Sri Lanka, a Fellow Member of the Association of Accounting Technicians of Sri Lanka and has an MBA from Institute of Postgraduate Management, University of Sri Jayawardenapura..

J.A.L.Gamini Jayasinghe

(Non - Executive, Non-Independent Director)

Mr. J.A.L.Gamini Jayasinghe is a Director in Kegalle District Sanasa Societies Union Limited, and Vice Chairman of Sanasa Printers & Publishes. He holds the position of Secretary to the Government Service Labour Officers Union from the year 2012.

Mr. J.A.L.Gamini Jayasingha has over 15 years of experience as a Director in Sanasa Societies and holds a B.A.(Hons) special second class upper division from University of Peradeniya.

Mr. Madura Duminda Ratnayake

(Non - Executive, Independent Director)

Mr. W.M. Madura Duminda Ratnayake a Chartered Engineer by profession, possess over 20 years of experience in the fields of IT industry, delivery management, project management, solution architecture, customer support, consultancy and general management in UK, USA, Australia, India and Sri Lanka. He has delivered multi-million dollar projects to Fortune 1000 companies with geographically spread software teams. He is experienced in document management, content management, shareholder information management, health care and Internet billing.

Mr. Rathnayake is the Senior Vice President and Head of Digital, at Virtusa (Pvt) Ltd. He is the founder Director and Chairman emeritus of the Sri Lanka Association for Software and Services Companies (SLASSCOM) which represents the Sri Lankan IT / BPM industry. He is also Chairman of Sarvodaya Fusion, Co- Chairman of the National Council on ICT and Space Technology, for the coordinating secretariat for Science Technology and Innovation (COSTI), a member of the advisory board for ICT at the Export Development Board (EDB) and represents the IT Industry on Boards of several leading universities. He has sound experience in leading large multi-stakeholder groups from Government, industry and academia, to develop national strategies on IT and is actively involved in directing execution.

He holds an MBA from the Postgraduate Institute of Management, Sri Lanka, and a First Class Honours degree in Software Engineering, from City University, London.

Mr. Thilak Rajapaksha

(Non – Executive, Non-Independent Director)

Mr. Thilak Rajapaksha is the Chairman of Paradise TCCS Limited and holds a Combined Degree from the University of Peradeniya. He has been serving as a Senior Head Quarters Inspector at the Co-operative Development Department, and currently serves as an Executive Director in the Federation of Thrift & Credit Co-operative Societies Limited in Sri Lanka.

Mr. H.M.G.B. Herath

(Non – Executive, Non-Independent Director)

Mr. H.M.G.B. Herath has wide experience in administration and held the position of Acting Assistant Director Administration in the Agricultural Development Authority and was also Assistant Superintendent at Rideegama Estate.

He has 25 years experience as the Chairman of the Sanasa Society of Kandapola and has also served as the Executive Director of the SANASA Federation of Sri Lanka. He is the Vice Chairman of the Kurunegala District Co-operative Council and is the Internal Auditor of a leading private firm in Wariyapola.

8.2 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

SDB has been functioning with a Related Party Transactions Review Committee since 21st of July 2014. The current members of such committee are as follows;

1. Mr. T Karunasena – Chairman (Deputy Chairman of SDB)
2. Mr. L. Abeysekera – Committee Member (Director of SDB)
3. Mr. J.A.L.G. Jayasinghe – Committee Member (Director of SDB)

9.0 CORPORATE MANAGEMENT

9.1 DETAILS OF THE MANAGEMENT

The corporate management team of the Bank is given below.

| Name | Designation |
|---|------------------------------------|
| Mr. Nimal C. Hapuarachchi MBA (Sri J), Dip. in Bank Mgt (IBSL) | General Manager/ CEO |
| Mr. Kumar Mayadunne Dip. in Bank Mgt (IBSL) | Chief Operating Officer |
| Mr. S. A. Samarakoon MBA (Colombo), B. Sc. Eng (Comp. Sc. & Eng) (Moratuwa), C Eng., MIEEE | Deputy General Manager - IT |
| Mr. A. M. Chandrasagara FCA, FIB, Diploma in Info. Sys. Cont. & Audit | Chief Internal Auditor |
| Mr. K.L.G. Pradeep AIB, PG Dip in Business & Financial Administration, PG Dip in Modern Commercial Banking. | Head of Corporate & SME Banking |
| Mr. Aruna Dayanatha MBA (PIM - Sri. J.), MBCS CITP (UK), Assoc. CIPD (UK), AMIPM | Head of Human Resources |
| Mr. H. C. Lokugeegana MBA, B.B. Mgt. (HR) Sp., AIB, Dbirm (IBSL), AMIPM, MAAT | Chief Risk Officer |
| Ms. Tamarika Rodrigo Attorney-at-Law, Notary Public | Company Secretary |
| Mr. S. S. S. Senanayake LLB, Attorney-at-Law, Notary Public, Commissioner of Oaths, FIB, PG Dip. in Bank Mgt. | Compliance Officer |

| Name | Designation |
|---|-------------------|
| Mr. Terrance Kumara MBA (USQ), ACA, ASCMA (SL), MAAT | Head of Finance |
| Mr. Sameera D. Liyanage MCIM (UK), MSLIM, PG Dip. in Marketing (CIM) | Head of Marketing |

10.0 STATUTORY DECLARATIONS

10.1 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Directors of SANASA Development 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 of the information given and confirm that after making all reasonable enquiries and to the best of our 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.

The parties to the Issue (i.e. Lawyers, Auditors, Managers, Guarantors and Rating Company) have submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to such parties, and that such parties have no conflict of interest with the Company. Further, the Company Secretaries to the said Issue has also submitted declarations to the Company declaring that they have complied with all regulatory requirements applicable to them.

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

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

The Common Seal of SANASA Development Bank PLC affixed.

| Name of Directors | Designation | Signature |
|-------------------------------|-------------------------------------|-----------|
| Mrs. M.S. Kiriwandeniya | Chairperson | Sgd. |
| Mr. T. Karunasena | Deputy Chairman/ Senior Director | Sgd. |
| Mr. B. R. Abewickrama Bandara | Non - Executive Director | Sgd. |
| Mr. D.P. Kumarage | Non - Executive Director | Sgd. |
| Mr. L. Abeysekera | Non - Executive Director | Sgd. |

| Name of Directors | Designation | Signature |
|--------------------------------|--------------------------|-----------|
| Mr. J. A. L .Gamini Jayasinghe | Non - Executive Director | Sgd. |
| Mr. W.M.M.D. Ratnayake | Non - Executive Director | Sgd. |
| Mr. Thilak Rajapaksha | Non - Executive Director | Sgd. |
| Mr. H.M.G.B. Herath | Non - Executive Director | Sgd. |

10.2 STATUTORY DECLARATION BY THE FINANCIAL ADVISORS AND MANAGERS TO THE ISSUE

We, NDB Investment Bank Limited, of No. 40, Navam Mawatha, Colombo 02 being the Financial Advisors and Managers to the proposed issue of up to Forty Million (40,000,000) Rated Guaranteed Redeemable Debentures with a value of up to Rupees Four Billion (LKR 4,000,000,000/-) of SANASA Development Bank PLC, hereby declare and confirm that to the best of our knowledge and belief based on the information provided to us by the Bank, the Prospectus constitutes full and true disclosure of all material facts about the Issue and SANASA Development Bank PLC.

The Common Seal of NDB Investment Bank Limited affixed on the 21st day of December 2015 at Colombo in the presence of two Directors.

Sgd.

Director

Sgd.

Director

11.0 FINANCIAL INFORMATION

11.1 ACCOUNTANT'S REPORT AND FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysl@k.ey.com
ey.com

BW/DLH/JJ

Board of Directors
SANASA Development Bank PLC
No. 12, Edmonton Road
Colombo 06.

16 October 2015

Accountants' Report for Inclusion in the Prospectus of SANASA Development Bank PLC

Dear Sirs/Madam

Introduction

This report has been prepared for the inclusion in the Prospectus issued in connection with the issuance of up to Fifty Million (50,000,000) Listed, Rated, Guaranteed, Redeemable Debentures with a value of Rupees Five Billion (LKR 5,000,000,000/-), upto five Year Debentures 2015-2020, at a Par value of LKR 100/-.

We have examined the financial statements of SANASA Development Bank PLC ("Bank") and report as follows.

1. Incorporation

Bank

SANASA Development Bank PLC ("Bank") is a Licensed Specialised Bank established under the Banking Act No. 30 of 1988. It is a public limited liability company incorporated in Sri Lanka and re-registered under the Companies Act No.7 of 2007. The address of the Bank's registered office is No. 12, Edmonton Road, Colombo 06.

The Bank provides a comprehensive range of financial services encompassing Development Banking, Corporate Banking, Personal Banking, Corporate and Trade Finance, Leasing and other associated activities.

2. Financial Statements

2.1 Five-Year Summary of Audited Financial Statements

A summary of the Statement of Comprehensive Income/Income Statement and Statement of Financial Position of the Bank and its subsidiary for the financial years ended 01 January 2011 and 31 December 2011, and the Statement of Comprehensive Income and Statement of Financial Position of the Bank for the financial years ended 31 December 2012 to 31 December 2014, based on the audited financial statements are set out in Section 11.1 of this Accountant's Report and Five year Summary of Financial Statements of the Prospectus.

2.2 Audited Financial Statements for the year ended 31 December 2014

Our audit report on the Financial Statements for the year ended 31 December 2014 together with such financial statements comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows along with the accounting policies and notes thereon, is available on the websites of the Bank and the Colombo Stock Exchange where the management is responsible for the electronic presentation of the financial report and to ensure the electronic version of the audited financial report and the auditor's report on the website is identical to the final signed hard copy version.

2.3 Unaudited Financial Statements for the year ended 30 June 2015

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the six months ended 30 June 2015 is available on the websites of the Bank and Colombo Stock Exchange.

2.4 Audit Reports

We have audited the consolidated financial statements of the Bank and its subsidiary for the years ended 31 December 2010 and 31 December 2011 and financial statements of the Bank for the years ended 31 December 2012 to 31 December 2014. Unmodified audit opinions have been issued for the said financial years by our reports dated 28 February 2011, 12 March 2012, 27 March 2013, 25 March 2014 and 13 February 2015 respectively, and we have not issued any audit reports after 13 February 2015 up to now.

2.5 Accounting Policies

The consolidated financial statements of the Bank and its subsidiary for the years ended 31 December 2010 and 31 December 2011 and financial statements of the Bank for the years ended 31 December 2012 to 31 December 2014 comply with Sri Lanka Accounting Standards.

The accounting policies of the Bank are stated in detail in the audited financial statements of the Bank for the year ended 31 December 2014 & changes in the accounting policies of the Bank from 31 December 2010 to 31 December 2013 are given below.

First-time adoption of Sri Lanka Accounting Standards ("SLFRS/LKAS")

For all periods up to and including the year ended 31 December 2011, the Bank has prepared its financial statements in accordance with previous Sri Lanka Accounting Standards (SLASs). The financial statements, for the year ended 31 December 2012 are the first-time the Bank has prepared in accordance with revised Sri Lanka Accounting Standards comprising SLFRS and LKAS effective for the period beginning on or after 01 January 2011.

Change in Accounting Policies as a Result of adoption of LKAS 19-Employee benefits

The Bank adopted Sri Lanka Accounting Standard LKAS 19-Employee benefits with effect from 01 January 2013. The Bank previously recognized only the net cumulative unrecognised actuarial gains and losses of the previous period, which exceeded 10% of the value plan assets in accordance with LKAS 19.93(previous). As a result of the change, Bank changed its accounting policy to recognize actuarial gains and losses in the period in which they occur in total in Other Comprehensive Income Statements.

2.6 Dividends

The Bank has declared dividends in respect of Ordinary Voting Shares for the years ended 31 December 2010 to 31 December 2014 in the following manner.

| Per Share Dividend | Dividend Declared Rs. |
|--|--------------------------|
| 2010 | |
| Interim Dividend II 2009 - Rs. 3/- per share | 41,234,188 |
| Final Dividend 2009 - Rs 4/- per share | 62,736,544 |
| Interim Dividend I 2010 - Rs. 5/- per share | 83,978,700 |
| | <u>187,949,432</u> |
| 2011 | |
| Final Dividend 2010 - Rs 5/- per share | 77,294,680 |
| | <u>77,294,680</u> |
| 2012 | |
| Interim dividend 2011 - Rs. 5/- Per Share | 103,770,130 |
| Final dividend 2011 - Rs. 5/- Per Share | 121,376,610 |
| Interim dividend 2012 - Rs. 5/- Per Share | 124,985,414 |
| | <u>350,132,154</u> |
| 2013 | |
| Final dividend 2012 - Rs. 5/- Per Share | 125,876,610 |
| | <u>125,876,610</u> |
| 2014 | |
| Final dividend 2013 - Rs. 7/- Per Share | 176,227,254 |
| | <u>176,227,254</u> |

2.7 Events Occurring After the Reporting Date

There were no significant events occurred after the last audit report date.



2.8 Restriction on Use

This report is made solely for the purpose of the Board of Directors of the Bank in its application for the purpose of issuance of up to Fifty Million (50,000,000) Listed, Rated, Guaranteed, Redeemable Debentures with a value of Rupees Five Billion (LKR 5,000,000,000/-), upto five Year Debentures 2015-2020, at a Par value of LKR 100/-. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work, for this report we have formed. This report should not to be used, circulated, quoted or otherwise referred to for any other purpose.

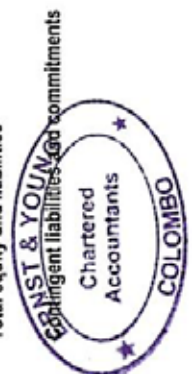
Yours faithfully

Ernst & Young

SANASA Development Bank PLC
STATEMENT OF FINANCIAL POSITION

As at 31 December

| | Bank | | | | Group | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2013 | 2012 | 2011 | 2011 | 1 January 2011 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Assets | | | | | | |
| Cash and cash equivalents | 661,651,213 | 399,384,665 | 503,541,364 | 419,998,163 | 419,998,163 | 262,965,754 |
| Placements with banks | 2,223,162,226 | 2,530,597,930 | 2,070,305,725 | 1,603,883,955 | 1,603,883,955 | 613,753,836 |
| Financial assets fair value through profit or loss | - | 1,210,673,101 | 184,418,666 | 245,980,855 | 245,980,855 | 68,774,700 |
| Other Financial Asset Classified under Loans and receivable | 4,164,273,491 | 1,701,091,364 | 470,098,767 | 349,575,289 | 349,575,289 | 1,713,590,400 |
| Loans and receivables to other customers | 32,050,498,194 | 22,116,644,789 | 19,712,033,278 | 16,602,735,057 | 16,602,735,057 | 12,513,905,604 |
| Financial investments - Available-for-sale | 29,734,245 | 165,699,464 | 171,695,504 | 29,980,144 | 29,980,144 | 26,085,194 |
| Financial investments - Held-to-maturity | 298,544,685 | 443,408,074 | 709,364,687 | 960,263,389 | 960,263,389 | 1,558,579,533 |
| Investments in subsidiaries | - | - | - | 200,000 | - | - |
| Property, plant and equipment | 513,592,432 | 506,770,866 | 603,233,111 | 629,070,235 | 633,166,352 | 457,449,868 |
| Investment properties | 26,558,750 | 27,614,780 | 28,670,810 | 29,726,840 | 29,726,840 | 30,782,870 |
| Intangible assets | 77,344,311 | 107,744,105 | 127,676,865 | 151,691,527 | 151,691,527 | 156,439,784 |
| Current tax assets | - | 40,080,715 | - | - | - | - |
| Other assets | 517,187,167 | 482,895,121 | 318,516,213 | 336,616,825 | 340,377,252 | 299,526,728 |
| Total assets | 40,572,546,715 | 29,732,604,974 | 24,899,555,990 | 21,359,722,279 | 21,367,378,823 | 17,701,854,272 |
| Liabilities | | | | | | |
| Due to other customers | 30,249,433,851 | 23,594,767,783 | 18,947,514,278 | 15,756,917,797 | 15,741,145,694 | 13,078,268,229 |
| Other borrowings | 4,602,233,293 | 1,878,642,869 | 1,557,328,793 | 1,536,766,930 | 1,538,766,930 | 1,342,040,414 |
| Current tax liabilities | 113,192,237 | - | 70,561,307 | 44,014,161 | 44,014,161 | 191,215,132 |
| Deferred tax liabilities | 53,513,422 | 46,004,803 | 24,122,297 | 18,432,612 | 26,211,953 | 22,752,261 |
| Other liabilities | 858,200,137 | 832,942,750 | 1,040,128,343 | 812,195,401 | 801,482,241 | 767,122,292 |
| Total liabilities | 35,876,572,940 | 26,352,358,205 | 21,639,655,018 | 18,170,327,899 | 18,151,620,978 | 15,401,398,328 |
| Equity | | | | | | |
| Stated capital | 3,533,545,080 | 2,526,532,200 | 2,526,532,200 | 2,427,532,200 | 2,427,532,200 | 1,820,268,406 |
| Statutory reserve fund | 118,664,432 | 94,417,362 | 82,106,242 | 65,070,467 | 65,070,467 | 47,803,484 |
| Retained earnings | 997,107,291 | 489,364,652 | 433,925,772 | 575,287,937 | 596,403,748 | 384,806,998 |
| Other reserves | 46,656,973 | 269,942,555 | 217,336,758 | 121,503,875 | 121,503,875 | 46,656,973 |
| Total equity of the owners of the parent | 4,695,973,775 | 3,380,246,769 | 3,259,900,972 | 3,189,394,379 | 3,210,510,291 | 2,299,535,861 |
| Non-controlling interest | - | - | - | - | 5,247,554 | 920,083 |
| Total Equity | 4,695,973,775 | 3,380,246,769 | 3,259,900,972 | 3,189,394,379 | 3,215,757,845 | 2,300,455,944 |
| Total equity and liabilities | 40,572,546,715 | 29,732,604,974 | 24,899,555,990 | 21,359,722,279 | 21,367,378,823 | 17,701,854,272 |
| Contingent liabilities and commitments | 129,506,905 | 144,378,258 | 143,213,715 | 141,261,586 | 141,261,586 | 100,814,608 |



The financial statement of the Bank has been prepared based on Sri Lanka Accounting standards (SLFRS/LKAS). Accordingly previous financials that has been prepared based on SLAS was converted into SLFRS from 01 January 2011 onwards & SLFRS 1 First-time adoption of Sri Lanka accounting standards, has been applied.

Management of SANASA Development Bank PLC is responsible for preparing this Statement.

We hereby certify that the above financial information has been extracted accurately from the Audited Financial Statements of 2014 for 2014 & 2013 figures, 2013 for 2012 figures and 2012 for 2011 & 2010 (01 January 2011) figures.

Date: 16 October 2015



Assistant General Manager - Finance



SANASA Development Bank PLC
STATEMENT OF COMPREHENSIVE INCOME (SLFRS/LKAS*) / INCOME STATEMENT (SLAS**)

Year ended 31 December

| | Bank | | | | | | Group | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------|
| | SLFRS/LKAS* | | | SLAS** | | | 2011 | 2010 |
| | 2014 | 2013 | 2012 | 2011 | 2010 | Rs. | Rs. | |
| Interest income | 4,850,169,602 | 4,389,865,317 | 3,782,126,471 | 3,017,607,450 | 2,940,691,955 | 3,017,607,450 | 2,940,691,955 | |
| Interest expenses | (2,400,763,438) | (2,525,580,243) | (1,879,248,208) | (1,200,513,830) | (1,222,847,511) | (1,200,045,684) | (1,222,259,863) | |
| Net interest income | 2,449,406,164 | 1,864,285,074 | 1,902,878,263 | 1,817,093,620 | 1,717,844,444 | 1,817,561,777 | 1,718,432,092 | |
| Fee and commission income | 164,626,078 | 122,422,512 | 71,767,253 | 73,907,875 | 16,547,640 | 73,907,875 | 15,547,640 | |
| Fee and commission expenses | (2,282,774) | (2,271,948) | (456,160) | (257,795) | (172,619) | (646,380) | (172,619) | |
| Net fee and commission income | 162,343,304 | 120,150,564 | 71,211,093 | 73,650,080 | 16,374,951 | 73,259,495 | 15,374,951 | |
| Net gain/(loss) from financial instruments at fair value through profit or loss | 53,941,819 | 102,444,027 | (10,661,024) | (48,789,973) | 4,325,310 | (48,789,973) | 4,325,310 | |
| Other operating income (net) | 168,427,740 | 63,285,199 | 52,011,674 | 22,145,427 | 60,722,294 | 36,291,565 | 67,887,138 | |
| Total operating income | 2,834,119,227 | 2,149,688,864 | 2,015,500,007 | 1,864,659,163 | 1,799,267,019 | 1,876,422,884 | 1,807,009,451 | |
| Impairment for loans and other losses | (204,389,515) | (324,620,912) | (60,666,067) | (27,230,760) | (64,514,726) | (27,230,760) | (64,514,727) | |
| Net operating income | 2,629,729,712 | 1,825,067,952 | 1,954,833,940 | 1,836,658,403 | 1,734,652,293 | 1,851,192,124 | 1,742,394,764 | |
| Personnel expenses | (767,848,054) | (540,776,607) | (447,636,612) | (399,026,149) | (268,760,363) | (404,590,687) | (273,069,660) | |
| Other expenses | (920,427,546) | (668,550,481) | (693,835,684) | (746,261,217) | (617,639,261) | (750,071,056) | (620,815,652) | |
| Operating profit before value added tax (VAT) | 941,453,972 | 415,740,864 | 613,161,643 | 691,581,037 | 846,882,669 | 696,530,380 | 848,509,442 | |
| Value added tax (VAT) on financial services | (190,274,668) | (82,382,123) | (96,665,123) | (110,066,110) | (201,579,411) | (110,066,110) | (201,679,411) | |
| Operating profit after value added tax (VAT) | 751,179,004 | 333,358,741 | 516,496,520 | 581,494,927 | 646,603,258 | 586,444,270 | 646,830,031 | |
| Profit before tax | 751,179,004 | 333,358,741 | 516,496,520 | 581,494,927 | 646,603,258 | 586,444,270 | 646,830,031 | |
| Tax expenses | (246,732,027) | (85,175,179) | (175,781,016) | (199,453,320) | (323,122,904) | (199,453,320) | (323,122,904) | |
| Profit for the year | 504,446,976 | 248,183,562 | 340,715,504 | 382,041,607 | 323,480,354 | 386,990,951 | 323,707,127 | |
| Profit attributable to Owners of parent | | | | | | | | |
| Non-controlling interests | | | | | | | | |
| Profit for the year | | | | | | | | |
| Other Comprehensive Income | | | | | | | | |
| Actuarial losses on defined benefit plans | (27,091,104) | (5,464,049) | 12,723,008 | (1,864,608) | - | (1,864,608) | - | |
| Gains and losses on re-measuring available-for-sale financial assets | - | 1,972,960 | (27,621,440) | - | - | - | - | |
| Income tax relating to other comprehensive income | 7,585,510 | 1,529,934 | (4,180,306) | - | - | - | - | |
| Other Comprehensive Income for the year net of tax | (19,505,594) | (1,961,155) | (19,078,758) | (1,864,608) | - | (1,864,608) | - | |
| Total Comprehensive Income for the year | 484,941,382 | 246,222,407 | 321,636,747 | 380,176,999 | 323,480,354 | 385,126,343 | 323,707,127 | |
| Chartered Accountants per share/profit | | | | | | | | |
| Basic earnings per share - Basic | 13.49 | 9.39 | 13.73 | 18.19 | 19.95 | 15.78 | 19.95 | |



The financial statement of the Bank has been prepared based on Sri Lanka Accounting standards (SLFRS/LKAS). Accordingly previous financials that has been prepared based on SIAS was converted into SLFRS from 01 January 2011 onwards & SLFRS 1 First-time adoption of Sri Lanka accounting standards, has been applied.

Management of SANASA Development Bank PLC is responsible for preparing this Statement.

We hereby certify that the above financial information has been extracted accurately from the Audited Financial Statements of 2014 & 2013 figures, 2012 & 2011 figures and 2011 for 2011 figures.

Date: 15 October 2015



Assistant General Manager - Finance



ANNEXURE I - COPY OF THE RATING CERTIFICATE



ICRA Lanka assigns [SL]A+(SO) and [SL]A-(SO) rating to the Guaranteed Redeemable Debenture programmes of Sanasa Development Bank PLC; outlook stable

December 16, 2015

| Instrument | Amount | Rating Action |
|---|-------------------|--|
| Guaranteed Redeemable Debentures, type A and type B | LKR 2,000 Million | [SL]A+(SO); assigned with stable Outlook |
| Guaranteed Redeemable Debentures, type C and type D | LKR 2,000 Million | [SL]A-(SO); assigned with stable Outlook |

ICRA Lanka, subsidiary of ICRA Limited, a Moody's Investors Service company, has assigned the [SL]A+(SO) (pronounced SL A plus Structured Obligation) rating with stable outlook to the type A and type B Redeemable Debentures amounting to LKR 2,000 Million, which are guaranteed by Sampath Bank PLC (Sampath). ICRA Lanka has also assigned the [SL]A-(SO) (pronounced SL A minus Structured Obligation) rating with stable outlook to the type C and type D Redeemable Debentures amounting to LKR 2,000 Million, which are guaranteed by Seylan Bank PLC (Seylan) for Sanasa Development Bank PLC (SANASA or the Company). The letters SO in parenthesis suffixed to a rating symbol stand for Structured Obligation. An SO rating is specific to the rated issue, its terms, and its structure. The SO rating does not represent ICRA Lanka's opinion on the general credit quality of the issuer concerned. ICRA Lanka has an issuer rating of [SL]BBB- (pronounced SL triple B minus) with positive outlook for SANASA.

The rating for the Redeemable Debentures is based on the strength of the unconditional and irrevocable guarantees from Sampath Bank PLC (Sampath) for the type A and type B Redeemable Debentures and from Seylan Bank PLC (Seylan) for the type C and type D Redeemable Debentures covering the principal and two interest instalments (Semi Annual). As the guarantor, Sampath Bank undertakes the obligation to pay on demand from the trustee, the total principal amounting to Rs.2,000 Million, and two semi-annual interest instalments of type A and type B Redeemable Debentures and Seylan Bank undertakes the obligation to pay on demand from the Trustee, the total principal amounting to Rs.2,000 Million, and two semi-annual interest instalments of type C and type D Redeemable Debentures. The rating also assumes that the guarantees will be duly invoked by the Trustee, as per the terms of the underlying Trust Deed and guarantee agreements, in case there is a default in payment by SANASA (Issuer).

Please refer to ICRA Lanka Rationale dated August 31, 2015 on the issuer for more details on the issuer.

Company Profile:

Established in the year 1997, as the key credit institution for the SANASA movement, SANASA Development Bank PLC (SDB/the bank) is a Licensed Specialised Bank. The bank has a primary listing on the Colombo Stock Exchange. Close to about 46% of the total shareholding is with the SANASA affiliate entities, which includes, Cooperative Societies, Trusts and other institutions. SDB had a network of 82 branches, about 1004 employees and mobile banking services with 43 field officers as in December 2014. The target market segments include the agriculture, micro, small and medium enterprises and other retail segments. In the year ended 2014, the bank reported a net profit of about Rs. 504 Mn on a total asset base of about Rs. 41 Bn. The total net worth of the bank as on December 31, 2014 was about Rs. 4.7 Bn. The bank's Gross NPA stood at 3.8% as on December 2014

In the six months ended June 2015, the bank reported a net profit of Rs. 414 Mn on a total asset base of Rs. 51 Bn.



Guarantor Profiles:

Sampath Bank PLC

Sampath Bank PLC (Sampath) is one of the larger private sector commercial banks in the country with total assets of LKR 432.0Bn as at Dec 2014. Sampath accounted for 7.3% of the industry assets, 8.92% of the sector loans and advances and 8.69% of sector deposits as at Dec 2014. The bank commenced operations as a licensed commercial bank in 1987. Major institutional shareholders include Vallibal One PLC with 14.95% and Employees Provident Fund with 9.97% stake. The bank recorded net profits of LKR 4.9 Billion on a total asset base of LKR 432.0 Billion for the FYE Dec 2014 and LKR 3.0 Billion on a total asset base of LKR 461.0 Billion for the period ended June 2015, which resulted in ROA (post tax) of 1.68% and 1.97% for the respective periods. The bank had gross NPA ratios of 1.93% and 1.71% as at FYE Dec 2014 and period ending June 2015 and net NPA ratios of 0.53% and 0.47% for the said periods. The bank had a net worth of LKR 30.9 Billion as at December 2014 with tier 1 capital adequacy ratio of 8.83% and total capital adequacy ratio of 13.62%.

The Sampath Bank Group recorded consolidated net profits of LKR 5.3 Billion on a total asset base of LKR 442.7 Billion for the FYE Dec 2014 and LKR 3.2 Billion on a total asset base of LKR 472.9 Billion for the period ended June 2015.

Seylan Bank PLC

Seylan Bank PLC (Seylan) with total asset base of LKR 249.3 Billion as in Dec 2014 accounted for about 4.2% of sector assets; it also accounted for 4.5% of sector loans and advances and 4.7% of the sector deposits as in Dec 2014. The bank was incorporated in the year 1987. Sri Lanka Insurance Corporation Ltd (15.0%), Browns and Company PLC (13.9%), Employee Provident Fund (9.9%), LOLC Investments Limited (9.6%), NDB Bank (8.7%) and Bank of Ceylon (7.5%) are the major voting shareholders of the bank. The bank recorded net profits of LKR 3.08 Billion on a total asset base of LKR 249.3 Billion for the FYE Dec 2014 and LKR 1.74 Billion on a total asset base of LKR 263.1 Billion for the period ended June 2015, which resulted in ROA (post tax) of 1.33% and 1.36% for the respective periods. The bank had gross NPA ratios of 9.08% and 7.63% as at FYE Dec 2014 and period ending June 2015 respectively and net NPA ratios of 7.69% and 6.53% respectively for the said periods. The bank had a net worth (excluding revaluation reserve) of LKR 23.3Billion as at December 2014 with core capital adequacy ratio of 13.8% and total capital adequacy ratio of 14.7%.

The Seylan Bank Group recorded consolidated net profits of LKR 3.25 Billion on a total asset base of LKR 251 Billion for the FYE Dec 2014 and LKR 1.72 Billion on a total asset base of LKR 265 Billion for the period ended June 2015.

December 2015

For further details please contact:

Analyst Contacts:

Mr. Karthik Srinivasan, (Tel No. +91-22-6114 3444)
karthiks@icraindia.com

Relationship Contacts:

Mr. W. Don Barnabas, (Tel. No. +94-11-4339907)
wdbarnabas@icralanka.com



Subsidiary of

ICRA Limited

A Group Company of Moody's Investors Service

CORPORATE OFFICE

Level 10, East Tower, World Trade Center, Colombo 01, Sri Lanka

Tel: +94 11 4339907; Fax: +94 11 2333307

Email: info@icralanka.com; Website: www.icralanka.com

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ANNEXURE II - COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

| Issuer | Financial Advisor and Managers to the Issue |
|---|--|
| <p>SANASA Development Bank PLC No. 12, Edmonton Road, Kirulapone, Colombo 06</p> <p>Tel: +94 11 2 832 500 Fax: +94 11 2 514 256</p> | <p>NDB Investment Bank Limited No. 40, Navam Mawatha Colombo 02</p> <p>Tel: +94 11 2 300 385 Fax: +94 11 2 300 393</p> |

| Registrars to the Issue | Bankers to the Issue |
|--|---|
| <p>P W Corporate Secretarial (Pvt) Ltd No. 3/17, Kynsey Road Colombo 08</p> <p>Tel: +94 11 4 640 360 Fax: +94 11 4 740 588</p> | <p>Sampath Bank PLC No. 110, Sir James Peiris Mawatha Colombo 02</p> <p>Tel : +94 11 2 448 448 Fax : +94 11 2 341 044</p> |

Branch Network of SANASA Development Bank PLC

| BRANCH | ADDRESS | TELEPHONE NUMBER |
|---------------------|---|------------------|
| Colombo City Branch | 55,Kumaran Rathnam Mawatha,Colombo 02. | 011-2326265 |
| Kirulapone Branch | 12,Edmonton Road,Colombo 06. | 011-2832597 |
| Kiribathgoda Branch | 141,Kandy Road,Kiribathgoda. | 011-2917137 |
| Battaramulla Branch | 210/01,Kaduwela Road,Battaramulla. | 011-2866990 |
| Horana Branch | 145,Rathnapura Road,Horana. | 034-2261177 |
| Maharagama Branch | 134,High level Road,Maharagama. | 011-2840242 |
| Gampaha Branch | 09,Sirikurusa Road,Gamapaha. | 033-2224631 |
| Negombo Branch | 150,Greens Road,Negambo. | 031-2227714 |
| Moratuwa Branch | 310,"Wijaya Mahal",Katubedda,Moratuwa. | 011-2636627 |
| Kaduwela Branch | 500A,Colombo Road,Kaduwela. | 011-2548428 |
| Mahabage Branch | 511,Negambo Road,Mahabage. | 011-2960514 |
| Malambe Branch | 410/1,Athuruguruya Road,Malambe. | 011-2078653 |
| Kegalle Branch | 342,Main Street,Kegalle. | 035-2222352 |
| Matara Branch | 24/A,E.H. Cooray Tower,Dharmapala Mw,Matara | 041-2229944 |
| Galle Branch | 03,Ward Street,Galle. | 091-2226811 |
| Kurunegala Branch | 95,Negambo Road,Kurunegala. | 037-4921618 |
| Kandy Branch | 86,Colombo Street,Kandy. | 081-2204385 |
| Matale Branch | 271,Main Street,Matale. | 066-2230388 |
| Anuradhapura Branch | 12,Maithreepala Senanayake Mawatha,Anuradapura. | 025-2234110 |
| Wennappuwa Branch | Main Street,Wennappuwa. | 031-2245531 |
| Chilaw Branch | 50/52,Skyline Building,Colombo Road,Chilaw. | 032-2220801 |

Members of the CSE

| | |
|---|--|
| <p>Acuity Stockbrokers (Private) Limited Level 6, Acuity House No. 53, Dharmapala Mawatha Colombo 03</p> <p>Tel: +94 11 2 206 206 Fax: +94 11 2 206 298-9 E-mail: sales@acuitystockbrokers.com</p> | <p>Asha Phillip Securities Limited 137, Vauxhall Street Colombo 03</p> <p>Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: apsl@ashaphillip.net</p> |
| <p>Asia Securities (Private) Limited 2nd Floor No. 176/1-2/1, Thimbirigasyaya Road Colombo 05</p> <p>Tel: +94 11 7 722 000 Fax: +94 11 2 584 864 E-mail: marketinfo@asiasecurities.lk</p> | <p>Assetline Securities (Private) Limited 120, 120A, Pannipitiya Road Battaramulla</p> <p>Tel: +94 11 4 700 111, +94 11 2 307 366 Fax: +94 11 4 700 112, +94 11 2 307 365 E-mail: colombo.dpglobal@dpmcfs.com</p> |
| <p>Bartleet Religare Securities (Private) Limited Level "G", "Bartleet House" 65, Braybrooke Place Colombo 02</p> <p>Tel: +94 11 5 220 200 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com</p> | <p>Capital TRUST Securities (Private) Limited 42, Sir Mohamed Macan Markar Mawatha Colombo 03</p> <p>Tel: +94 11 2 174 174, +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk</p> |
| <p>CT CLSA Securities Private Limited 4-14, Majestic City 10, Station Road Colombo 04</p> <p>Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctclsal.lk</p> | <p>First Capital Equities Private Limited No. 347/1/1, Dr. Colvin R. De Silva Mawatha Colombo 02</p> <p>Tel: +94 11 2 145 000 Fax: +94 11 5 736 264 E-mail: info.equity@firstcapital.lk</p> |
| <p>J B Securities (Private) Limited No. 150, St. Joseph Street Colombo 14</p> <p>Tel: +94 11 2 490 900, +94 77 2 490 900-1 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk</p> | <p>John Keells Stockbrokers (Private) Limited No. 186, Vauxhall Street Colombo 02</p> <p>Tel: +94 11 2 306 250, +94 11 2 342 066-7 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com</p> |

| | |
|---|--|
| <p>Lanka Securities (Private) Limited 228/1, Galle Road Colombo 04</p> <p>Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: lankasec@sltnet.lk</p> | <p>Nation Lanka Equities (Private) Limited 44, Guildford Crescent Colombo 07</p> <p>Tel: +94 11 4 889 061-3, +94 11 2 684 483, Fax: +94 11 2 688 899 E-mail: info@nlequities.com</p> |
| <p>NDB Securities (Private) Limited 5th Floor, NDB Building 40, Navam Mawatha Colombo 02</p> <p>Tel: +94 11 2 314 170-8 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk</p> | <p>S C Securities (Private) Limited 5th Floor No. 26B, Alwis Place Colombo 03</p> <p>Tel: +94 11 4 711 000-1 Fax: +94 11 2 394 405 E-mail: ceo@sampathsecurities.lk</p> |
| <p>Somerville Stockbrokers (Private) Limited 137, Vauxhall Street Colombo 02</p> <p>Tel: +94 11 2 329 201-5, +94 11 2 332 827, +94 11 2 338 292-3 Fax: +94 11 2 338 291 E-mail: ssb-web@sltnet.lk</p> | |

Trading Members

| | |
|--|--|
| <p>Softlogic Stockbrokers (Private) Limited No. 06, 37th Lane Queens Road Colombo 03</p> <p>Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: info@equity.softlogic.lk</p> | <p>Capital Alliance Securities (Private) Limited Level 5, "Millennium House" 46/58, Navam Mawatha Colombo 02</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: general@capitalalliance.lk</p> |
| <p>LOLC Securities (Private) Limited Level 18, West Tower World Trade Centre Echelon Square Colombo 01</p> <p>Tel: +94 11 7 880 880 Fax: +94 11 2 434 771</p> | <p>First Guardian Equities (Private) Limited 32nd Floor, East Tower World Trade Centre Echelon Square Colombo 01</p> <p>Tel: +94 11 5 884 400 Fax: +94 11 5 884 401 E-mail: info@firstguardianequities.com</p> |
| <p>Candor Equities Limited Level 8, South Wing Millennium House 46/58, Navam Mawatha Colombo 02</p> <p>Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info.cel@candorh.com</p> | <p>Enterprise Ceylon Capital (Private) Limited 27th Floor, East Tower World Trade Centre Echelon Square Colombo 01</p> <p>Tel: +94 11 2 333 000 Fax: +94 11 2 333 383 E-mail: info@ecc.lk</p> |
| <p>Claridge Stockbrokers (Private) Limited 10, Gnanartha Pradeepa Mawatha Colombo 08</p> <p>Tel: +94 11 2 697 974 Fax: +94 11 2 689 250 E-mail: csb@mackwoods.com</p> | <p>Navara Securities Private Limited No. 25-2/1, Milepost Avenue Colombo 03</p> <p>Tel: +94 11 2 358 700/20 Fax: +94 11 5 005 551 E-mail: info@navarasecurities.lk</p> |
| <p>SMB Securities (Private) Limited No. 102/1, Dr. N.M. Perera Mawatha Colombo 08</p> <p>Tel: +94 11 4 388 138 Fax: +94 11 2670294 E-mail: admin@smbsecurities.lk</p> | <p>Taprobane Securities (Private) Limited 2nd Floor 10, Gothami Road Colombo 08</p> <p>Tel: +94 11 5 328 200 Fax: +94 11 5 328 177 E-mail: info@taprobane.lk</p> |

| | |
|---|--|
| <p>TKS Securities (Private) Limited 4th Floor, No. 245 Dharmapala Mawatha Colombo 7</p> <p>Tel: +94 11 7 857 799 Fax: +94 11 7 857 857 E-mail: info@tks.lk</p> | <p>Richard Pieris Securities Private Limited 55/20, Vauxhall Lane, Colombo 02</p> <p>Tel: +94 11 7 448 900, +94 11 5 900 800 Fax: +94 11 2 330 711 E-mail: dilruke@rpsecurities.com</p> |
| <p>Entrust Capital Markets (Pvt) Ltd. Level 15, East Tower, World Trade Center, Echelon Square, Colombo 01.</p> <p>Tel: +94 11 5 500 600 Fax: +94 11 5 500 699 E-mail: info@serendibsb.com</p> | |

Trading Members - Debt

| | |
|---|--|
| <p>First Capital Markets Limited No. 2, Deal Place Colombo 3</p> <p>Tel: +94 11 2 639 898, +94 11 2 681 888 Fax: +94 11 2 639 899, +94 11 2 681 460 E-Mail: info@firstcapital.lk</p> | <p>Capital Alliance Limited Level 5, "Millenium House" 46/58, Nawam Mawatha Colombo 2</p> <p>Tel: +94 11 2 317 777 Fax: +94 11 2 317 788</p> |
| <p>Wealthtrust Securities Limited No. 32, Castle Street Colombo 08</p> <p>Tel: +94 11 2 689 823 Fax: +94 11 2 689 605</p> | <p>Perpetual Treasuries Limited Level 3, Prince Alfred Tower No 10, Alfred House Gardens Colombo 3</p> <p>Tel: +94 11 2 206 123, +94 11 2 206 107 Fax: +94 11 2 206 110</p> |



| | |
|---|--|
| <p>NSB Fund Management Company Limited No. 255, 1st Floor NSB Head Office Galle Road Colombo 3</p> <p>Tel: +94 11 2 565 956, +94 11 2 565 957 Fax: +94 11 2 574 387</p> | <p>Acuity Securities Ltd 4th Floor No. 53, Dharmapala Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 206 280 Fax: +94 11 2 206 290</p> |
| <p>Natwealth Securities Limited Prince Alfred Tower, No. 10-1/1, Alfred House Gardens, Colombo 3.</p> <p>Tel: +94 11 4716274 Fax: +94 11 4645776</p> | <p>Commercial Bank of Ceylon PLC Commercial House No 21, Sir Razik Fareed Mawatha Colombo 01</p> <p>Tel: +94 11 2 486 334 Fax: +94 11 2 384 650</p> |

Branch Network of Sampath Bank PLC

| BRANCH | ADDRESS | CONTACT NUMBER |
|-----------------|---|--------------------------------|
| City | No. 55, D R Wijewardena Mw, Colombo 10. | 011 2448 291, 011 2434 431 |
| Pettah | 999, Peoples Park, Bodhiraja Mw., Colombo 11. | 011 2432 324/262, 011 2394 596 |
| Nugegoda | 79A, Stanley Tillekeratne Mw, Nugegoda. | 011 2856907, 011 2856909 |
| Borella | No 1022, Maradana Road, Borella, Colombo 08. | 011 2691121-3, 011 2687222 |
| Kiribathgoda | 259, Kandy Road, Dalugama, Kelaniya. | 011 2910457, 011 2910514 |
| Wattala | 165, Negombo Road, Wattala. | 011 2931569, 011 2941526 |
| Nawam | 46/38, Nawam Mawatha, Colombo 02 | 011 2305025 |
| Bambalapitiya | 1-01, Majestic City, Station Road, Bambalapitiya, Colombo 4. | 011 2501829, 011 2502686 |
| Fort | 98, Chatham Street Fort, Colombo 01. | 011 2447231, 011 2447232 |
| Dehiwela | 155, Galle Road, Dehiwela. | 011 2738422, 011 2738481 |
| Ratmalana | 261, Galle Road, Ratmalana. | 011 2730821, 011 2730820 |
| Piliyandala | 61, Moratuwa Road, Piliyandala. | 011 2614664, 011 2614665 |
| Negombo | 293, Main Street, Negombo. | 031 2224345-6 |
| Head Quarters | 110, Sir James Peiris Mw, Colombo 02. | 011 4730630, 011 2300260 |
| Moratuwa | 653, Galle Road, Rawatawatte, Moratuwa. | 011 2644737, 011 2644738 |
| Thimbirigasyaya | 154, Havelock Road, Colombo 05. | 011 2505001, 011 2505002 |
| Malabe | 895, Athurugiriya Road, Malabe. | 011 2762222, 011 2762223 |
| Narahenpita | No. 475, Elvitigala Mawatha, Colombo - 05. | 011 2552820, 011 2552821 |
| Kalutara | 314, Main Street, Kalutara. | 034 2235600, 034 2235601 |
| Kottawa | No. 948, High Level Road, Kottawa. | 011 2782684, 011 2782686 |
| Nawala | No. 143, Nawala Road, Nugegoda. | 011 4306111 |
| Pitakotte | No. 463, Kotte Road, Pitakotte. | 011 2874574 |
| Kohuwala | 81, S De S Jayasinghe Mawatha, Kohuwala. | 011 2814480 |



| BRANCH | ADDRESS | CONTACT NUMBER |
|-----------------------|--|--------------------------|
| Borella Super | No. 50, Dudley Senanayake Mawatha, Colombo - 08. | 011 2695844, 011 2695845 |
| World Trade Centre | Unit L03/EB/01, Level 03, East Block, World Trade Center. | 011 2339863, 011 2339864 |

ANNEXURE III - CUSTODIAN BANKS

| | |
|---|---|
| <p>Bank of Ceylon Head Office 11th Floor 04, Bank of Ceylon Mawatha, Colombo 01</p> <p>Tel: +94 11 2 317 777, +94 11 2 448 348, +94 11 2 338 742/55, +94 11 2 544 333</p> | <p>Citi Bank, N A 65 C, Dharmapala Mawatha P.O. Box 888, Colombo 07</p> <p>Tel: +94 11 2 447 316/8, +94 11 2 447 318, +94 11 2 449 061, +94 11 2 328 526, +94 11 4 794 700</p> |
| <p>Commercial Bank of Ceylon PLC Commercial House No 21, Sir Razik Fareed Mawatha Colombo 01</p> <p>Tel: +94 11 2 445010-15, 011 238193-5, 011 430420, 011 2336700</p> | <p>Deutsche Bank AG P.O. Box 314 86, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 447 062, +94 11 2 438 057</p> |
| <p>Hatton National Bank PLC HNB Towers 479, T. B. Jayah Mawatha, Colombo 10</p> <p>Tel: +94 11 2 664 664</p> | <p>The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01</p> <p>Tel: +94 11 2 325 435, +94 11 2 446 591, +94 11 2 446 303, +94 11 2 346 422</p> |
| <p>People's Bank Head Office, 5th Floor Sir Chittampalam A Gardiner Mawatha, Colombo 02</p> <p>Tel: +94 11 2 781 481, +94 11 2 37 841-9, +94 11 2 446 315/6, +94 11 2 430 561</p> | <p>Standard Chartered Bank 37, York Street P. O. Box 112, Colombo 01</p> <p>Tel: +94 11 4 794 400, +94 11 2 480 000</p> |
| <p>Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02</p> <p>Tel: +94 11 5 331 441</p> | <p>State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01</p> <p>Tel: +94 11 2 326 133-5, +94 11 2 439 405-6, +94 11 2 447 166, +94 11 2 472 097</p> |



| | |
|---|---|
| <p>Seylan Bank PLC Level 8, Ceylinco Seylan Towers 90, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 456 789, +94 11 4 701 812, +94 11 4 701 819, +94 11 4 701 829</p> | <p>Union Bank of Colombo PLC 64, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 374 100</p> |
| <p>Banque Indosuez C/o Hatton National Bank PLC Cinnamon Gardens Branch 251, Dharmapala mawatha, Colombo 07</p> <p>Tel: +94 11 2 681 720</p> | <p>Pan Asia Banking Corporation PLC Head Office 450, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 565 565</p> |
| <p>Public Bank Berhad 340, R A De Mel Mawatha, Colombo 03</p> <p>Tel: +94 11 2 576 289, +94 11 7 290 200-07</p> | <p>Nations Trust Bank PLC 256, Sri Ramanathan Mawatha, Colombo 15</p> <p>Tel: +94 11 4 313 131</p> |

ANNEXURE IV – FATCA DECLARATION

To:
Manager
SANASA Development Bank PLC
No. 12, Edmonton Road, Kirulapone
Colombo 06

Declaration on Foreign Account Tax Compliance Act (FATCA) of United States of America (U.S.)

I hereby confirm that I understand the Foreign Account Tax Compliance Act (FATCA) is extra-territorial by design and requires “U.S. Persons” to report their financial assets held overseas (other than in U.S.) and that I fall under the definition of a “U.S. Person” under the provisions of the FATCA.

I hereby authorise SANASA Development Bank PLC (SDB) which is recognized as a Foreign Financial Institution (FFI) in terms of the FATCA to report all information pertaining to the accounts and investments made by me in SDB to the Internal Revenue Service (IRS) of U.S. I further authorize SDB to remit any taxes or levies payable to the IRS as maybe required in terms of the FATCA and/or corresponding legislation and regulation.

I further confirm that this concurrence is granted by me with full knowledge and understanding of FATCA.

Name of the Applicant:
Address (as given in the Application Form):
NIC/Passport Number:
Permanent Resident/Green Card holder of U.S.: Yes / No
Tax Identification/Social Security Number:

.....
Signature of Applicant

Date:

ANNEXURE V- LITIGATION AGAINST THE BANK

| Case No: & Court | Plaintiff/s | Defendant/s | Nature of Litigation & Description Loan Amount-present O/S | Plaint Value | Present Status | Next date and Step | Law Firm/ Lawyer handling case |
|------------------------------|---------------------------------|---|---|----------------|--|--------------------|---|
| 1. L 17/11 DC Kesbawa | J. G. Badramali & two others | W. A. A. J. Rajapakshe & SDBL | Land (Loan Amount- Rs.500,000/-, Case No. 262, Present O/S-1,350,002.58 | Rs.7,000,000/- | 1 st Defendant dead. Steps to be taken by the Plaintiff for substitution. | - | Registered Attorney- Mr. Augusts Jayarathna |
| 2. 2440/M- DC Chilaw | H. R. K. Wijesundara | SANASA Development Bank PLC | Money | Rs.550,000/- | Further Trial (Cross examination of bank officer) | 04.01.2016 | Registered Attorney- Mr. M. A. T. Marasinghe |
| 3. SPL 252/11-DC Elpitiya | Diyakithulknda Society | 1. Kotmale Milk Food (Pvt) Ltd. 2.SDB PLC | Special | Rs.1,000,000/- | Trial | 10.02.2016 | Registered Attorney- Mr. N. Halpandeniya |

| | Case No: & Court | Plaintiff/s | Defendant/s | Nature of Litigation & Description Loan Amount- present O/S | Plaint Value | Present Status | Next date and Step | Law Firm/ Lawyer handling case |
|----|---|-------------------------|-----------------------------|---|-----------------|---|--------------------|--|
| 4. | HCCA/55/2008 Court of Appeal | A. V.Meththananda | SANASA Development Bank | Appeal | Rs.1,295,118/71 | Considering for a settlement | 12.01.2016 | M.S. Dahanayake |
| 5. | HCCA/MA/35/2 012 Court of Appeal | L. A. Nishantha | SANASA Development Bank PLC | Appeal | Rs.2,110,785/88 | Order pronounced in DC on 19.06.2015. Writ to be taken accordingly. | No date | Mr. I. H. Wipulasena |
| 6. | DSP 178/09- DC Kandy | D.H.G.S. Wijewardena | SANASA Development Bank PLC | Special | Rs.3.5 Mn | Further Trial (An officer from Accounts Division-Head Office will be summoned to give evidence on next date) | 04.12.2015 | Registered Attorney-A. M. Ganganatha Counsel-Mr. Samantha Ratwatte |

| Case No: & Court | Plaintiff/s | Defendant/s | Nature of Litigation & Description Loan Amount-present O/S | Plaint Value | Present Status | Next date and Step | Law Firm/ Lawyer handling case |
|--|------------------------|-------------------|---|--------------|---|--------------------|--------------------------------------|
| 7. WP/HCCA/col/2 37/10 (DMB0053/08) Battaramulla Branch | A.L.P.S. Abeydheera | SDB PLC | Mortgage Bond (Appeal) | - | Case was dismissed. | - | Mr. Augustus Jayarathne |
| 8. SP/HCCA/GA/1 59/2010 (Karapitiya/B) | SDB PLC | D. G. Ranjani | Money | Rs.95,000/- | Appeal briefs are not ready yet. | No date | Mr. N. Arumapperu ma |
| 9. 3413M - DC Ambalangoda | SDB PLC | P. K. M. De Silva | Money | Rs.50,000/- | The Case is in Appeal process and appeal briefs are not ready. | No date | S. M. P. Silva |

| Case No: & Court | Plaintiff/s | Defendant/s | Nature of Litigation & Description Loan Amount- present O/S | Plaint Value | Present Status | Next date and Step | Law Firm/ Lawyer handling case |
|------------------|----------------------|-------------|---|-----------------|---|------------------------------|---|
| 10. | DMR 496/15 | SDB PLC | Money | Rs. 6,000,000/- | -List of witnesses & documents to be filed on/before 25.11.2015 -First date of Trial | 25.11.2015 11.12.2015 | Mr. Augustus Jayarathne |
| 11. | HRC/TCO/102/1 4/3 | SDB PLC | Human Rights | - | Reply of the Bank was filed on 13.05.2015 | No date | - |
| 12. | MB 1935 DC-Matale | SDB PLC | Mortgage Bond (Petitions filed against the Decree) | - | Notice Returnable | 04.11.2015 | Mr. Manohara Koswatte (Registered Attorney) Mr. Saamantha Ratwatte (Counsel) |

| Case No: & Court | Plaintiff/s | Defendant/s | Nature of Litigation & Description Loan Amount-present O/S | Plaint Value | Present Status | Next date and Step | Law Firm/ Lawyer handling case |
|-------------------------------|--------------------------|------------------------|--|--------------|---|--------------------|--------------------------------------|
| 13. 6495/SPL DC Colombo | Dannyson Weerasooriya | SDB PLC & 09 others | Special Case filed against the Bank & Board of Directors | - | Case has been dismissed. Order to be pronounced in DC. | - | Samararatne Associates |

ANNEXURE VI - CONSENT LETTERS OF THE GUARANTORS



සමීපත් බැංකුව
சம்பத் வங்கி
SampathBank

WE PRESENT YOUR FUTURE

සමීපත් බැංකුව පී. ජේ. ඩී. සමානම් අංක - PQ 144, ප්‍රධාන කාර්යාලය, පො. 110, ට්‍රිකෝට් පේරිස් මාවත, කොළඹ 02, ශ්‍රී ලංකාව
சம்பத் வங்கி பிரைவட். நிறுவனம் இல - PQ 144, தலைமை அலுவலகம், இல. 110, சேர் ஜேம்ஸ் பீரிஸ் மாளிகை, கொழும்பு 02, இலங்கை
Sampath Bank PLC, Company No - PQ144, Head Office, No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka
දු.ක./தொ.பி/Tel: +94 (0) 11 4730 630, 2300 260, පිටිමල්/மின்னஞ்சல்/E-mail: mgr@oper.sampath.lk, වෙබ්/இணையத்தளம்/Web: www.sampath.lk

09 December 2015

Chief Executive Officer/General Manager
Sanasa Development Bank PLC
No. 12, Edmonton Road
Kirulapone
Colombo 06

Dear Sir

Letter of Consent for the Prospectus in connection with the Issue of Rated, Guaranteed, Redeemable Debentures of Sanasa Development Bank PLC

We, **Sampath Bank PLC**, hereby consent to the inclusion of our name in the Prospectus as a "Guarantor of the Issue", guaranteeing up to a maximum of Rupees Two Billion (LKR 2,000,000,000/-) principal sum and two interest payments in connection with the proposed issue of up to Forty Million (40,000,000) Rated, Guaranteed, Redeemable Debentures with a value up to Rupees Four Billion (LKR 4,000,000,000/-) of Sanasa Development Bank PLC.

We hereby declare that:

- Sampath Bank PLC has duly complied with all applicable regulatory requirements when offering the guarantee for the above mentioned debenture issue
- Sampath Bank PLC has no conflict of interest with Sanasa Development Bank PLC with regard to the above mentioned debenture issue
- Sampath Bank PLC will not withdraw the consent referred to above, prior to the delivery of a copy of the Prospectus for registration with the Registrar of Companies.

Yours faithfully


Dulsi Jayasinghe
Chief Manager - Corporate Finance



Cinnamon Gardens Branch
Seylan Bank PLC
No. 04, Baptist Chapel Road, Colombo 07, Sri Lanka.
Tel : (011)-2695214, 2694966, 2683426, 2683726
Fax : (011)-2697552 (Credit), (011)-2683725 (Operations)
E-mail: cinnamongardens.bmg@seylan.lk
cinnamongardens.abm@seylan.lk

Co. Reg. No. : PQ 9

Your ref :

Our ref :

ORIGINAL

01st December 2015

CGD/CRD/C/15/1517

Chief Executive Officer/General Manager
Sanasa Development Bank PLC
No. 12, Edmonton Road
Kirulapone
Colombo 06

Dear Sir,

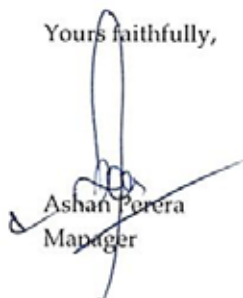
Letter of Consent for the Prospectus in connection with the Issue of Rated, Guaranteed, Redeemable Debentures of Sanasa Development Bank PLC

We, Seylan Bank PLC, hereby consent to the inclusion of our name in the Prospectus as a "Guarantor of the Issue", guaranteeing up to a maximum of Rupees Two Billion (LKR 2,000,000,000/-) principal sum and two interest payments in connection with the proposed issue of up to Forty Million (40,000,000) Rated, Guaranteed, Redeemable Debentures with a value up to Rupees Four Billion (LKR 4,000,000,000/-) of Sanasa Development Bank PLC.

We hereby declare that:

- Seylan Bank PLC has duly complied with all applicable regulatory requirements when offering the guarantee for the above mentioned debenture issue
- Seylan Bank PLC has no conflict of interest with Sanasa Development Bank PLC with regard to the above mentioned debenture issue
- Seylan Bank PLC will not withdraw the consent referred to above, prior to the delivery of a copy of the Prospectus for registration with the Registrar of Companies.

Yours faithfully,


Ashan Perera
Manager


Ranil Dissanayake
Area Manager (Metro)



SANASA Development Bank PLC

Leads the Nation

No. 12, Edmonton Road, Kirulapone, Colombo 06, Sri Lanka

Company Registration No. PB 62 PQ

Tel: +94 112 832 500 Fax: +94 112 514 245

Web: www.sdb.lk