

December 24, 2019

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block
World Trade Centre
Echelon Square
Colombo 01

Dear Sir,

SANASA DEVELOPMENT BANK PLC – THE DEBT RAISING VIA UNLISTED, SUBORDINATED, FIVE (5) YEAR TERM DEBT WHICH QUALIFIES AS TIER 2 CAPITAL OF SANASA DEVELOPMENT BANK PLC IN COMPLIANCE WITH THE CONDITIONS STIPULATED IN THE DIRECTION NO. 1 OF 2016 ON CAPITAL REQUIREMENTS UNDER BASEL III GUIDELINES PUBLISHED BY THE CENTRAL BANK OF SRI LANKA

SANASA Development Bank PLC (SDB or the Bank), as intimated to the shareholders through its Circular to the Shareholders dated October 14, 2019 and as approved by the shareholders at the Extraordinary General Meeting held on November 5, 2019, is pleased to inform that on December 24, 2019, the Bank successfully completed the fund raising of United States Dollars Eight Million (USD 8,000,000) from Belgian Investment Company for Developing Countries NV/SA (BIO) via the unlisted subordinated five (5) year term debt with a Non-Viability Conversion under Tier 2 capital of the Bank subject to complying with the conditions stipulated in the Banking Act Direction No. 1 of 2016 on Capital Requirements under BASEL III Guidelines (other than 20.2.3.1.1.1 (5) of the Web Based Return Code) published by the Central Bank of Sri Lanka (CBSL).

Accordingly, as per the loan agreement dated September 20, 2019 entered into by and between SDB and BIO, the said loan would be repaid at the end of five (5) years, i.e. on December 24, 2024 subject to the aforesaid conditions of CBSL.

By Order of the Board of
SANASA DEVELOPMENT BANK PLC



Tamarika Rodrigo
Company Secretary

Copy to: NDB Investment Bank Ltd, Financial Advisors and Managers to the Fund Raising