

Your ref :

Our ref : CSY/C/21/0106

March 5, 2021

COLOMBO STOCK EXCHANGE

Level 04-01 West Tower

World Trade Centre

Echelon Square

Colombo 01

Attn : Mr Renuke Wijayawardhane
Chief Regulatory Officer

Dear Sirs

PROPOSED PUBLIC ISSUE OF DEBENTURES BY SEYLAN BANK PLC ("THE BANK")

Further to our letter dated 27th November 2020 informing the Board's decision to review the market condition in the first quarter of 2021 and consider proceeding with the public issue of Senior Unsecured Listed Rated Redeemable Debentures and BASEL III compliant Tier II Listed Rated Unsecured Subordinated Redeemable Debentures with a Non- Viability Conversion, we wish to inform you that the Board of Directors of the Bank, by Resolution passed today, decided to proceed with the issue subject to certain changes to the type and quantum of debentures to be issued as described below, and subject to obtaining approval in principle of the Colombo Stock Exchange.

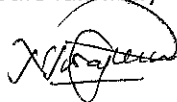
- (1) That the Bank raises a maximum sum of LKR 6.0 Billion (Rupees Six Billion) by way of a public issue, offering to qualified investors, sixty million fully paid Basel III compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures with a feature for Non-Viability Conversion to Ordinary Voting Shares by the Company ('Subordinated Debentures'). The Board has decided not to proceed with an offer of Senior Unsecured Listed Rated Redeemable Debentures.

The Bank proposes to initially raise fifty million Subordinated Debentures of LKR 100/- each amounting to LKR 5.0 Billion; with the option to issue further ten million Subordinated Debentures of LKR 100/- each amounting to LKR 1.0 Billion in the event of an oversubscription of such initial issue of fifty million Subordinated Debentures.

- (2) The maturity period of the Debentures will be five (05) years.
- (3) The interest coupon/rates as determined by the Board will be notified prior to the opening of the issue.

We further inform that approval of the shareholders was obtained for the issue of the said BASEL III compliant Debentures, at an Extraordinary General Meeting of the Bank held on 4th November 2020.

Yours faithfully



(Mrs) N N Najumudeen
Company Secretary