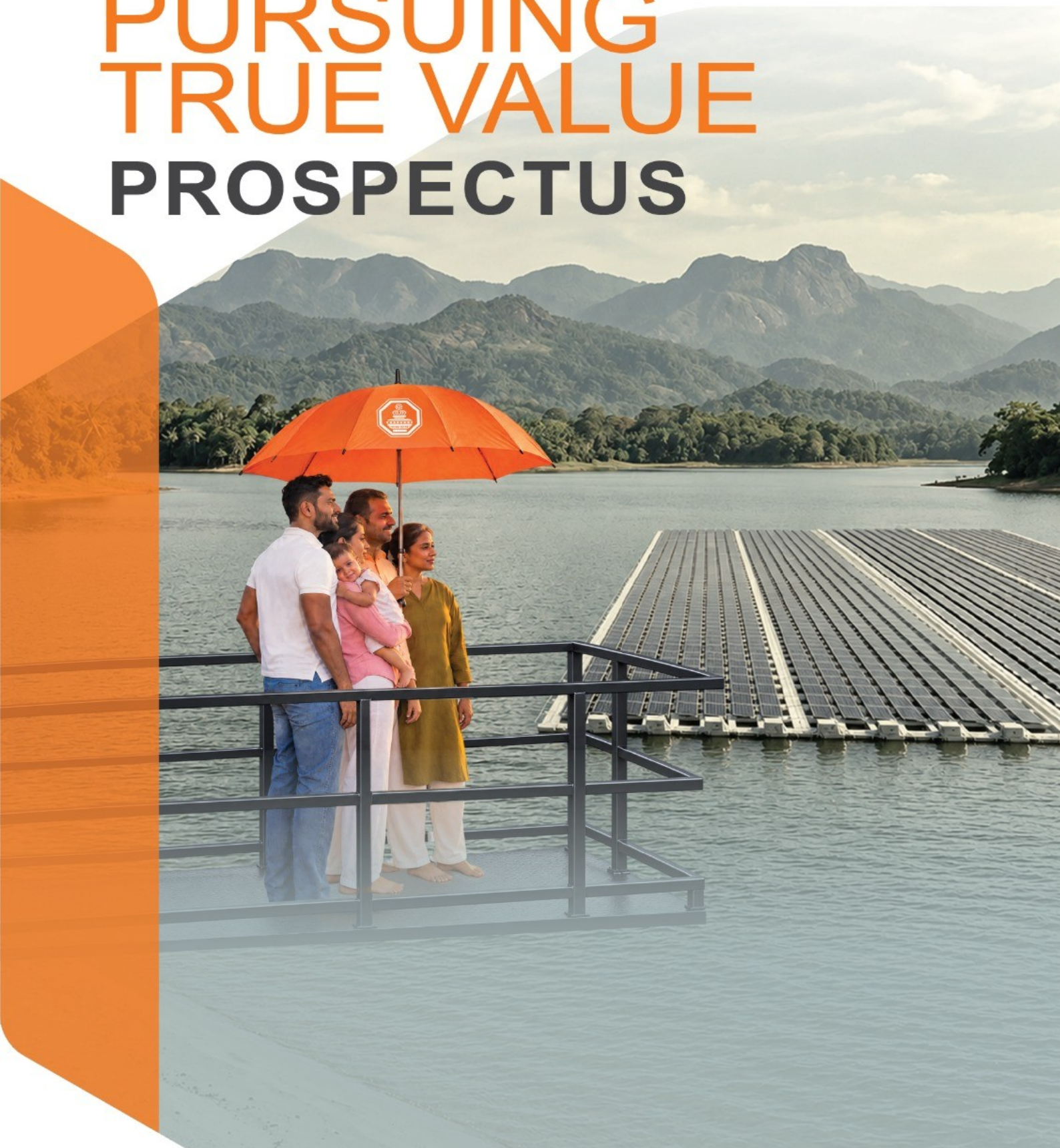
Sampath Bank
WE PRESENT YOUR FUTURE

SAMPATH BANK
DEBENTURE ISSUE 2026

PURSUING TRUE VALUE

PROSPECTUS



PROSPECTUS

AN INITIAL ISSUE BY SAMPATH BANK PLC OF UP TO SEVENTY MILLION (70,000,000) BASEL III COMPLIANT - TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE FIVE YEAR (2026/2031) AND SEVEN YEAR (2026/2033) DEBENTURES WITH A NON-VIABILITY CONVERSION FEATURE ("DEBENTURES"), OF THE PAR VALUE OF SRI LANKAN RUPEES ONE HUNDRED (LKR 100/-) EACH, TO RAISE UP TO A SUM OF SRI LANKAN RUPEES SEVEN BILLION (LKR 7,000,000,000/-), WITH AN OPTION TO ISSUE UP TO A FURTHER THIRTY MILLION (30,000,000) OF THE SAID DEBENTURES TO RAISE UP TO A FURTHER SUM OF SRI LANKAN RUPEES THREE BILLION (LKR 3,000,000,000/-), AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE, TO RAISE UP TO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES TEN BILLION (LKR 10,000,000,000/-)

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

Rated 'A(lka)' by Fitch Ratings Lanka Limited

ISSUE OPENS ON 20TH OCTOBER 2026

ISSUE IS LIMITED TO "QUALIFIED INVESTORS" ONLY AS DEFINED HEREIN

සම්පත් බැංකුව
சம்பத் வங்கி
Sampath Bank

Investor Relations
Managers to the Issue

CAL

Placement Agent

The delivery of this Prospectus shall 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 any material change in the affairs of the Bank occurs subsequent to the Prospectus date and before the Issue Opening, same will be notified by way of a market disclosure or an addendum as appropriate.

By acquiring any Debentures, each Debenture Holder irrevocably consents to the principal amount of the Debentures and any accrued and unpaid interest thereon being deemed paid in full by the issuance of ordinary voting shares upon occurrence of a Trigger Event and the resulting Non-Viability Conversion required to be effected by the Bank.

Upon a Non-Viability Conversion;

i) The Trustees shall not be required to take any further directions from holders/ beneficial owners of the Debentures under the Trust Deed;

ii) The Trust Deed shall impose no duties upon the Trustees whatsoever with respect to conversion of the Debentures into ordinary voting shares upon occurrence of a Trigger Event; and

iii) Upon the occurrence of a Trigger Event, each outstanding Debenture of this Issue will be converted, on a full and permanent basis.

We advise you to read the content of the Prospectus carefully prior to investment.

This investment instrument is riskier than a bank deposit.

These Debentures are complex products and have provision for loss absorption in the form of Non-Viability Conversion as set out in the Prospectus. This means that following the occurrence of a Trigger Event as may be determined by the Central Bank of Sri Lanka (CBSL), the Bank will convert the Debentures into ordinary voting shares. A Qualified Investor will deem to be paid in full the principal plus accrued and unpaid interest due on the Debentures, upon such conversion. The value of ordinary voting shares to be received on a Non-Viability Conversion may be worth significantly less than the par value of the Debentures and can be variable.

Please refer to the 'Risk Factors Section' of the Prospectus for further details.

Each potential Qualified Investor in these Debentures must determine the suitability of investment in these Debentures in light of its own circumstances. In particular, each potential Qualified Investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether the Qualified Investor:

i) Has sufficient knowledge and experience to make a meaningful evaluation of these Debentures, the merits and risks of investing in the Debentures and the information contained or incorporated by reference in this Prospectus;

ii) Has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation of the Qualified Investor, an investment in these Debentures and the impact that these Debentures will have on the overall investment portfolio of the Qualified Investor;

iii) Has sufficient financial resources and liquidity to bear all of the risks of an investment in these Debentures;

iv) Understands thoroughly the terms of these Debentures, including the provisions relating to the Non-Viability Conversion of the Debentures, and is familiar with the behavior of financial markets; and

v) Is able to evaluate possible scenarios for economic, interest rate and other factors that may affect the investment and the Qualified Investor's ability to bear the applicable risks.

A potential Qualified Investor should not invest in these Debentures unless the Qualified Investor has the expertise (either alone or with its financial and other professional advisers) to evaluate how these Debentures will perform under changing conditions, the resulting effects on the value of the Debentures and the impact, this investment will have on the potential Qualified Investor's overall investment portfolio.

PROSPECTUS

This Prospectus is dated 15th October 2026.

RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS

This Prospectus has been prepared with available information.

The Directors of Sampath Bank PLC (the Bank or the Issuer) collectively and individually, having made all reasonable enquiries confirm that to the best of their knowledge and belief, that this Prospectus contains all information with respect to the Bank, which is material in the context of the Issue; that the information contained herein is true and correct in all material respects and is not misleading; that there are no other material facts, the omission of which would, make any statement contained herein misleading; that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions.

Where representations regarding the future performance of the Bank have been given in this 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 their best judgment.

The Bank accepts responsibility for the information contained in this Prospectus. While the Bank has taken reasonable care to ensure full and fair disclosure of pertinent information, it does not assume responsibility for any investment decisions made by the Qualified Investors based on the information contained herein. In making such investment decisions, prospective Qualified Investors are advised to read the Prospectus and rely on their own examination and assessment of the Bank and the terms of the Debentures to be issued including the risks associated.

The Bank is bound by all applicable rules set out in the CSE Listing Rules.

FOR ENQUIRIES, PLEASE CONTACT MANAGERS TO THE ISSUE.

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, CSE assumes no responsibility for accuracy of the statements made, opinions expressed, reports included, omitted statements or undisclosed information in this Prospectus. Moreover, the CSE does not regulate the pricing of Debentures which is decided solely by the Issuer.

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. 07 of 2007 (as amended) ("Companies Act"). 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 External Auditors and Reporting Accountants to the Issue and to the Bank for the inclusion of their name in the Prospectus as External Auditors and Reporting Accountants to the Issue and to the Bank.
(b) The written consent of the Rating Agency to the Issue and to the Bank for the inclusion of their name in the Prospectus as Rating Agency to the Issue and to the Bank.
(c) The written consent of the Trustees to the Issue for the inclusion of their name in the Prospectus as Trustees 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 to the Bank for the inclusion of the name in the Prospectus as Company Secretary to the Bank.
(f) The written consent of the Managers to the Issue for the inclusion of their name in the Prospectus as Managers 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 Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
(i) The written consent of the Placement Agent to the Issue for the inclusion of their name in the Prospectus as Placement Agent to the Issue.
(j) A statutory declaration in terms of the Companies Act and the Listing Rules of the CSE, to the effect that each of the Directors of the Bank herein named as a Director, jointly and severally confirming that each of them has 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 External Auditors and Reporting Accountants to the Issue and to the Bank, Rating Agency to the Issue and to the Bank, Trustees to the Issue, Bankers to the Issue, Company Secretary to the Bank, Managers to the Issue, Registrars to the Issue, Lawyers to the Issue, Placement Agent to the Issue have not, before the delivery of a copy of the Prospectus for registration with the Registrar of Companies in Sri Lanka withdrawn such consent.

Submission of the Prospectus to the Securities and Exchange Commission of Sri Lanka or any Person Authorised by the Securities and Exchange Commission of Sri Lanka

The Bank has complied with the requirement to deliver a copy of the Prospectus in prior to the Securities and Exchange Commission of Sri Lanka or any person authorised by the Securities and Exchange Commission of Sri Lanka, as per Section 82(2) of the Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021.

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 Qualified Investors may be affected by the laws of the jurisdiction of their residence. Such Qualified 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, salesperson, individual or any other outside party has been authorized to give any information or to make any representation 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 authorized by the Bank.

Forward Looking Statements

Any Statements included in this Prospectus that are not statements of historical facts 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 risk 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, Qualified Investors are advised not to place sole reliance on such statements.

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 Lankan Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” is 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 numerical figures given under Section 7 of the Prospectus are audited figures unless otherwise stated.

IMPORTANT

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

In the event the name, address or National Identity Card (NIC) number/ passport number/ company registration number of the Qualified Investor mentioned in the Application Form differs from the name, address or NIC number/ passport number/ company registration number as per the CDS records, the name, address or NIC number/ passport number/ company registration number as per the CDS records will prevail and be considered as the name, address or NIC number/ passport number/ company registration number of such Qualified Investor. Therefore, Qualified Investors are advised to ensure that the name, address or NIC number/ passport number/ company registration number mentioned in the Application Form tally with the name, address or NIC number/ passport number/ company registration number given in the CDS account as mentioned in the Application Form.

As per the directive of the Securities and Exchange Commission of Sri Lanka 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 into the CDS. To facilitate compliance with this directive, all Qualified Investors are required to indicate their CDS account number in the Application Form.

In line with this directive, the Debentures allotted to a Qualified Investor will be directly deposited in the CDS account of such Qualified Investor, the details of which are indicated in their Application Form. 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. The Bank/ CDS/ Trading Participant of the CSE may require a Qualified Investor to provide such documentation as is reasonably necessary to satisfy itself that the investor is a Qualified Investor.

PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED. HOWEVER, PLEASE NOTE THAT UPON THE ALLOTMENT OF DEBENTURES UNDER THIS ISSUE, THE ALLOTTED DEBENTURES WOULD BE CREDITED TO THE APPLICANT'S CDS ACCOUNT INDICATED IN THE APPLICATION FORM.

Qualified Investors who wish to open a CDS account, may do so through a Trading Participant of the CSE as set out in Annexure I or through any Custodian Bank as set out in Annexure II of this Prospectus.

Issuer	**SAMPATH BANK PLC**
Instrument	BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year (2026/2031) and 7 Year (2026/2033) Debentures with a Non-Viability Conversion feature.
Listing	The Debentures will be listed on the CSE.
Number of Debentures to be Issued	An initial Issue of up to Seventy Million (70,000,000) BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year (2026/2031) and 7 Year (2026/2033) Debentures with a Non-Viability Conversion feature, of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, with an option to issue up to a further Thirty Million (30,000,000) of the said Debentures at the discretion of the Bank in the event of an oversubscription of the initial Issue to raise up to a maximum of One Hundred Million (100,000,000) of said Debentures in total.
Amount to be Raised	An initial sum of up to Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/-) with an option to increase the said sum by up to a further Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-), at the discretion of the Bank in the event of an oversubscription of the initial Issue, to raise up to a maximum amount of Sri Lankan Rupees Ten Billion (LKR 10,000,000,000/-).
Issuer Rating	'AA-(lka)/Stable' by Fitch Ratings Lanka Limited
Instrument Rating	'A(lka)' by Fitch Ratings Lanka Limited

<table>
<tr><td>Trading Currency in which the Debentures are to be Listed and Traded on the CSE</td><td>Sri Lankan Rupees</td></tr>
<tr><td>Issue Price/ Par Value</td><td>Sri Lankan Rupees One Hundred (LKR100/-) per Debenture</td></tr>
<tr><td>Tenor</td><td>Type A: 5 Year (2026/2031)
Type B: 7 Year (2026/2033)</td></tr>
<tr><td>Interest Rates</td><td>BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable Debentures with a Non-Viability Conversion feature, as described below.
<table>
<tr><th>Type</th><th>Type of Interest</th><th>Tenor</th><th>Interest Rate (per annum)</th><th>Annual Effective Rate (AER)</th><th>Interest Payment Frequency</th></tr>
<tr><td>Type A</td><td>Fixed Rate</td><td>5 years</td><td>12.80%</td><td>12.80%</td><td>Annual</td></tr>
<tr><td>Type B</td><td>Fixed Rate</td><td>7 years</td><td>13.00%</td><td>13.00%</td><td>Annual</td></tr>
</table></td></tr>
<tr><td>Minimum Subscription</td><td>The minimum subscription requirement applicable for a Qualified Investor other than individual Qualified Investors applying for Debentures shall be Sri Lankan Rupees Ten Thousand (LKR 10,000/-).

Provided however, the minimum subscription requirement applicable for an individual Qualified Investor applying for debt securities as prescribed in the CSE Listing Rules (the current minimum subscription requirement applicable for an Individual Qualified Investor is Sri Lankan Rupees Five Million (LKR 5,000,000/-); however, the applicable minimum subscription requirement shall be as prescribed under the CSE Listing Rules in force as of the Issue Opening Date).

Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lankan Rupees Ten Thousand (LKR 10,000/-).</td></tr>
<tr><td>Interest Payment Date(s)</td><td>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be Twelve (12) months from the Date of Allotment and every Twelve (12) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.

Interest would be paid not later than Three (03) Working Days from each Interest Payment Date.

The final interest payment will be paid together with the Principal Sum within Three (03) Working Days from the Date of Redemption.</td></tr>
<tr><td>Interest Period</td><td>The Twelve (12) month period from a particular Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from 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).</td></tr>
<tr><td>Mode of Payment of Principal Sum and Interest</td><td>Through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS (Sri Lanka Interbank Payments System) transfers and RTGS (Real Time Gross Settlement System) transfers where accurate bank account details are provided by the Debenture Holders subject to the prevalent limitation with regard to SLIPS transfers and RTGS transfers or where the bank account details are not provided to the CDS or the details being inaccurate, by crossed cheque marked “Account Payee Only”, at the risk of the Debenture Holders.</td></tr>
<tr><td>Issue Opening Date</td><td>20th October 2026 (However, Applications may be submitted forthwith)</td></tr>
</table>

Date of Redemption	The date on which redemption of the Debentures will take place as referred to in Section 5.7 of the Prospectus.
Closure Date of the Subscription List	Subject to the provisions contained below, the Subscription List for the Debentures pursuant to this Prospectus will open at 9.30 a.m. on 20th October 2026 and will remain open for Fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 06th November 2026. However, the Subscription List will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following. (a) The maximum of One Hundred Million (100,000,000) Debentures being fully subscribed; or (b) The Board of Directors of the Bank decides to close the Issue upon the initial Issue of Seventy Million (70,000,000) Debentures becoming fully subscribed. In the event the Board of Directors of the Bank decides to exercise the option to further issue up to Thirty Million (30,000,000) Debentures (having subscribed the initial Issue of Seventy Million (70,000,000) Debentures) but subsequently decides to close the Subscription List upon part of the further Issue of Thirty Million (30,000,000) 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 at 4.30 p.m. on the following Market Day. In the event the Board of Directors of the Bank decides to close the Debenture Issue without the full subscription of the initial Issue of Seventy Million (70,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made, and the Subscription List will be closed at 4.30 p.m. on the following Market Day.
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 Directors of the Bank will endeavor to decide the basis of allotment of the Debentures in a fair and equitable manner as soon as practicable so as to ensure compliance with the CSE Listing Rules and will be announced to the CSE within Seven (07) Market Days from the closure of the Issue. The Board of Directors, however, shall reserve the right to allocate up to a maximum of 80% of the number of Debentures to be allotted under this Prospectus on a preferential basis, to identified Qualified Investor/s of strategic importance to the Bank. Number of Debentures to be allotted to identified Qualified Investor/s of strategic importance, on a preferential basis or otherwise will not exceed 80% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under-subscription from the other Qualified Investors (Qualified Investors that do not fall under preferential category). In the event of such under-subscription from the other Qualified Investors, such other investor category to be allotted in full and any remaining Debentures to be allotted to identified Qualified Investor/s of strategic importance. Further, the Bank will allot the remaining number of Debentures (excluding the preferential allotment of 80%), in a fair and equitable manner among other Qualified Investors.
Trigger Event	Means the earlier of a point or event at which the Governing Board of the CBSL in terms of item 10 (iii)(a) and (b) of Web Based Return Code 20.2.3.1.1.1 of the Banking Act Directions No. 01 of 2016 dated 29th December 2016 (as may be amended from time to time) determines: (a) that the Bank would become non-viable without a write down in terms of item 10(iii)(a) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions; or (b) to make a public sector injection of capital or equivalent support, without which the Bank would have become non-viable in terms of Item 10(iii)(b) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions.

Non-Viability Conversion	In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Governing Board of CBSL, there would be a conversion of Debentures to ordinary voting shares, by the Bank without any requirement of approval by the Debenture Holders, in compliance with BASEL III requirements. Upon the occurrence of a Trigger Event, the outstanding balance of the Debentures including the total par value of the Debentures plus Debenture Interest accrued and unpaid (if any) as at that date will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.
Conversion Price	The price based on the simple average of the daily Volume Weighted Average Price of an ordinary voting share of the Bank during the Three (03) months period, immediately preceding the date of the Trigger Event.
Volume Weighted Average Price (VWAP)	The daily VWAP of an ordinary voting share as published by the CSE.

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1.0 CORPORATE INFORMATION

ISSUER	**Sampath Bank PLC**
LEGAL FORM	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 CSE on 10th June 1987. Re-registered on 28th April 2008 under the Companies Act No.07 of 2007 (as amended). It operates as a licensed commercial bank under the Banking Act No. 30 of 1988 (as amended).
COMPANY REGISTRATION NO.	PQ 144
PLACE OF INCORPORATION	Colombo, Sri Lanka.
REGISTERED OFFICE	**Sampath Bank PLC** No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka. Tel: +94-11 2 303 050 +94-11 2 016 000 +94-11 4 730 630 Fax: +94-11 2 303 085
COMPANY SECRETARY	**Mr. Lasantha Senaratne** Company Secretary Sampath Bank PLC No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka. Tel: +94-11 4 730 652 +94-11 4 730 420 +94-11 4 730 548 Fax: +94-11 2 300 924
RATING AGENCY	**Fitch Ratings Lanka Limited** No.15-04, East Tower, World Trade Centre, Colombo 01, Sri Lanka. Tel: +94-11 2 541 900 Fax: +94-11 2 541 903
AUDITORS	**KPMG Sri Lanka** Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3, Sri Lanka. Tel: +94 11 5426 426 Fax: +94 11 2445 872
BOARD OF DIRECTORS	**Mr. Harsha Amarasekera** - **Chairman** (*Non-Executive / Independent Director*) **Mr. Sanjaya Gunawardana** - (*Managing Director / Chief Executive Officer*) **Mr. Dilip de S Wijeyeratne** - **Deputy Chairman** (*Non-Executive / Independent Director*) **Ms. Aroshi Nanayakkara** - (*Non-Executive / Independent Director*) **Mr. Vajira Kulatilaka** - (*Non-Executive / Independent Director*) **Mrs. Keshini Jayawardena** - (*Non-Executive / Independent Director*) **Mr. Vinod Hirdaramani** - (*Non-Executive / Independent Director*) **Mr. Hiran Cabraal** - (*Non-Executive / Independent Director*) **Mr. Roger Keith Modder** - *(Non-Executive / Independent Director)* **Mr. Dilshan Hettiaratchi** – *(Non-Executive / Independent Director)* **Mr. Ajantha de Vas Gunasekara** - (*Executive Director / Chief Financial Officer*)

2.0 RELEVANT PARTIES TO THE ISSUE

MANAGERS TO THE ISSUE	**Investor Relations Department** **Sampath Bank PLC** No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka. Tel: +94-11 4 416 963, +94-11 4 416 809, +94-11 4 416 874, +94-11 4 417 978, +94-11 4 416 100 Fax: +94-11 4 712 016
LAWYERS TO THE ISSUE	**Messrs Nithya Partners** Attorneys at Law No. 97A, Galle Road, Colombo 03, Sri Lanka. Tel: +94-11 4 712 625, +94-11 4 712 628, +94-11 2 335 908 Fax: +94-11 2 328 817
REGISTRARS TO THE ISSUE	**Central Depository Systems (Pvt) Limited** Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya, Sri Lanka. Tel: +94-11 2 356 444 Fax: +94-11 2 440 396
BANKERS TO THE ISSUE	**Securities Services Department** **Sampath Bank PLC** No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka. Tel: +94-11 4 416 610 Fax: +94-11 4 712 016
RATING AGENCY TO THE ISSUE	**Fitch Ratings Lanka Limited** No.15-04, East Tower, World Trade Centre, Colombo 01, Sri Lanka. Tel: +94-11 2 541 900 Fax: +94-11 2 541 903
TRUSTEES TO THE ISSUE	**Bank of Ceylon** 11th Floor, Head Office BOC Square, No.1, Bank of Ceylon Mawatha, Colombo 01, Sri Lanka Tel: +94-11 2 448 348 Fax: +94-11 2 394 311
COMPANY SECRETARY	**Mr. Lasantha Senaratne** Company Secretary Sampath Bank PLC No. 110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka. Tel: +94-11 4 730 652, +94-11 4 730 548, +94-11 4 730 420 Fax: +94-11 2 300 924
AUDITORS AND REPORTING ACCOUNTANTS TO THE ISSUE	**KPMG Sri Lanka** Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 3, Sri Lanka. Tel: +94- 11 5426 426 Fax: +94- 11 2445 872
PLACEMENT AGENT TO THE ISSUE	**Capital Alliance Partners Limited** 6th Floor, M2M Veranda Offices, No. 34, W. A. D. Ramanayake Mawatha, Colombo 02, Sri Lanka. Tel: +94-11 2 317 777 Fax: +94-11 2 317 788

3.0 LIST OF ABBREVIATIONS

AER	Annual Effective Rate
AWPLR	Average Weighted Prime Lending Rate
Bn	Billion
CAR	Capital Adequacy Ratio
CBSL	Central Bank of Sri Lanka
CCB	Capital Conservation Buffer
CDS	Central Depository Systems (Pvt) Limited
CEFTS	Common Electronic Fund Transfer Switch
CSE	Colombo Stock Exchange
D-SIB	Domestic Systemically Important Bank
FATCA	Foreign Account Tax Compliance Act
IIA	Inward Investment Account
Mn	Million
NIC	National Identity Card
POA	Power of Attorney
Rs./ LKR	Sri Lankan Rupee
RTGS	Real Time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
SLIPS	Sri Lanka Inter Bank Payment System
VWAP	Volume Weighted Average Price

4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant/(s)	Any Qualified Investor(s) 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.
Bank/ Issuer/ Company	Sampath Bank PLC
BASEL III	A Global Regulatory Framework for More Resilient Banks and Banking System, issued by the BASEL Committee on Banking Supervision of the Bank for International Settlements in December 2010 (Revised in June 2011).
Debenture Holder(s)	Any Qualified Investor(s), who is for the time being the holder of Type A Debentures and/ or Type B Debentures issued by the Bank and includes his/ her/ respective heirs, executors, administrators or successors in title, as the case may be.
Debentures	BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year (2026/2031) and 7 Year (2026/2033) Debentures with a Non-Viability Conversion feature, to be issued pursuant to this Prospectus.
Closure Date of the Subscription List	Subject to the provisions contained below, the Subscription List for the Debentures pursuant to this Prospectus will open at 9.30 a.m. on 20th October 2026 and will remain open for Fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 06th November 2026. However, the Subscription List will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following: (a) The maximum of One Hundred Million (100,000,000) Debentures being fully subscribed; or (b) The Board of Directors of the Bank decides to close the Issue upon the initial Issue of Seventy Million (70,000,000) Debentures becoming fully subscribed. In the event the Board of Directors of the Bank decides to exercise the option to further issue up to Thirty Million (30,000,000) Debentures (having subscribed the initial Issue of Seventy Million (70,000,000) Debentures) but subsequently decides to close the Subscription List upon part of the further Issue of Thirty Million (30,000,000) 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 at 4.30 p.m. on the following Market Day. In the event the Board of Directors of the Bank decides to close the Debenture Issue without the full subscription of the initial Issue of Seventy Million (70,000,000) Debentures such decision is to be notified to the CSE on the day such decision is made, and the Subscription List will be closed at 4.30 p.m. on the following Market Day.
Conversion Price	The price based on the simple average of the daily VWAP of an ordinary voting share of the Bank during the Three (03) months period, immediately preceding the date of the Trigger Event.
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 the Prospectus.
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, in the event a Trigger Event does not occur.

Interest Payment Date(s)	The dates on which payment of interest in respect of the Debentures shall fall due, which shall be Twelve (12) months from the Date of Allotment and every Twelve (12) months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid not later than Three (03) Working Days from each Interest Payment Date. The final interest payment will be paid together with the Principal Sum within Three (03) Working Days from the Date of Redemption.
Interest Period	The Twelve (12) month period from a particular Interest Payment Date and ending on the date immediately preceding the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the date immediately preceding the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from 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/ Bond Issue	The offer of Debentures to Qualified Investors pursuant to this Prospectus.
Issue Price/ Par Value	Sri Lankan Rupees One Hundred (LKR 100/-) per Debenture.
Market Day	Any day on which trading takes place at the CSE.
Non-Resident(s)	Any person resident outside Sri Lanka including country funds, regional funds, investment funds and mutual funds established outside Sri Lanka and shall include Non-Resident institutional investors.
Non-Viability Conversion	In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Governing Board of CBSL, there would be a conversion of Debentures to ordinary voting shares, by the Bank without any requirement of approval by the Debenture Holders, in compliance with BASEL III requirements. Upon the occurrence of a Trigger Event, the outstanding balance of the Debentures including the total par value of the Debentures plus Debenture Interest accrued and unpaid (if any) as at that date will be permanently converted to ordinary voting shares at the Conversion Price. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.
Principal Sum	The product of the number of Debentures allotted and the par value.
Prospectus	This Prospectus dated 15th October 2026 issued by Sampath Bank PLC.
Qualified Investors	As per the CSE Listing Rules Section 2.2.1 (q) (which is to be read together with the Definition Section of the CSE Listing Rules) the Qualified Investors shall include; (a) A commercial bank licensed by the CBSL in terms of the Banking Act No. 30 of 1988 (as amended); (b) A specialized bank licensed by the CBSL in terms of the Banking Act No. 30 of 1988 (as amended); (c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund; (d) A venture capital fund/ company and private equity company; (e) A finance company licensed by the CBSL in terms of the Finance Business Act No. 42 of 2011 (as amended); (f) A company licensed by the CBSL to carry on finance leasing business under the Finance Leasing Act No. 56 of 2000 (as amended); (g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act No. 43 of 2000 (as amended);

	(h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 07 of 2007; (i) An investment trust or investment company; (j) A non-resident institutional investor; and, (k) An individual with a minimum initial investment as prescribed in CSE Listing Rules (as amended).
Redemption	Repayment of the Principal Sum and Debenture Interest unpaid and accrued (if any) to Debenture Holders, by the Bank.
Subordinated	Means the claims of the Debenture Holders shall in the event of winding up of the Bank rank after all the claims of secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank, but shall rank *pari passu* with other BASEL III Compliant green bond holders and BASEL III Compliant debenture holders and in priority to and over the claims and rights of the shareholders of the Bank **unless there has been an issuance of ordinary voting shares to the Debenture Holders upon the occurrence of a Trigger Event in which event a Debenture Holder would cease to be a Debenture Holder and becomes a shareholder of the Bank to the extent of such issuance and will rank equal and *pari passu* with existing ordinary voting shareholders.**
Tier 2	Tier 2 Capital includes the revaluation reserve approved by CBSL, 100% of Stage 1 and 50% of Stage 2 impairment provisions (subject to a maximum of 1.25% of risk-weighted assets on credit risk exposure of the Bank), and subordinated debt securities approved by CBSL.
Trigger Event	Means the earlier of a point or event at which the Governing Board of the CBSL in terms of item 10 (iii)(a) and (b) of Web Based Return Code 20.2.3.1.1.1 of the Banking Act Directions No. 01 of 2016 dated 29th December 2016 (as may be amended from time to time) determines: (a) that the Bank would become non-viable, without a write down in terms of item 10(iii)(a) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions; or (b) to make a public sector injection of capital or equivalent support without which the Bank would have become non-viable in terms of Item 10(iii)(b) of the Web Based Return Code 20.2.3.1.1.1 of the said Directions.
Trust Deed	Trust Deed executed between the Bank and Bank of Ceylon on 08th October 2026.
Trustee	Means Bank of Ceylon, a Banking Corporation duly established under the Bank of Ceylon Ordinance (Cap.397) and its successors or permitted assigns.
Unsecured	Repayment of the Principal Sum and payment of interest on the Debentures are not secured by a charge on any asset of the Issuer.
Volume Weighted Average Price (VWAP)	The daily Volume Weighted Average Price (VWAP) of an ordinary voting share as published by the CSE.
Working Day	Any day (other than a Saturday, Sunday, any statutory or bank holiday) on which the licensed commercial banks are open for general business in Sri Lanka.

5.0 PRINCIPAL FEATURES RELATING TO THE ISSUE

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Sampath Bank PLC (hereinafter referred to as the "Board") by the resolution passed at the Board meeting held on 12th August 2026, resolved to raise a sum of up to Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/-) from Qualified Investors by an initial Issue of up to Seventy Million (70,000,000) Debentures, of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, with an option to increase the said sum by up to a further Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-) by an issue of a further Thirty Million (30,000,000) of the said Debentures, at the discretion of the Bank in the event of an oversubscription of the initial Issue.

As such a maximum amount of Sri Lankan Rupees Ten Billion (LKR 10,000,000,000/-) would be raised by the issuance of a maximum of One Hundred Million (100,000,000) Debentures, of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each.

The Bank hereby invites Qualified Investors to make Applications for the Debentures (i.e. Type A and Type B) which shall rank equal and *pari passu* with each other, apart from interest rate and tenor without any preference or priority of any one over the others (Please refer Sections 5.3 and 5.5 for further details regarding the Debentures).

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 after all claims of secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank, but shall rank *pari passu* with other BASEL III Compliant debenture holders and BASEL III Compliant green bond holders, and in priority to and over the claims and rights of the shareholders of the Bank, regardless of whether these shares are listed or unlisted. However, if there has been an issuance of ordinary voting shares to the Debenture Holders upon the occurrence of a Trigger Event a Debenture Holder would cease to be a Debenture Holder and becomes a shareholder of the Bank to the extent of such issuance and will rank equal and *pari passu* with existing ordinary voting shareholders.

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 and any ordinary voting shares which would be issued upon the occurrence of a Trigger Event (if any) on the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3(b) of the CSE Listing Rules.

As set out in Rule 2.2.1 (k) and Rule 2.2.1 (q) of the CSE Listing Rules and which are to be read together with the Definition Section of CSE Listing Rules, only Qualified Investors would be eligible to invest in these Debentures. Further, as set out in Rule 3.3.5 (ii) (a) (ii) of the CSE Listing Rules, the secondary trading of these Debentures shall also be limited to Qualified Investors. Accordingly, the primary and secondary market investments of the Debentures are limited to the Qualified Investors.

5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the Subscription List for the Debentures pursuant to this Prospectus will open at 9.30 a.m. on 20th October 2026 and will remain open for Fourteen (14) Market Days including the Issue Opening Date until closure at 4.30 p.m. on 06th November 2026.

However, the Subscription List will be closed on an earlier date at 4.30 p.m. with notification to the CSE on the occurrence of the following:

(a) The maximum of One Hundred Million (100,000,000) Debentures being fully subscribed; or
(b) The Board of Directors of the Bank decides to close the Issue upon the initial Issue of Seventy Million (70,000,000) Debentures becoming fully subscribed.

In the event the Board of Directors of the Bank decides to exercise the option to further issue up to Thirty Million (30,000,000) Debentures (having subscribed the initial Issue of Seventy Million (70,000,000) Debentures) but subsequently decides to close the Subscription List upon part of further Issue of Thirty Million (30,000,000) 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 at 4.30 p.m. on the following Market Day.

In the event the Board of Directors of the Bank decides to close the Debenture Issue without the full subscription of the initial Issue of Seventy Million (70,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made and the Subscription List will be closed at 4.30 p.m. on the following Market Day.

5.3 TYPES OF DEBENTURES

The Debenture Issue comprises Debentures of Type A, and Type B that will carry rates of interest as described below:

Debenture Type	Type of Interest	Tenor	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed Rate	5 years	12.80%	12.80%	Annual
Type B	Fixed Rate	7 years	13.00%	13.00%	Annual

Each of the Type A and Type B Debentures shall rank equal and *pari passu* other than with respect to the rate of interest and tenor.

5.4 OBJECTIVES OF THE ISSUE AND SPECIFIC RISKS RELATING TO THE OBJECTIVES OF THE DEBENTURE ISSUE

The Bank proposes to utilize the entirety of the funds raised through this Issue for the purpose of achieving the following objectives;

a. To supplement the Tier 2 Capital Base thus to maintain the Capital Adequacy Ratio of the Bank at the current levels in line with the BASEL III guidelines.

The Bank intends to utilize the funds raised through the Debenture Issue to further strengthen its Tier 2 Capital Base. The subordinated nature and medium to long term tenor of the Debentures, issued in compliance with the requirements under BASEL III and incorporating a Non-Viability Conversion feature, will qualify these Debentures as Tier 2 Capital, subject to the approval of the CBSL. This will enable the Bank to recognize the proceeds of the Debenture Issue as Tier 2 Capital and thereby maintaining the Capital Adequacy Ratio (CAR) at the current levels in accordance with BASEL III requirements, while achieving the intended growth in the loan portfolio.

The Bank will obtain the approval of the Governing Board of the CBSL to include the proceeds of the Debenture Issue in the Tier 2 Capital of the Bank's CAR computations, upon completion of the issuance process. Furthermore, all requisite approvals from the CSE have been obtained.

Current Total Capital Adequacy Ratio of the Bank and effect of the proposed Debenture Issue on the Total Capital Adequacy Ratio

Total Capital Adequacy Ratio of the Bank as at 30th June 2026 (Based on the audited profit)		15.62%
Minimum Total Capital Adequacy Ratio to be maintained as at 30th June 2026 as per the Banking Act Direction No. 01 of 2016 (as amended)		13.5%
Total Capital Adequacy Ratio as at 30th June 2026, adjusted to reflect Green Bond proceeds of LKR 10 Bn issued on 28th July 2026*		16.46%
Total Capital Adequacy Ratio as at 30th June 2026, adjusted to reflect the Green Bond proceeds and the proposed Debenture Issue*	Proposed Debenture proceeds of LKR 7 Bn	17.05%
	Proposed Debenture proceeds of LKR 10 Bn	17.31%

* The adjusted Total Capital Adequacy Ratios are based on the Bank's position as at 30th June 2026, and reflect only the inclusion of the Green Bonds issued on 28th July 2026 and the proposed Debenture Issue. No adjustments have been made for any other changes in capital or risk-weighted assets occurring after 30th June 2026.

The minimum Capital Adequacy requirements under BASEL III are as follows;

Components of Capital	Minimum Regulatory Requirements	Actual position as at 30th June 2026 (Based on the audited profit)
Common Equity Tier 1 Capital Ratio with Buffers (CCB and Capital Surcharge on D-SIBs)	8.0%	13.21%
Total Tier 1 Capital Ratio with Buffers (CCB and Capital Surcharge on D-SIBs)	9.5%	13.21%
Total Capital Adequacy Ratio (Tier 1 + Tier 2) with Buffers (CCB and Capital Surcharge on D-SIBs)	13.5%	15.62%

CCB: Capital Conservation Buffer

The Bank obtained shareholder approval by way of a special resolution at the Annual General Meeting (AGM) held on 30th March 2026 for the issuance of ordinary voting shares in the event of a Non-Viability Conversion upon the occurrence of a Trigger Event, and the waiver of pre-emptive rights relating to such issuance. In addition, in terms of Rule 2.2.1(p) of the CSE Listing Rules, the Bank obtained shareholder approval by way of a special resolution at the same AGM for the issuance of the Debentures.

While the Bank currently maintains a CAR above the minimum regulatory requirement, the rationale for issuing a fresh Debenture is to strengthen the Bank's capital position to support the expansion of its loan portfolio. As a result of the growth in the Bank's loan portfolio, its CAR has gradually declined in recent years and is expected to decline further by 31st December 2026. Accordingly, the CAR is not expected to remain as high as 17.31% by 31st December 2026. Therefore, the Bank considers it prudent to maintain its CAR at a level comfortably above the minimum regulatory requirement to support the anticipated growth of its loan portfolio.

b. To expand the loan portfolio of the Bank.

The Bank intends to fully utilize the funds raised through the Debenture Issue to expand its loans and advances portfolio through a range of lending products in the ordinary course of business.

Based on the Bank's historical lending growth, the Bank is confident that the funds raised through the Issue will be fully utilized for the stated purpose within a period of Twelve (12) months. The monthly average gross loan disbursements (excluding overdrafts and short-term revolving loans) during the quarter ended 30th June 2026 amounted to approximately LKR 40.42 Bn (unaudited).

Any lending to related parties will be undertaken in compliance with all applicable statutes, directions, and regulations. As at the date of this Prospectus, the Bank has not identified any related parties to whom the proceeds of the Issue are intended to be lent. Accordingly, the proceeds of the Issue will be disbursed in the ordinary course of business. However, in the event that funds are lent to related parties in the future, such lending will be carried out in accordance with Section 9 of the CSE Listing Rules and Section 47 of the Banking Act No. 30 of 1988 (as amended). Please refer to Section 8.2 for the composition of the Related Party Transactions Review Committee as at the date of this Prospectus.

The proposed Debenture Issuance and the objectives of the Issue do not fall within the definition of a Major Transaction in terms of Section 185 of the Companies Act No. 07 of 2007 (as amended).

Specific Risk Relating to Objectives of the Debenture Issue

Dependence on the proceeds of the Debenture Issue to support the expansion of the Bank's loan portfolio is limited, as the Bank has access to multiple sources of funding in the ordinary course of business, including various forms of deposits and borrowings. However, the Bank's inability to strengthen its Tier 2 Capital as planned through the proposed Debenture Issue may, to some extent, constrain the potential expansion of its loan portfolio.

The risk of under-subscription of the Debenture Issue will be substantially mitigated through the appointment of experienced Placement Agent to the Issue, supported by pre-marketing initiatives and the development of a pipeline of prospective Qualified Investors.

Risk of either not being able to invest the funds within the specified timeline to achieve the specific objectives or to invest the funds raised in the specific objectives subsequent to raising funds

As the proposed Debenture Issue possesses all the characteristics required to qualify as Tier 2 Capital and does not exceed the maximum thresholds permitted for Tier 2 Capital under applicable regulations, the Bank does not foresee any risk of not being able to obtain the approval of the Governing Board of the CBSL to recognize the proceeds of the Debenture Issue as Tier 2 Capital. Accordingly, upon completion of the Debenture Issue, the Bank will submit a request to the Governing Board of the CBSL seeking approval to include the proceeds of the Issue in Tier 2 Capital and, upon receipt of such approval, will recognize the proceeds accordingly.

However, there is no assurance that the CBSL will approve the inclusion of the Debenture proceeds as Tier 2 Capital. If such approval is not obtained, the Debentures will not qualify as Tier 2 Capital and may be treated as subordinated unsecured borrowings for accounting and regulatory purposes, unless such approval is granted by the CBSL on a later date.

The Bank's loans and advances portfolio recorded a growth of Sri Lanka Rupees Two Hundred and Twenty Six Billion (LKR 226 Bn) (audited) during the period ended 30th June 2026. Accordingly, based on the Bank's recent performance, the Bank does not anticipate any specific risk factors that may prevent it from achieving its objective of expanding the loans and advances portfolio within the stipulated timeframe.

Process to be followed by the Bank if any of the above risks get materialized and if so whether any approvals are required and the disclosures to be made until the Objectives of the Debenture Issue are achieved

In the event of an under-subscription and where it becomes necessary to issue a further BASEL III Compliant - Tier 2 Debenture, the Bank will assess market conditions and launch such an issuance at the most opportune time to strengthen its Tier 2 Capital by capitalizing on prevailing market conditions. Alternatively, the Bank may explore other measures available to strengthen its CAR, depending on the severity of its capital requirements, including the raising of Tier 1 Capital and the issuance of scrip dividends, if market conditions are not conducive to raising Tier 2 Capital. Furthermore, the retention of future earnings is expected to strengthen the Bank's capital position to a certain extent. Should none of the foregoing options be feasible due to prevailing circumstances, the Bank may opt to moderate or curtail the growth of its loans and advances portfolio until market conditions become favourable for further capital raising.

It is expected that the proceeds of the Debenture Issue will be fully allocated within a period of Twelve (12) months from the Date of Allotment. In the highly unlikely event that the Bank is unable to allocate the proceeds within this timeframe due to unforeseen circumstances, the unutilized funds will, until deployment, be temporarily invested in Sri Lanka Government Securities at prevailing market rates. As at the date of this Prospectus, the yield on the 182-day Treasury Bill stood at 9.50%, while the yield on the 364-day Treasury Bill stood at 10.00%.

Utilization of Debenture Proceeds

The utilization of the proceeds from the Debenture Issue will be disclosed in the interim financial statements and the annual reports of the Bank from the allotment date until the objectives of the Debenture Issue with respect to the utilization of the proceeds are achieved. The disclosure would contain the information as per following template:

Debenture Issue Proceeds Utilization as at (dd-mm-yyyy)

Objective No. (Include sub objectives also)	Objective/s as per Circular/ Prospectus	Amount allocated as per Circular/Prospectus in LKR	Proposed Date of Utilization as per Circular/ Prospectus	Amount allocated upon the receipt of proceeds in LKR (A)	As a % of Total Proceeds	Amount Utilized in the objective/ sub objective in LKR (B)	% of Utilization against allocation (B/A)	Clarification if not fully utilized (Where the funds are deposited in a bank account/ lent to a related party/ any other investment etc.)	Objective Deviation from Circular/ Prospectus (Yes/No)	Objective deviation informed to the market as per Appendix 8A	Details of deviation	Board Approval Date for the deviation in objective/ Confirmation of full utilization of funds by Board (Board resolution extract to be submitted)
1	To supplement the Tier 2 Capital Base thus, to maintain the CAR of the Bank at the current levels.	Maximum issue of LKR 10.0 Bn	Upon CBSL Approval is obtained to include the amount raised via the Debenture Issuance under Tier 2 Capital Base.		To be disclosed in the Annual Report and the Interim Financial Statements							
2	To expand the loan portfolio of the Bank		Over a period of Twelve (12) months from the Date of Allotment.		To be disclosed in the Annual Report and the Interim Financial Statements							

If the unutilized funds are given to Related Parties

Name of the Related Party	Relationship	Objective of the Disbursement (Detailed)	Date of Approval of the Board
To be disclosed in the Annual Report and the Interim Financial Statements			

Investments made using unutilized funds

Details of Investments (Instrument/ Counterparty)	Amount Invested (LKR)
To be disclosed in the Annual Report and the Interim Financial Statements	

No further shareholder approval will need to be sought in the event the timelines to achieve the objectives as stated above are amended as thought fit by the Bank.

In the event the funds raised through the Debenture Issue are fully utilized by the Bank in terms of the objectives disclosed in the Prospectus between two financial periods, the Bank is required to disclose such fact in the immediately succeeding annual report or the interim financial statement, whichever is published first as per the above template.

The Bank shall comply with the requirements stipulated under Continuous Listing Rules of the CSE specifically applicable to Debentures.

5.5 PAYMENT OF INTEREST

The Debentures will carry fixed rates of interest as described below, payable on the respective Interest Payment Dates:

Debenture Type	Type of Interest	Tenor	Interest Rate (per annum)	Annual Effective Rate (AER)	Interest Payment Frequency
Type A	Fixed Rate	5 years	12.80%	12.80%	Annual
Type B	Fixed Rate	7 years	13.00%	13.00%	Annual

The interest rates have been determined, giving consideration to the Bank's rating as Issuer, the instrument rating, prevailing market conditions and features of the instrument, including the 'Non-Viability Convertible feature' inherent in BASEL III Compliant instruments.

The interest on the outstanding Principal Sum of Debentures will accrue on a daily basis from the Date of Allotment until the date immediately preceding the Date of Redemption/ maturity of the Principal Sum (both days inclusive).

The interest due on the Debentures for a particular Interest Period will be calculated based on the actual number of days (irrespective of holidays) in such Interest Period (actual/actual) and will be paid not later than Three (03) Working Days from each Interest Payment Date. The final interest payment will be made together with the Principal Sum within Three (03) Working Days from the Date of Redemption/ Maturity.

Qualified Investors who wish to receive their interest payments using an electronic fund transfer mechanism should ensure that their bank account details are provided to the CDS, since the relevant payments will be made based on the bank account details provided to the CDS.

Non-Resident Applicants should ensure that their Inward Investment Accounts (IIA) through which they make payment to purchase the Debentures is recorded in the CDS as the relevant IIA to which interest payments and redemption proceeds are to be sent, in order for the interest payments and redemption proceeds to be sent to the aforementioned IIA.

In order to accommodate the Debenture Interest cycles in the CDS, the payment of interest on a particular Interest Payment Date will include Debenture Holders holding Debentures in the CDS as of the Entitlement Date. If the Entitlement Date is a holiday, interest shall be calculated including the Entitlement Date.

Upon the occurrence of the 'Trigger Event', as determined by the Governing Board of the CBSL, the Bank shall be required and entitled to issue and within Twenty (20) days to allot ordinary voting shares of the Bank ranking equal and *pari-passu* with the existing ordinary voting shares, to the Debenture Holders up to the outstanding balance of such Debentures including the total par value of the Debentures plus accrued and unpaid Debenture

Interest (if any). As such upon issuance of ordinary voting shares to the Debenture Holders, as stated above, no interest will be accrued on Debentures thereafter**, as the Debentures will cease to exist.**

5.6 APPLICATION OF TAX ON INTEREST PAYMENTS

Interest on the Debentures will be paid after deducting any taxes liable and charges thereon (if any) as per the applicable law prevalent at the time the interest payment to the Debenture Holders.

Qualified Investors are advised to obtain clarifications in this regard from their tax advisors.

5.7 REDEMPTION OF DEBENTURES AND CONSEQUENCE OF A TRIGGER EVENT

Redemption of Debentures

Redemption of the Debentures will take place on the respective Date of Redemption as described below in accordance with the provisions of the Trust Deed. The Principal Sum and unpaid and accrued Debenture Interest (if any) payable on the redemption of Debentures will be paid not later than Three (03) Working Days from 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 Interest shall be paid for each calendar day up to the date immediately preceding such Market Day.

These Debentures shall not be redeemed by the Bank prior to maturity for any reason whatsoever except due to the occurrence of an Event of Default as contemplated in Clause 10.1 of the Trust Deed. Repayment before maturity, of the Principal Sum of the Debenture in any circumstance shall be subject to the prior written approval from the CBSL and the approval of Three Fourth (3/4th) of the Debenture Holders in nominal value of the Debentures outstanding when the Principal Sum is repaid before maturity. The Debenture Holder shall not have any right or option to call for redemption of the Debentures before the date of maturity of such Debentures.

However, if a Trigger Event occurs prior to maturity or at the point of maturity, the Debentures will get converted to ordinary voting shares ranking equal and *pari passu* with the existing ordinary voting shares of the Bank.

Trigger Event

A 'Trigger Event' is determined by and at the sole discretion of the Governing Board of the CBSL, (i.e. conversion of the said Debentures upon occurrence of the Trigger Event will be effected by the Bank solely upon being instructed by the Governing Board of the CBSL), and is defined in the Web Based Return Code 20.2.3.1.1.1 (10) (iii) (a & b) of the Banking Act Directions No. 01 of 2016 (as amended) as a point/ event is the earlier of;

(a) "A decision that a write-down, without which the Bank would become non-viable, is necessary, as determined by the Governing Board of the CBSL. **OR**

(b) The decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the Governing Board of the CBSL".

Conversion Price

Outstanding balance of the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) as at that date, will be permanently converted at an issue price for such ordinary voting shares which will be based on the simple average of the daily VWAP of an ordinary voting share as published by the CSE during the Three (03) months period, immediately preceding the date of the Trigger Event.

The Bank has decided to use the simple average of the VWAP as indicated above due to its practicality and equitability as a pricing formula for conversion. Averaging out of the VWAP over a period of Three (03) months preceding the Trigger Event as opposed to a shorter window closer to the Trigger Event, is aimed at smoothing out price effects and the consequent conversion price would be fair and equitable to the Bank and to the existing shareholders. Due to the formula being applied using publicly available data published by the CSE, there is a high degree of transparency that results from the adoption of this method.

If the prevailing Three (03) month VWAP at the time of the Trigger Event is low, it would result in a comparatively higher number of ordinary voting shares being issued to the Debenture Holders. Alternately, where a higher Three (03) month VWAP prevails at the time of the Trigger Event it would result in a comparatively lower number of ordinary voting shares being issued to Debenture Holders.

Issuance of Ordinary Voting Shares upon Occurrence of a Trigger Event

Based on above conversion mechanism the outstanding balance of the Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) as at that date, will be permanently converted to ordinary voting shares, which will be listed on the CSE. If a Trigger Event occurs and thereafter a conversion to ordinary voting shares takes place, the Debentures will cease to exist. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share.

The Non-Viability Conversion is beneficial for the Bank, as the conversion is perceived more positively by the potential Qualified Investors compared to a write-down. Furthermore, the BASEL III regulations require the Bank to maintain robust capital levels to absorb losses during financial stress and conversion of Debentures to ordinary voting shares helps the Bank to meet such capital requirements more effectively than a write-down, which could be beneficial for the Bank and Qualified Investors in the long term.

Applicable Timelines

Upon the occurrence of the Trigger Event as determined by the Governing Board of the CBSL, the Bank shall be required and entitled to issue and within Twenty (20) days to allot ordinary voting shares of the Bank ranking equal and *pari-passu* with the existing ordinary voting shares to the Debenture Holders as of the Trigger Date, up to the outstanding balance of such Debentures including the total par value of the Debentures plus accrued and unpaid Debenture Interest (if any) as at that date at an issue price for such ordinary voting shares which will be based on the Conversion Price.

The CDS upload pertaining to ordinary shares will be completed within Ten (10) Market Days from the Date of Allotment of such shares. In the event of any Debenture Holder being entitled to a fractional allotment of an ordinary voting share on such issuance and allotment, the Bank shall settle such sums in cash, based on the issue price of such share within Fourteen (14) Market Days from the Date of Allotment of the said ordinary voting shares.

Market Announcements

The Bank on receipt of a Trigger Event notification from the CBSL will immediately make a market announcement of the same and further announce the “Conversion Price” and “dates” (i.e. Trigger Event date, Date of Allotment and CDS upload date) pertaining to such conversion of Debentures to ordinary voting shares. Further, the Bank shall disclose any other information as required by the CSE at such point of time regarding the conversion of Debentures to ordinary voting shares.

Compliance with Applicable Laws and Regulations

Issue of any new ordinary voting shares due to occurrence of a Trigger Event, would be carried out in compliance with the applicable laws and regulations of Sri Lanka, including any regulations applicable on ‘material interest that a shareholder may hold’ in terms of the Banking Act No. 30 of 1988 (as amended).

Non-occurrence of a Trigger Event

The proposed Type A Debentures will be redeemed in Five (05) years, and Type B Debentures will be redeemed in Seven (07) years respectively from the Date of Allotment of such Debentures and the Principal Sum and unpaid and accrued Debenture Interest (if any) payable on the redemption of Debentures will be paid not later than Three (03) Working Days from the Date of Redemption, unless otherwise a Trigger Event occurs as detailed above.

5.8 PAYMENT METHOD

Payment of principal and interest will be made after deducting taxes at source, (if applicable) in Sri Lankan Rupees to the registered Debenture Holders only 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 on the date of payment.

In the event accurate bank account details are provided to the CDS by the Debenture Holders, the payment of Principal Sum and interest shall be made to Debenture Holders through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as RTGS transfers (arranged only at the expense of the Qualified Investor) or SLIPS transfers. RTGS transfers however shall be accommodated only for amounts over and above the maximum value that can be accommodated via SLIPS transfers (i.e. Sri Lankan Rupees Ten Million (LKR 10,000,000/-) as of the date of this Prospectus).

If the Debenture Holder has not provided to the CDS accurate details of his/ her/ its/ their bank account for the payment of Principal Sum and interest, such payment to the Debenture Holder will be posted to the address registered with the CDS through registered post to the Debenture Holder, by crossed cheques marked "Account Payee Only". The interest as at the Interest Payment Dates and the Principal Sum as at the Date of Redemption would be paid not later than Three (03) Working Days thereon.

It is the responsibility of the Non-Resident and Foreign Qualified Investors to ensure that their details of IIA through which they invest for Debentures are recorded correctly against the records in CDS to dispatch their Debenture Interest payments and Principal Sum on redemption.

5.9 TRUSTEE TO THE ISSUE

Bank has entered into an agreement with Bank of Ceylon (hereinafter called the 'Trust Deed'), who will act as Trustee to the Issue and who is in compliance with the requirements Rule 2.2.1 (n) (ii), (iii) and (iv) of the CSE Listing Rules. Debenture Holders in their Application Forms for subscription will be required to authorize the Bank of Ceylon to act as Trustee for the Debenture Holders, based on the Trust Deed duly executed on 08th October 2026.

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 and confer such rights as are incorporated in the said Trust Deed.

Trustee/ its directors have no conflict of interest with the Bank, except that the Trustee is one of the banks rendering banking related services to the Bank. In the event the Trustee to the Issue, subscribes to a substantial number of Debentures, the Bank will make an immediate market announcement on same, specifying information on the number of Debentures subscribed by the Trustee.

5.10 RATING OF THE DEBENTURE

Fitch Ratings Lanka Limited has assigned a credit rating of 'A(lka)' for the Debentures, of up to Sri Lankan Rupees Ten Billion (LKR 10,000,000,000). A copy of the rating certificate is given in Annexure III of this Prospectus.

The Bank's rating is 'AA-(lka)/Stable' by Fitch Ratings Lanka Limited. The Bank's rating was upgraded to 'AA-(lka)/Stable' from 'A(lka)/Stable', in January 2025 and the same was affirmed in August 2026

The Board of Directors would undertake to keep the CSE and the Trustee to the Issue informed and take steps to make an immediate market announcement on any change to the credit rating of the Debentures when the Board of Directors are aware of any changes to the same.

You may access the guidelines from Fitch Ratings regarding the Global Bank Rating Criteria (which includes the rating methodology applicable to this particular instrument under the approach set out for going-concern instruments via the link given below;

https://www.fitchratings.com/research/banks/bank-rating-criteria-08-05-2026

5.11 RIGHTS OF THE DEBENTURE HOLDERS

(a) The Debenture Holders are entitled to:

(i) Receive the interest on the Interest Payment Dates at the interest rates set out in Section 5.3 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.7 of this Prospectus, subject to the provisions contained in this Prospectus regarding the occurrence of a Trigger Event.

(ii) Call and attend meetings of Debenture Holders as set out in the Trust Deed.

(iii) Receive a copy of the Annual Report within Five (05) months from the financial year end at the same time and in the same manner as an ordinary voting shareholder would receive the same.

(iv) The other rights of the Debenture Holders as set out in the Trust Deed.

In the event of the Bank winding up, the claims of the Debenture Holders will rank after all the claims of secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank, but shall rank *pari passu* with other BASEL III Compliant debenture holders and BASEL III Compliant green bond holders and in priority to and over the claims and rights of the shareholders of the Bank, regardless of whether these shares are listed or unlisted, unless there has been an issuance of ordinary voting shares to the Debenture Holders upon occurrence of a Trigger Event in which case a Debenture Holder would cease to be a Debenture Holder and would become a shareholder of the Bank to the extent of such issuance and will rank equal and *pari passu* with existing ordinary voting shareholders.

(b) The Debenture Holders are **not** entitled to:
   (i) Attend and vote at meetings of holders of shares and other bonds
   (ii) Share the profits of the Bank
   (iii) Participate in any surplus in the event of liquidation
   (iv) Calling for redemption before maturity, subject to the provisions stated in the Trust Deed
   (v) Convert the Debentures into ordinary voting shares at their option

   However, in the event the Debenture Holders becoming ordinary voting shareholders of the Bank, due to the occurrence of a Trigger Event, they would be immediately entitled to exercise such rights as are exercisable by the shareholders of the Bank holding ordinary voting shares.

5.12 OBLIGATIONS OF THE DEBENTURE HOLDERS

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.

5.13 BENEFITS OF INVESTING IN DEBENTURES

(a) Provides an opportunity to diversify the investment portfolio of the Qualified Investor.
(b) Provides the Qualified Investor with a regular cash inflow of interest payments.
(c) Provides the Qualified Investor with an opportunity to earn a fixed rate of interest from the Debentures.
(d) Provides the Qualified Investor with an opportunity to invest in Debentures issued by a leading bank in Sri Lanka.
(e) Being listed on the CSE, the Debentures will have a secondary market subject to secondary market trading of these Debentures being limited to 'Qualified Investors' as defined in the Prospectus, thus providing the Qualified Investor with an opportunity to exit at the market price prevailing at the time of divestiture subject to market conditions.
(f) The Debentures may be used as collateral to obtain credit facilities from banks and financial institutions with the exception of the issuing Bank.

5.14 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. 'Market interest rate' means the interest rates, which prevail at a given time for similar investments with a similar maturity and risk profile.

(b) Price Risk

Price risk is the risk arising from a change in the price/ value of a Debenture from a movement in the interest rate environment. Price Risk could result in capital gains or losses to Debenture Holders depending on the direction of interest rate movement. In general, Price Risk will be more pronounced in fixed rate Debentures than in their floating rate counterparts.

(c) Reinvestment Risk

Interest on Type A and Type B Debentures are payable annually. A Qualified Investor may decide to reinvest these interest payments and earn interest from that point onwards. Depending on the prevailing interest rates in the market 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.

(d) Default Risk

Default risk, also referred to as credit risk, means the risk that the issuer of Debentures may default, i.e. the issuer will not be able to pay interest and principal payments on a timely manner. Default risk is evaluated by rating agencies. The Bank has been assigned a rating of 'AA-(lka)/Stable' by Fitch Ratings Lanka Limited.

The Debenture Issue has been rated by Fitch Ratings Lanka Limited, which has assigned a rating of 'A(lka)' for the Debentures. A copy of the relevant rating certificate is given in Annexure III of this Prospectus.

(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. However, transaction price or bid-ask spread will be dependent upon the marketability, demand, supply and other macro factors such as market interest rates. Furthermore, it should be noted that the secondary debt market is not as developed as the secondary equity market in Sri Lanka.

(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.

(g) Subordination Risk

The Debentures will be the Bank's direct unsecured obligations which, if the Bank becomes insolvent or is wound-up (prior to the occurrence of a Trigger Event), will rank *pari passu* with the Bank's other BASEL III Compliant debentures and BASEL III Compliant green bonds and will be subordinated in right of payment to the claims of the Bank's secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank. Therefore, if prior to the occurrence of a Trigger Event, the Bank becomes insolvent or is wound-up, the assets of the Bank would first be applied to satisfy all rights and claims of unsubordinated creditors.

If the Bank does not have sufficient assets to settle claims of such unsubordinated creditors in full, the claims of the Holders of the Debentures will not be settled and, as a result, the Holders will lose the entire amount of their investment in Debentures. The Debentures will share equally in payment with claims under other BASEL III Compliant indebtedness if the Bank does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, Holders of Debentures could lose all or part of their investment.

In addition, Debenture Holders should be aware that, upon the occurrence of a Trigger Event, all the Bank's obligations under the Debentures shall be deemed paid in full by the issuance of ordinary voting shares upon Non-Viability Conversion, and each holder will be effectively further Subordinated due to the change in their status following such a conversion from being the holder of a debt instrument ranking ahead of holders of ordinary voting shares to being the holder of ordinary voting shares. As a result, upon Non-Viability Conversion, the Debenture Holders could lose all or part of their investment in the Debentures irrespective of whether the Bank has sufficient assets available to settle what would have been the claims of the Holders of the Debentures or other securities Subordinated to the same extent as the Debentures, in proceedings relating to an insolvency or winding-up.

ADDITIONAL RISKS OF THE DEBENTURES DUE TO NON-VIABILITY CONVERSION FEATURE

Risks Arising from Non-Viability Conversion Features

(i) Conversion Risk

Upon the occurrence of a Trigger Event the Bank shall convert the Debentures into ordinary voting shares and any accrued but unpaid Debenture Interest will be added to the par value of the Debentures and such accrued but unpaid Debenture Interest, together with the principal amount of the Debentures will be deemed paid in full by the issuance of ordinary voting shares. Upon conversion, the Debenture Holders shall have no further rights and the Bank shall have no further obligations to Holders of the Debentures under the Trust Deed. Moreover, a Non-Viability Conversion upon the occurrence of a Trigger Event is not an event of default under the terms of the Debentures or the Trust Deed.

Potential Qualified Investors in Debentures should understand that, if a Trigger Event occurs and Debentures are converted into ordinary voting shares, Qualified Investors are obliged to accept the ordinary voting shares even if they do not at the time consider such ordinary voting shares to be an appropriate investment for them and despite any change in the financial position of the Bank since the Issue of the Debentures or any disruption to the market for those ordinary voting shares or to capital markets generally.

(ii) The value of ordinary voting shares to be received on a Non-Viability Conversion may be worth significantly less than the par value of the Debentures and can be variable.

Upon the occurrence of Non-Viability Conversion even though ordinary voting shares of equivalent value would be initially issued at the VWAP, yet there is no certainty of the value of such ordinary voting shares to be received by the Holders of the Debentures being maintained at such levels and the value of such ordinary voting shares could eventually be significantly less than the par value of the Debentures.

Moreover, there may be an illiquid market, or no market at all, in ordinary voting shares received upon the occurrence of a Non-Viability Trigger event, and Qualified Investors may not be able to sell the ordinary voting shares at a price equal to the value of their investment and as a result may suffer significant loss.

(iii) The Debentures are loss-absorption instruments that involve risk and may not be a suitable investment for all Qualified Investors

The Debentures are loss-absorption financial instruments designed to comply with applicable banking regulations and involve certain risks. Each potential Qualified Investor of the Debentures must determine the suitability (either alone or with the help of its financial and other professional advisers) of the investment in light of its own circumstances. In particular, each potential Qualified Investor should understand thoroughly the terms of the Debentures, such as the provisions governing the Non-Viability Conversion, including under what circumstances a Trigger Event could occur.

A potential Qualified Investor should not invest in the Debentures unless it/ he/ she has the knowledge and expertise (either alone or with the help of its financial and other professional advisers) to evaluate how the Debentures will perform under changing conditions, the resulting effects on the likelihood of the Non-Viability Conversion into ordinary voting shares and the value of the Debentures, and the impact this investment will have on the potential Qualified Investor's overall investment portfolio. Prior to making an investment decision, potential Qualified Investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus.

(iv) Uncertainty regarding the Trigger Event

Because of the inherent uncertainty regarding the determination of when a Trigger Event may occur, it will be difficult to predict when, if at all, the Debentures will be converted into ordinary voting shares. In addition, Qualified Investors in the Debentures are likely not to receive any advance notice of the occurrence of a Non-Viability Trigger Event. As a result, of its uncertainty, trading behavior in respect of the Debentures is not necessarily expected to follow trading behavior associated with other types of convertible and exchangeable securities. Any indication, whether real or perceived, that the Bank is trending towards a Trigger Event can be expected to have an adverse effect on the market price of the Debentures and the ordinary voting shares, whether or not such Trigger Event actually occurs. Therefore, in such circumstances, Qualified Investors may not be able to sell their Debentures easily or at prices that will provide them with a yield comparable to other types of subordinated bonds, including the Bank's other BASEL III Compliant debt securities (if any). In addition, the risk of a Non-Viability Conversion could drive down the price of ordinary voting shares and have a material adverse effect on the market value of ordinary voting shares received upon Non-Viability Conversion.

(v) Following a Non-Viability Conversion, Qualified Investor will no longer have rights as a creditor and will only have rights as a holder of ordinary voting shares

Upon a Non-Viability Conversion, the rights, terms and conditions of the Debentures, including with respect to priority and rights on liquidation, will no longer be relevant as all such Debentures will have been converted on a full and permanent basis into ordinary voting shares ranking equal and *pari passu* with all other outstanding ordinary voting shares. If a Non-Viability Conversion occurs, then the interest of depositors, other creditors of the Bank, and holders of Bank securities which are not contingent instruments will all rank in priority to the holders of contingent instruments, including the Debentures.

Given the nature of the Non-Viability Trigger Event, a Holder of Debentures will become a holder of ordinary voting shares at a time when the Bank's financial condition has deteriorated. If the Bank were to become insolvent or wound-up after the occurrence of a Non-Viability Trigger Event, as holders of ordinary voting shares, Qualified Investors may receive substantially less than they might have received had the Debentures not been converted into ordinary voting shares.

(vi) A Qualified Investor's remedies for the Bank's breach of its obligations under the Debentures are limited

Absent an Event of Default (which shall occur in the event of liquidation, bankruptcy, insolvency, receivership or similar action or proceeding is commenced against the Bank or an order shall be made or an effective resolution shall be passed for the winding up of the Bank), the Trustees and Holders of Debentures shall not be entitled to declare the principal amount of the Debentures due and payable under any circumstance. As a result, the Qualified Investor will have no right of acceleration in the event of a non-payment of interest or a failure or breach in the performance of any other covenant of the Bank, although legal action could be brought to enforce any covenant given by the Bank.

(h) Acknowledgement of the CBSL Resolution Powers

The CBSL retains full discretion regarding the determination that a Trigger Event has occurred; as the resolution authority of banks in Sri Lanka, the CBSL has resolution powers through statute.

The Governing Board of the CBSL determines the Trigger Event and effects a conversion after considering the other bail-in alternatives available to the Bank. Further, Banking (Special Provisions) Act No. 17 of 2023, Section 108 and 108(11) of the CBSL Act No. 16 of 2023 and Part VII (A) and Part VIII of the Banking Act No. 30 of 1988 (as amended) specifies certain events upon which the Governing Board of the CBSL can exercise its resolution mechanism.

In view of the above, based on the statutory authority of the Governing Board of the CBSL, CBSL retains full discretion to choose or not to choose to trigger for Non-Viability as has been provided for in the Banking Act Direction No. 01 of 2016 (as amended) on Capital requirements under BASEL III for licensed commercial banks and licensed specialized banks.

As the CBSL retains full discretion to choose not to trigger Non-Viability Conversion/ Write-Down notwithstanding a determination that the Bank has ceased, or is about to cease to be viable, under such circumstances, the Holders of the Debentures may be exposed to losses through the use of other resolution tools under applicable statutes.

(i) Generic Risks

(I) The ability to transfer the Debentures may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the Debentures

Currently, in Sri Lanka the secondary trading activity in the corporate debt market is limited. The Debentures have no established secondary trading market. Further the secondary market trading is only limited to Qualified Investors as defined in the Prospectus. There will be no assurance that an active secondary trading market will develop. If the Debentures are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Bank.

Even if an active secondary trading market does develop, it may not be liquid and may not continue, despite the existence of a secondary market. Therefore, Qualified Investors may not be able to sell their Debentures easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the secondary market for the Debentures is limited, there may be a few buyers for the Debentures and this may significantly reduce the relevant market price of the Debentures.

(II) Credit ratings may not reflect all risks associated with an investment in the Debentures

A credit rating reflects a relative ranking of credit risk and does not reflect the potential impact of all risks related to the structure, market, additional factors discussed herein, and other factors that may affect the value of the Debentures.

(III) A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Debentures could cause the liquidity or market value of the Debentures to decline

Rating initially assigned to the Debentures may be lowered or withdrawn entirely by the rating agency if, in the rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to the Bank's business, so warrant. If the rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the Debentures. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

(IV) Changes in law or changes in regulatory classification may affect the rights of Holders of the Debentures as well as the market value of the Debentures

The regulatory regime in connection to these instruments is evolving. Changes in law may include changes in statutory, tax and regulatory regimes during the life of the Debentures, which may have an adverse effect on the investment in the Debentures.

5.15 TRANSFER AND TRANSMISSION OF THE 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 amongst Qualified Investors 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. Furthermore, Debentures are fully paid and issued only for cash.

(b) The Debentures shall be transferable and transmittable amongst Qualified Investors through the CDS as long as the Debentures are listed on the CSE. Subject to the provisions contained herein, the Bank may register without assuming any liability for 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/ insolvency 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/ its 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.

5.16 LISTING

An application has been made to the CSE and approved 'in principle' by the CSE to deal in and obtain listing for the Debentures and any shares which may be issued upon the occurrence of a Trigger Event. However, the CSE reserves the right to revoke such approval granted, in the circumstances set out in Rule 2.3 (b) of the CSE Listing Rules.

However, the CSE assumes no responsibility for the correctness of the statements made or opinions expressed or reports included or omissions made and undisclosed information in this Prospectus. If there is any inconsistency between the contents under the Prospectus and the CSE Listing Rules, the CSE Listing Rules will prevail. Admission to the official list is not to be taken as an indication of the merits of the Bank or of its Debentures issued.

5.17 COST OF THE ISSUE

The Board of Directors estimates that the total cost of the Issue including fees to professionals, advertising and other costs connected with the Issue will be approximately Sri Lankan Rupees Forty Million (LKR 40,000,000/-). Such costs will be financed by the internally generated funds of the Bank.

5.18 BROKERAGE FEE

Brokerage fee of Fifteen 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 trading participant of the CSE or any other party identified by the Bank and/ or Placement Agent as involved in the Issue.

5.19 UNDERWRITING

This Issue is not underwritten.

In the event the Issue is undersubscribed, the Bank will use its other sources of funds including internally generated funds, to achieve the specified objectives.

6.0 PROCEDURE FOR APPLICATION

6.1 INSPECTION OF DOCUMENTS

Articles of Association, Trust Deed, Auditors' Report and Audited Financial Statements for the Five (05) financial years ended 31st December 2025 {i.e. the Five (05) financial years immediately preceding the date of this Prospectus}, audited condensed financial statements which comprise the statement of financial position as at 30th June 2026, and the related income statement and statement of profit or loss and other comprehensive income for the Six (06) months period then ended and all other documents referred to in Rule 3.3.13 (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 Four (04) Market Days (including the date of opening the Subscription List) prior to the date of opening of the Subscription List at the registered office of the Bank at No.110, Sir James Peiris Mawatha, Colombo 02, Sri Lanka until the Date of Redemption of the Debentures.

The Prospectus, Trust Deed and the Articles of Association of the Bank, will be available on the web site of CSE, *www.cse.lk* and the website of the Bank, *www.sampath.lk* from Four (04) Market Days (including the date of opening the Subscription List) prior to the date of opening of the Subscription List until the Date of Redemption of the Debentures as stipulated in Rule 3.3.13 (b) of the CSE Listing Rules.

The Bank has obtained a waiver for Rule 2.4 (f) of the CSE Listing Rules to reduce the lead time between publishing the Prospectus and the opening date of the Subscription List to Four (04) Market Days (including the opening date of the Subscription List), considering the requirement to complete the allotments within the month of October 2026.

Audited financial statements of the Bank made up to 31st December 2025, audited condensed financial statements which comprise the statement of financial position as at 30th June 2026, and the related income statement and statement of profit or loss and other comprehensive income for the Six (06) months period then ended, and Accountants' Report and the five-year summary of financial statements will be available on the web site of CSE, *www.cse.lk* and the website of the Bank, *www.sampath.lk*.

6.2 PROSPECTUS AND APPLICATION FORMS

Application Forms will be made available from Four (04) Market Days (including the opening date of the Subscription List) prior to the date of opening of the Subscription List. Soft Copies of the Prospectus and the Application Form can be downloaded from the websites of the CSE, *www.cse.lk* and the website of the Bank, *www.sampath.lk.*

As part of its broader sustainable initiatives, the Bank aims to reduce the environmental impact of the Debenture Issue by minimizing the use of printed material. Therefore, via the letter dated 22nd September 2026 a waiver was requested from the CSE for Listing Rule 2.4 (f), which requires making physical copies of the Prospectus available. Upon careful deliberation of the said request, the CSE granted the waiver. Consequently, only soft copies of the Prospectus and the Application Form will be available to Trading Participants of the Exchange and the public.

6.3 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Debentures from the following categories of Qualified Investors.

(a) A commercial bank licensed by the CBSL in terms of the Banking Act No. 30 of 1988 (as amended);
(b) A specialized bank licensed by the CBSL in terms of the Banking Act No. 30 of 1988 (as amended);
(c) A mutual fund, pension fund, Employee Provident Fund or any other similar pooled fund;
(d) A venture capital fund/ company and private equity company;
(e) A finance company licensed by the CBSL in terms of the Finance Business Act No. 42 of 2011 (as amended);
(f) A company licensed by the CBSL to carry on finance leasing business under the Finance Leasing Act No. 56 of 2000 (as amended);
(g) A company licensed by the Insurance Board of Sri Lanka to carry on insurance business in terms of the Regulation of the Insurance Industry Act No. 43 of 2000 (as amended);
(h) A corporate (listed or unlisted) which does not fall under the above categories and is incorporated under the Companies Act No. 07 of 2007;
(i) An investment trust or investment company;
(j) A Non-Resident institutional investor; and,
(k) an individual with a minimum initial investment as prescribed in CSE Listing Rules (as amended).

In view of the above trading of the Debentures on the CSE will also be limited to Qualified Investors.

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka who are under the age of 18 years, or if made in the names of sole proprietorships, partnerships or unincorporated trusts, or unincorporated bodies of persons. Applications will also not be entertained from any financial institution/ group over which the Bank has control or significant influence.

Further, neither the Bank nor a banking group over which the Bank exercises control or significant influence can have purchased the Debentures and the Bank cannot directly or indirectly have funded the purchase of the Debentures.

"Persons resident outside Sri Lanka" will have the same meaning as in the Order published under Section 31 of the Foreign Exchange Act No. 12 of 2017 in Gazette (Extraordinary) No.2213/40 dated 03rd February 2021 or as may be amended or replaced from time to time.

When permitting Non-Residents to invest in the Debentures, the Bank will comply with the Foreign Exchange Act and the Regulations published thereunder including those contained in the Government Gazette (Extraordinary) No. 2213/35 dated 03rd February 2021 (as amended) by Gazette (Extraordinary) No. 2235/22 dated 06th July 2021, Gazette (Extraordinary) No. 2371/33 dated 15th February 2024 and Gazette (Extraordinary) No. 2371/48 and 2371/49 dated 16th February 2024 or as may be amended or replaced from time to time with regard to the issue and transfer of Debentures of Companies incorporated in Sri Lanka to persons resident outside Sri Lanka.

6.4 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

(a) Applications should be made on the Application Forms, issued by the Bank (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 and can be downloaded from the website of the CSE, *www.cse.lk*, the website of the Bank, *www.sampath.lk*.

The Application Form can also be downloaded from the website of CSE, *www.cse.lk*, the website of the Bank, *www.sampath.lk* until the Closure Date of the Subscription List.

Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected. **The Bank reserves the right to ask for additional information to satisfy itself that the Applicant is a Qualified Investo**r.

(b) Applicants who wish to apply for both types of Debentures should apply under separate Application Forms for each type they wish to apply for.

(c) Applicants should apply only for one type of Debentures (i.e. either Type A or Type B) under one Application Form.

(d) 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.

(e) More than one Application submitted by an Applicant under the same type of Debenture will not be accepted. If two or more Application Forms are submitted for one type of Debentures by a single Applicant, those would be considered as multiple Applications and the Bank will not accept such multiple Applications or suspected multiple Applications. Bank reserves the right to reject such multiple Applications or suspected multiple Applications.

(f) Applications should be made for a minimum of One Hundred (100) Debentures other than in the case of individual Qualified Investors. The minimum subscription requirement applicable for an individual Qualified Investor applying for BASEL III Compliant debt securities as prescribed in the CSE Listing Rules (the current minimum subscription requirement applicable for an Individual Qualified Investor is Sri Lankan Rupees Five Million (LKR 5,000,000/-); however, the applicable requirement shall be as prescribed under the CSE Listing Rules in force as of the Issue Opening Date). Applications exceeding the minimum subscription requirement should be in multiples of Sri Lankan Rupees Ten Thousand (LKR 10,000/-) or One Hundred (100) Debentures. Applications for less than One Hundred (100) Debentures and that are for less than the minimum subscription requirement for individual Qualified Investors will be rejected.

(g) 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.

(h) Joint Applications may be made. An Applicant of a joint Application will not be eligible to apply for Debentures through a separate Application Form either individually or jointly for the same type of Debentures. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refund cheque (if any), interest payments and the redemption cheque 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.

(i) Applications by companies, corporate bodies, incorporated 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 registered/ incorporated/ established in Sri Lanka, the Applications should be in the name of the Trustee/ board of management.

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

The Applicant information such as the full name, address, NIC number/ passport number/ company registration number and the residency status 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. Therefore, Applicants are advised to ensure that the name, address, NIC number/ passport number/ company registration number and the residency status mentioned in the Application Form tallies with the same provided in the CDS account as mentioned in the Application Form.

Sri Lankan citizens should use their NIC Number in the Debenture Application Form. The Passport Number can be stated only when the NIC number is not available. In the case of corporate entities incorporated in Sri Lanka, the Company Registration Number must be given. In the case of corporate Applicants, the common seal of the company should be affixed and attested as required by the Articles of Association of such Applicant.

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.

(k) 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, provided such margin providers should fall within the 'Qualified Investors' category.

(l) 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) which has been executed and submitted for registration in accordance with the Powers of Attorney Ordinance No. 04 of 1902 (as amended). A certified copy of the registered POA issued by the Department of Registrar General should be attached with the Application Form. The original of the POA should not be attached.

(m) As per the Foreign Account Tax Compliance Act (FATCA) "US Persons" must provide the duly completed declaration as per the specimen given in Annexure V together with the Application Form. Under the provisions of FATCA, "US Persons" include;
   (i) US Citizens (including an individual born in U.S. but resident in another country who has not renounced U.S. citizenship)
   (ii) A lawful citizen of the U.S. (including Green card holders)
   (iii) A person residing in the U.S.
   (iv) A person who spends certain number of days in the U.S. each year (more than 183 days)
   (v) U.S. Corporations, estates and trusts
   (vi) Any entity that has a linkage or ownership to U.S. or the U.S. territories
   (vii) Non U.S. entities that have at least one U.S. Person as a "substantial beneficial owner"

(n) Remittance of funds for the investments in Debentures and the payment for Debentures by Non-Residents should be made only out of funds received as inward remittances or available to the credit of IIA of the Non-Residents opened and maintained in any designated foreign currency or Sri Lankan Rupees in a licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign 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 IIA, 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 IIA.

Applications not made in line with the instructions will be rejected.

(o) 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 (cheque, bank draft, bank guarantees, confirmation from the Applicant's banker regarding RTGS transfer or Internal Direct Transfer) for the full amount payable on Application if not remitted through RTGS transfer or Internal Direct Transfer should be enclosed in a sealed envelope Marked **"SAMPATH BANK PLC - DEBENTURE ISSUE 2026"** on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to either the Registrars to the Issue or collection points mentioned in Annexure I of this Prospectus.

Persons who are not certain of the method of remittance should consult Bankers, Brokers, Managers to the Issue or Registrars to the Issue.

Applications sent by post or courier or delivered to any collection point set out in Annexure I of this Prospectus should reach the office of the Registrar to the Issue, Central Depositary Systems (Pvt) Ltd, Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya at least by 4.30 p.m. on the following Market Day immediately upon the Closure Date of the Subscription List. Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date of the Subscription List or carry a postmark dated prior to the Closure Date of the Subscription List.

If cheques are not realized within Two (02) Market Days from the Closure Date of the Subscription List, such Applications may be rejected in order to facilitate the completion of the allotment.

Applications delivered by hand to the Registrars to the Issue after the Closure Date of the Subscription List shall be rejected. For the avoidance of doubt, applications delivered by hand to the Registrars to the Issue shall be submitted on or before the Closure Date of the Subscription List.

6.5 NUMBER OF DEBENTURES TO BE SUBSCRIBED

Applicants may invest in the Debentures of either;

- Type A; and /or
- Type B

subject to the minimum subscription under each type of Debentures as given below.

The minimum subscription requirement applicable for a Qualified Investor other than individual Qualified Investors applying for BASEL III Compliant debt securities shall be Sri Lankan Rupees Ten Thousand (LKR 10,000/-) or One Hundred (100) Debentures and in multiples of One Hundred (100) Debentures or Sri Lankan Rupees Ten Thousand (LKR 10,000/-) thereafter.

The minimum subscription requirement applicable for an individual Qualified Investor applying for BASEL III Compliant debt securities as prescribed in the CSE Listing Rules (the current minimum subscription requirement applicable for an Individual Qualified Investor is Sri Lankan Rupees Five Million (LKR 5,000,000/-); however, the applicable requirement shall be as prescribed under the CSE Listing Rules in force as of the Issue Opening Date).

Any Application in excess of the minimum subscription requirement shall be in multiples of Sri Lankan Rupees Ten Thousand (LKR 10,000/-) or One Hundred (100) Debentures.

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

6.6 MODE OF PAYMENT FOR 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 a 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 an Internal Direct Transfer within Sampath Bank PLC, as the case may be, subject to the below.

(b) Payments for Applications for values below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are acceptable;
(i) Bank guarantee issued by a licensed commercial bank; or
(ii) Bank drafts/ cheques drawn upon on any licensed commercial bank operating in Sri Lanka only

However, multiple bank guarantees or bank drafts/ cheques will not be acceptable for Applications for values below Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-).

Payment methods that are **not** acceptable:
(i) RTGS
(ii) Internal Direct Transfers

Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)

Payment methods that are acceptable;
(i) Bank guarantee issued by a licensed commercial bank; or
(ii) Bank drafts/ 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/-; or
(iii) RTGS transfers or Internal Direct Transfers within Sampath Bank PLC with value on the Issue Opening Date.

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

For all the Applications Cash, SLIPS and CEFTS transfers will **not** be accepted as a mode of payment to ensure the accuracy of the application submission process, bank reconciliation process and timely allocation of Debentures within the given timelines.

(c) Cheques or bank drafts should be made payable to **"SAMPATH BANK PLC - DEBENTURE ISSUE 2026"** 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 **"SAMPATH BANK PLC - DEBENTURE ISSUE 2026"** in a manner acceptable to the Bank, and be valid for a minimum of One (01) month from the Issue Opening Date (i.e. 20th October 2026).

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 or Internal Direct Transfers within Sampath Bank PLC, (only for application values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)) such transfers should be made to the credit of the following Bank Account with value on the Issue Opening Date (i.e. the funds to be made available to the following account on the Issue Opening Date).

Account Name	**SAMPATH BANK PLC - DEBENTURE ISSUE 2026**
Account Number	**0988 1100 0019**
Bank	**Sampath Bank PLC**
Branch	**Securities Services Department**

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 the above bank account should be attached with the Application Form.

It is mandatory to provide the CDS Account Number as the transaction reference for such transfers.

For RTGS transfers and Internal Direct Transfers within Sampath Bank PLC above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at the rate of Seven Decimal Seven Five (7.75%) per annum (on actual/ actual basis) from the date of such transfers up to the Date of Allotment. However, no interest will be paid if the RTGS transfers or Internal Direct Transfers within Sampath Bank PLC are not realized before 4.30 p.m. of the Closure Date of the Subscription List. Furthermore, even if such RTGS transfers or Internal Direct 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. The interest payable as above for RTGS transfers and Internal Direct Transfers within Sampath Bank PLC, shall be paid in line with the refund payment instructions provided by the Applicants in the Application Form.

(f) Payment for the Debentures by Non-Residents should be made only out of funds received as inward remittances or available to the credit of IIA maintained in any designated foreign currency or Sri Lankan Rupees with any licensed commercial bank in Sri Lanka in accordance with directions given by the Director of the Department of Foreign Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter from the relevant licensed commercial bank in Sri Lanka in which the Applicant maintains the IIA, should be attached to the Application Form to the effect that such payment through bank draft/ bank guarantee/ RTGS transfer/ Internal Direct Transfer within Sampath Bank PLC has been made out of the funds available in the IIA.

(g) The amount payable should be calculated by multiplying the number of Debentures applied for by the par value Sri Lankan Rupees One Hundred (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 transfer/ Internal Direct Transfer within Sampath Bank PLC, the Application will be rejected.

(h) In the event that cheques are not realized within Two (02) Market Days of deposit and realized 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 Applications to be valid.

(i) All cheques/ bank drafts received in respect of the Applications for Debentures will be banked commencing from the Market Day immediately following the Closure Date of the Subscription List.

(j) All bank guarantees received in respect of the Applications for Debentures will be called on the Date of Allotment.

(k) Payments in any form other than as mentioned above will not be accepted.

(l) Applications should not be posted, couriered or hand delivered to any other address.

6.7 REJECTION OF APPLICATIONS

Application Forms and the accompanying cheques/ bank drafts/ bank guarantees/ RTGS transfers/ Internal Direct Transfers within Sampath Bank PLC, 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 from individuals and Sri Lankans residing outside Sri Lanka who are under the age of Eighteen (18) years or in the names of sole proprietorships, partnerships, unincorporated trusts and unincorporated bodies of persons will also be rejected.

Any Application Form, which does not state a valid CDS account number, will be rejected.

Any Application Form, which is accompanied by a CEFTS or SLIPS transfer will be rejected, due to the complexity of reconciliation.

Any Application Form from a non-Qualified Investor will also be rejected.

If two or more Application Forms are submitted under one type of Debenture by a single Applicant, those would be considered as multiple Applications and the Bank will not accept such multiple Applications or suspected multiple Applications.

Any Application Form, which is accompanied by a cheque/ bank draft or a bank guarantee, where there is a discrepancy in the amount payable and the amount specified in the cheque/ bank draft or the bank guarantee will be rejected.

Any Application Form with more than Three (03) natural persons as joint applicants for any type of Debentures will be rejected.

Applications delivered by hand to the Registrars to the Issue after 4.30 p.m. on the Closure Date of the Subscription List will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date of the Subscription List, will also be rejected even if they carry a post mark dated prior to the Closure Date of the Subscription List.

Applications delivered to any collection point mentioned in Annexure I should also reach the office of the Registrars to the Issue at least by 4.30 p.m. on the Market Day immediately following the Closure Date of the Subscription List. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date of the Subscription List or carry a postmark dated prior to the Closure Date of the Subscription List.

In the event that cheques are not realized within Two (2) Market Days of deposit and realized 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.

6.8 BANKING OF PAYMENTS

All cheques received in respect of Applications will not be banked until the Market Day immediately after the Closure Date of the Subscription List as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules.

All bank drafts received in respect of Applications for Debentures will be banked commencing on the Working Day immediately following the Closure Date of the Subscription List, and all bank guarantees received in respect of Applications for Debentures will be called on the Date of Allotment.

6.9 BASIS OF ALLOTMENT OF DEBENTURES

The Debentures offered hereunder shall be allotted only to 'Qualified Investors' as defined in the CSE Listing Rules, on a basis to be determined by the Bank.

i. In the event of an oversubscription, the Board of Directors of the Bank will endeavour to decide the basis of allotment in a fair and equitable 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.

ii. The Board of Directors however shall reserve the right to allocate up to a maximum of 80% of the number of Debentures to be allotted under this Issue to identified Qualified Investor/s of strategic importance to the Bank.

iii. Number of Debentures to be allotted to identified Qualified Investor/s of strategic importance, on a preferential basis or otherwise will not exceed 80% of the total number of Debentures to be issued under this Prospectus under any circumstances, unless there is an under-subscription from the other Qualified Investors (Qualified Investors that do not fall under preferential category). In the event of such under-subscription from the other Qualified Investors, such other investor category to be allotted in full and any remaining Debentures to be allotted to identified Qualified Investor/s of strategic importance.

   Further, the Bank will allot the remaining number of Debentures (excluding the preferential allotment of 80%), in a fair and equitable manner among other Qualified Investors.

iv. The allotment of Debentures as above will be done subject to the provisions in 3.3.5 (ii) (a) (i) & (ii) of the CSE Listing Rules.

v. 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 of the allotment of Debentures will be dispatched within Ten (10) Market Days from the Closure Date of the Subscription List as required by the CSE.

vi. Cheques received by post with Applications up to the day succeeding the Closure Date of the Subscription List will be banked, provided that such cheques and Applications are received prior to 4.30 p.m. on the day succeeding the Closure Date of the Subscription List.

vii. Cheques received with the Applications on the day the Issue is fully subscribed and/ or the day the Issue is closed also shall be banked and upon realization the Applicants may be allotted with Debentures in the same manner along with the Applicants whose Applications were received prior to such date. However, if cheques are not realized on first presentation after the closing of the Issue, such Applications may be rejected in order to facilitate the completion of the allotments.

6.10 REFUNDS

Monies will be refunded where;
(i) an Application is rejected for reasons given in Section 6.7 of this Prospectus; or
(ii) the Application is accepted only in part.

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

If the Applicant has provided accurate and complete details of its/ his/ her bank account in the Application, the Bankers to the Issue will make refund payments up to and inclusive of Sri Lankan Rupees Ten Million (LKR 10,000,000/-) to the bank account specified by the Applicant, through SLIPS and a payment advice will be sent.

In the event of refunds over Sri Lankan Rupees Ten Million (LKR 10,000,000/-) if the applicant has provided accurate and correct details of its/ his/ her bank account in the Application refunds will be made via RTGS transfers.

If the Applicant has not provided accurate and correct details of its/ his/ her bank account in the Application or if the Applicant has not provided details of the bank account in the Application Form, the Bank will make such refund payments to the Applicant by way of a cheque crossed "Account Payee only" and sent by post under registered cover at the risk of the Applicant.

In the case of joint Application, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

Funds received from Non-Residents via IIA accounts will be refunded to their respective IIA accounts in the event there are refunds to be made, subject to the requirement that it is the responsibility of Non-Residents/ Foreign Qualified Investors to ensure that the details of the IIA account through which funds are received for subscription to the Debentures, are identical to the IIA account details disclosed in the Application form as well as provided to the CDS.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS transfers at the following website;

https://www.lankapay.net/downloads/bank-branch-directory/

In the event an Application is accepted only in part, the balance of the monies received on Application will be refunded. Refunds on Applications rejected or partly allotted Debentures would be made within Eight (08) Market Days excluding the Closure Date of the Subscription List as required by the CSE Listing Rules. 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 CBSL or any other authority (in the event that the CBSL ceases to publish the AWPLR) plus five per centum (5.0%) for the delayed period on any refunds not made within this period.

6.11 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 Twelve (12) Market Days, from the Closure Date of the Subscription List. A written confirmation of the credit will be sent to the Applicant 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.

The Debentures shall be listed to commence trading of Debentures on the secondary market on or before the Third (03rd) Market Day from the receipt of the "Declaration" by the CSE as per the CSE Listing Rules.

Further, as per CSE Listing Rule 3.3.5(ii) (a) (ii), the secondary market trading of the Debentures shall be limited to the "Qualified Investors".

7.0 THE BANK

7.1 BACKGROUND

Sampath Bank PLC commenced operations as a licensed commercial bank in 1987 under the name of Investment & Credit Bank Limited with 44 employees. In September 1987 the name was changed to Sampath Bank Limited. Re-registered under the Companies Act No. 07 of 2007 (as amended) and operates as a licensed commercial bank under the Banking Act No. 30 of 1988 (as amended).

Sampath Bank PLC is one of the leading private banks in Sri Lanka. Incorporated in 1986, the Bank has over the past 39 years remained a strong, dependable banking partner supporting Retail customers, SMEs and large Corporates around the country to grow and prosper. Combining traditional banking solutions with sophisticated digital capabilities along with unparalleled service standards, Sampath Bank strives to be the most preferred banking partner for all customer segments.

7.2 NATURE OF BUSINESS

The Bank offers a comprehensive range of financial services, including accepting deposits, corporate and retail banking, project financing, trade finance, treasury and investment services, issuing credit and debit cards, offshore banking, resident and non-resident foreign currency operations, pawning, leasing, factoring, travel related services, dealing in government securities and electronic banking services such as telephone banking, internet banking, mobile banking and money remittance facilities etc.

The Bank's main business is commercial banking for which the Bank holds a commercial banking license from CBSL. This license does not have an expiry date.

7.3 FINANCIAL YEAR

The financial year of the Bank commences on 01st January and ends on 31st December.

7.4 STATED CAPITAL

The Stated Capital of the Bank represents ordinary voting shares as given below:

Stated Capital	31st December 2025	30th June 2026 (audited)
Balance (LKR)	48,741,118,594.89	48,741,118,594.89
Number of Shares (No.)	1,172,700,760	1,172,700,760

The Bank does not have non-voting, preference or any other classes of shares in issue. The Bank also does not have any outstanding convertible debt securities other than the BASEL III Compliant – Tier 2 Debenture Issues with a Non-Viability Conversion feature in 2021, 2023 and 2025 and the BASEL III Compliant – Tier 2 Green Bond Issue with a Non-Viability Conversion feature in 2026.

7.5 MAJOR SHAREHOLDERS

Twenty (20) largest shareholders of the Bank as at 30th June 2026 are given below:

No	Name	No. of Shares	Holding
1	VALLIBEL ONE PLC	175,352,762	14.95%
2	PHANTOM INVESTMENTS (PVT) LTD	117,270,076	10.00%
3	MR. Y. S. H. I. SILVA	117,035,065	9.98%
4	EMPLOYEES' PROVIDENT FUND	116,948,697	9.97%
5	ROSEWOOD (PVT) LIMITED	55,231,954	4.71%
6	AKBAR BROTHERS PVT LTD	37,699,405	3.21%
7	MR. D. P. PIERIS	30,000,000	2.56%
8	MR. W. JINADASA	27,356,683	2.33%
9	AYENKA HOLDINGS PRIVATE LIMITED	18,361,334	1.57%
10	MS. P. D. A. S. BERUWALAGE	13,088,176	1.12%
11	MR. N. A. MADANAYAKE	12,395,855	1.06%
12	SAMPATH BANK PLC ACCOUNT NO 04 (SAMPATH BANK PENSION FUND)	11,832,461	1.01%
13	BBH - TUNDRA SUSTAINABLE FRONTIER FUND	9,837,629	0.84%
14	BBH - TUNDRA SHIKARI GLOBAL	9,164,000	0.78%
15	MR. SARATH KUMARA WIJEKOON	8,994,930	0.77%
16	EMPLOYEES' TRUST FUND BOARD	8,923,375	0.76%
17	MAGNA WEALTH (PVT) LTD	7,146,815	0.61%
18	YADEN CAPITAL (PRIVATE) LIMITED	6,560,000	0.56%
19	MR. K. D. H. PERERA	6,356,070	0.54%
20	SRI LANKA INSURANCE CORPORATION LIFE LTD PARTICIPATING PORTFOLIO A/C 1	4,900,969	0.42%
		794,456,256	**67.75%**
	BALANCE HELD BY OTHER SHAREHOLDERS	378,244,504	32.25%
	TOTAL NUMBER OF SHARES IN ISSUE	**1,172,700,760**	**100.0%**

7.6 DETAILS OF OTHER DEBENTURES IN ISSUE AS AT THE DATE OF THE PROSPECTUS

The details of other Debentures and BASEL III Compliant Green Bonds issued by Sampath Bank PLC as at the date of the Prospectus are given in the table below, all of which are with a Non-Viability Conversion feature:

Category	CSE Listing	Interest Payment Frequency	Allotment Date	Maturity Date	Number of Debentures/ BASEL III Compliant Green Bonds Issued
BASEL III Compliant -Tier 2 Listed Rated Unsecured Subordinated Redeemable 7 Year Debentures with a Non-Viability Conversion feature, each of LKR 100/- (2021/2028)					
Fixed Rate - 9.00%	Listed (ISIN: LK0090D24743)	Annually	12.04.2021	12.04.2028	60,000,000
BASEL III Compliant -Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year Debentures with a Non-Viability Conversion feature, each of LKR 100/- (2023/2028)					
Fixed Rate - 28.00%	Listed (ISIN: LK0090D25070)	Annually	09.02.2023	09.02.2028	99,900,000
Floating Rate - One Year Gross Treasury Bill rate + 1.5% p.a. (subject to a floor of 20% p.a. & a Cap of 31% p.a.)	Listed (ISIN: LK0090D25062)	Annually	09.02.2023	09.02.2028	100,000
BASEL III Compliant -Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year Debentures with a Non-Viability Conversion feature, each of LKR 100/- (2025/2030)					
Fixed Rate - 11.75%	Listed (ISIN: LK0090D25633)	Annually	26.03.2025	26.03.2030	100,000,000
BASEL III Compliant -Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year (2026/2031) and 7 Year (2026/2033) Green Bonds with a Non-Viability Conversion feature, each of LKR 100/-					
Type A - Fixed Rate - 13.00%	Listed (ISIN: LK0090D26417)	Annually	28.07.2026	28.07.2031	76,419,100
Type B - Fixed Rate - 13.25%	Listed (ISIN: LK0090D26425)	Annually	28.07.2026	28.07.2033	23,580,900

The above mentioned holders of debentures and BASEL III Compliant green bonds are entitled to receive the Principal Sum on the Date of Redemption and interest as per the provisions set out and stated in the Prospectus issued in relation to the respective debentures and BASEL III Compliant green bonds.

The holders of the said debentures and BASEL III Compliant green bonds are not entitled to any special rights or any privileges or any of the rights and privileges available to the shareholders of the Bank including the right to receive notice, to attend and vote at general meetings of the shareholders of the Bank, receive any dividend or distributions or share the profits of the Bank or to participate in any surplus assets of the Bank in the event of liquidation unless converted to ordinary voting shares of the Bank upon the occurrence of Trigger Event. Debenture holders' and BASEL III Compliant green bond holders' rights in respect of calling and attending meetings of holders of debentures and BASEL III Compliant green bonds are stated in the respective Trust Deeds.

The above mentioned debenture holders and BASEL III Compliant green bond holders are in any event not barred from being shareholders of the Bank and if they are shareholders, they will enjoy the rights and privileges entitled to shareholders.

In the case of the death of a debenture holder or BASEL III Compliant green bond holder pertaining to above mentioned classes:

i) The survivor where the deceased was a joint holder; or

ii) If not the joint holder the heirs of the deceased/ administrators/ executors shall be the only person/s recognized by the Bank as having any title to his/ her debentures or BASEL III Compliant green bonds as the case may be. Any person becoming entitled to debentures or BASEL III Compliant green bonds in consequence of bankruptcy/ insolvency or winding up of any debenture holder or BASEL III Compliant green bond holder, upon producing proper evidence that it/ he/ she sustains the character in respect of which it/ he/ she proposes to act or its/ his/ her title as the Board of Directors of the Bank thinks sufficient may at the discretion of the Board be substituted and accordingly registered as a debenture holder or BASEL III Compliant green bond holder in respect of such debentures or BASEL III Compliant green bonds subject to the applicable laws and rules and regulations of the Bank and the CSE.

In the event of liquidation or winding up, the claims of the above mentioned debenture holders and BASEL III Compliant green bond holders will be ranked after all the claims of secured and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank, but shall rank *pari passu* with other BASEL III Compliant green bond holders and debenture holders and in priority to the claims and rights of the ordinary voting shareholders of the Bank.

7.7 CONTINGENT LIABILITIES AND LITIGATIONS AGAINST THE BANK

CONTINGENT LIABILITIES

To meet the financial needs of customers, the Bank enters into various commitments and contingent liabilities. Even though these obligations may not be recognized in the Statement of Financial Position, they do contain credit risk and are, therefore, part of the overall risk profile of the Bank.

Contingent liabilities as at 30th June 2026

Contingencies	As at 30th June 2026 LKR '000 (unaudited)
Guarantees	56,490,958
Acceptances	22,112,633
Forward Contracts	47,141,182
Currency SWAPs	229,641,762
Documentary Credit	70,666,780
Total	**426,053,315**

Commitments	As at 30th June 2026 LKR '000 (unaudited)
Undrawn Direct Facilities	176,050,896
Undrawn Indirect Facilities	128,557,361
Capital Commitments	907,078
Operating lease commitments – Bank as lessee	162,274
Total	**305,677,609**

LITIGATIONS AGAINST THE BANK

Litigation is a common occurrence in the Banking industry due to the nature of its business and in that light, the Bank has formal controls and policies in place for managing and defending any legal action instituted against it. Pursuant to obtaining professional advice and estimating any loss likely to be incurred by the Bank, if any, adjustments are made to the accounts of the Bank in order to accommodate any adverse effects that such claims may have on its financial standing.

(a) The following cases instituted against the Bank are currently being adjudicated before court.

Case No. 7058/DMR
The Plaintiff instituted this action against the Bank, claiming a sum of Rs. 20 Mn on the purported basis that the Bank has increased the rate of interest in respect of the housing loan obtained by the Plaintiff thereby causing loss to the Plaintiff. While the case is currently being adjudicated before the District Court, we note that the letter of offer confirms that the Bank has the right to increase the rate of interest. The Bank is confident that the subsisting contract with the Plaintiff confers on the Bank the right to increase rates.

Case No. CHC/167/2020/MR and Case No. CHC/168/2020/MR
The Plaintiffs have filed the above actions against the Bank claiming a sum of Rs. 250 Mn and Rs. 100 Mn respectively, on the purported basis that the Bank has erroneously uplifted the deposits and transferred monies from the Plaintiffs' personal and corporate accounts without their consent and knowledge. The orders thus far in the above cases were delivered in favour of the Bank by which the Court had dissolved the enjoining orders thus far issued and also refused to grant the interim reliefs sought. The Bank is confident of being able to vindicate its position.

Case No. CHC/21/2021/MR
The Plaintiff instituted this action against the Bank claiming damages in a sum of Rs. 897 Mn on the purported basis that the Bank has recovered part of the outstanding facilities without consent of the customer. The Bank has taken up the position that it has at all times acted on the written instructions of the customer and in strict conformity with the applicable law.

Case No. CHC/187/2023/MR
Customer has filed the case against the Bank claiming that he is entitled to a concessionary rate of interest under 'Jaya Isura' scheme. The Bank has taken up the position that it has granted the facility in keeping with the documents signed between the parties.

Case No. DMR/575/24
The customer has filed this case claiming damages of Rs. 500 Mn, challenging the rescheduling of an outstanding sum of Rs. 6.1 Mn. The case is being defended on the premise that the customer has agreed to the rescheduling and this position is supported by documentary evidence.

Case No CHC 184/25 MR
The Plaintiff challenges the Bank's resolution to auction five mortgaged properties, alleging non-disclosure of capital and interest in the Board Resolution, dishonest rescheduling and failure to grant a Rs.60 Mn facility. They seek Rs.101.2 Mn in damages and suspension of auction. Courts have suspended the auction till the end of the case.

Case No CHC 126/25 MR
The same Plaintiffs as in CHC 184/25 MR allege denial of COVID moratorium relief, restructuring favorable to the Bank, and non-provision of the Rs.60 Mn facility. They claim Rs.2 Bn in damages and nullification of restructuring.

Case No. DMR 717/25
A fraudulent offline processed credit card transaction amounting to Rs.19,093,928.00 (USD 134,000.00) has taken place on 24/05/2016.

On a complaint lodged by Sampath Bank PLC, the Criminal Investigation Department prosecuted a case in the High Court of Colombo. However, the court acquitted the suspects at the end of the case. Thereafter, this case was filed against the Bank by the accused claiming damages of Rs.500 Mn. Case is pending in the District Court of Colombo.

(b) In addition to the above cases, approximately 350 cases have been filed against the Bank in the usual course of recovery process seeking orders from Court preventing the Bank from enforcing mortgages to recover dues to the Bank.

Other than those disclosed above there are no cases filed against the Bank which would have a material impact on the financial position or profitability of the Bank.

7.8 FINANCIAL RATIOS OF THE BANK

Debt / Equity Ratio and Interest Cover

As at 31st December	2021	2022	2023	2024	2025	30th June 2026 (unaudited)
Debt / Equity Ratio % *	24.9	18.8	15.6	9.6	14.5	14.5
Interest Cover Ratio (Times) **	6.6	6.8	9.7	18.1	15.9	15.3

* Debt / Equity Ratio = Long Term Borrowings / Total Equity

** Interest Cover Ratio = (Operating Profit Before VAT & SSCL on financial services & Income Taxes + Interest Expenses for Long Term Borrowings) / Interest Expenses for Long Term Borrowings

7.9 DEBENTURE/ BASEL III COMPLIANT GREEN BOND INTEREST PAYMENT DETAILS

(In LKR '000)

	2021	2022	2023	2024	2025	30th June 2026 (unaudited)
Gross interest due on debentures/ BASEL III Compliant green bonds	3,420,822	3,200,500	1,977,897	4,313,122	3,351,149	3,974,200
Debenture/ BASEL III Compliant green bond interest paid on due date	3,420,822	3,200,500	1,977,897	4,313,122	3,351,149	3,974,200
Debenture/ BASEL III Compliant green bond interest paid after the due date	--	--	--	--	_	-
Debenture/ BASEL III Compliant green bond interest not paid as of to date	--	--	--	--	_	-

7.10 TAXATION

The Bank consistently ensures that it is in compliance with requirements and regulations as stipulated by the Inland Revenue Act No. 24 of 2017 and amendments thereto and the other prevailing tax regulations of Sri Lanka. The Bank is not enjoying any special tax exemptions as at the date of the Prospectus.

7.11 FINANCIAL STATEMENTS AND FINANCIAL SUMMARY

The following financial information is hosted on the Bank's web site, *www.sampath.lk* and CSE web site *www.cse.lk*;

- Audited financial statements of the Bank as at 31st December 2025
- Audited condensed financial statements which comprise the statement of financial position as at 30th June 2026, and the related income statement and statement of profit or loss and other comprehensive income for the Six (06) months period then ended.
- Summarized financial statement for the Five (05) years ended 31st December 2021 to 31st December 2025 preceding the date of the Application stating the accounting policies adopted by the Bank certified by the External Auditors and there were no qualifications carried in any of the Auditors Reports covering the period in question and any material changes in accounting policies during the relevant period.

7.12 SUBSIDIARY COMPANIES AND THEIR PRINCIPAL ACTIVITIES

The details of subsidiaries of the Bank are given in the table below:

Name of Subsidiary	Principal Activity	Shareholding % (as at 30th June 2026)
Sampath Centre Ltd	Renting of commercial property	100.00%
Sampath Securities (Pvt) Ltd	Stock broking	100.00%
Siyapatha Finance PLC	Granting lease, hire purchase, factoring and other loan facilities and accepting deposits	100.00%
Sampath Information Technology Solutions Ltd	Software development, renting of IT equipment, IT resource outsourcing and consultancy	100.00%
Sampath Wealth Management Ltd	Wealth Management	100.00%

The Bank does not have any associate companies as at 30th June 2026.

8.0 BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

The details of the Board of Directors of Sampath Bank PLC as at the date of this Prospectus are given below:

Name of Director	Designation
Mr. Harsha Amarasekera	Chairman (Non-Executive / Independent Director)
Mr. Sanjaya Gunawardana	(Managing Director / Chief Executive Officer)
Mr. Dilip de S Wijeyeratne	Deputy Chairman (Non-Executive / Independent Director)
Ms. Aroshi Nanayakkara	(Non-Executive / Independent Director)
Mr. Vajira Kulatilaka	(Non-Executive / Independent Director)
Mrs. Keshini Jayawardena	(Non-Executive / Independent Director)
Mr. Vinod Hirdaramani	(Non-Executive / Independent Director)
Mr. Hiran Cabraal	(Non-Executive / Independent Director)
Mr. Roger Keith Modder	(Non-Executive / Independent Director)
Mr. Dilshan Hettiaratchi	(Non-Executive / Independent Director)
Mr. Ajantha de Vas Gunasekara	(Executive Director / Chief Financial Officer)

8.2 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board established the Board Related Party Transactions Review Committee with effect from 30th July 2015 and the role, functions and the composition of the Committee are defined by the provisions of the:

- Banking Act Direction No. 05 of 2024 on Corporate Governance for Licensed Banks issued by the CBSL;
- Listing Rules of the CSE; and
- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee is responsible for reviewing all Related Party Transactions according to applicable rules and regulations and taking necessary measures to prevent conflicts of interest arising from transactions with identified related parties.

Composition of the Related Party Transactions Review Committee is as follows.

Name	Membership Status	Directorship Status
Mr. Vajira Kulatilaka	Chairman	Non-Executive / Independent Director
Mr. Hiran Cabraal	Member	Non-Executive / Independent Director
Mr. Dilip de S Wijeyeratne	Member	Non-Executive / Independent Director

9.0 STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE BOARD OF DIRECTORS

We, the undersigned who are named herein as Directors of Sampath Bank PLC, hereby declare and/ or confirm the following:

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy and completeness of the information given and confirm that provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and 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 Sampath Bank PLC have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to Sampath Bank PLC and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

We hereby confirm that Sampath Bank PLC and all relevant parties connected with this Issue have complied with all applicable regulatory requirements, including, inter alia, the provisions of the Colombo Stock Exchange Listing Rules, the Companies Act No. 07 of 2007 (as amended), and all other applicable laws and regulations in force in Sri Lanka. We further declare that, to the best of our knowledge, information and belief, having made all reasonable enquiries, there are no material conflicts of interest, whether direct or indirect, that would affect or be likely to affect the issuance of the Debentures or the contents of this Prospectus.

An application has been made to the CSE for permission to deal in and for a listing of Debentures issued by Sampath Bank PLC and those Debentures which are the subject of this Issue. Such permission will be granted when the 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 or omissions and undisclosed information in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of Sampath Bank PLC or of the Debentures issued.

Name of Director	Designation	Signature
Mr. Harsha Amarasekera	Chairman (Non-Executive / Independent Director)	Sgd.
Mr. Sanjaya Gunawardana	(Managing Director / Chief Executive Officer)	Sgd.
Mr. Dilip de S Wijeyeratne	Deputy Chairman (Non-Executive / Independent Director)	Sgd.
Ms. Aroshi Nanayakkara	(Non-Executive / Independent Director)	Sgd.
Mr. Vajira Kulatilaka	(Non-Executive / Independent Director)	Sgd.
Mrs. Keshini Jayawardena	(Non-Executive / Independent Director)	Sgd.
Mr. Vinod Hirdaramani	(Non-Executive / Independent Director)	Sgd.
Mr. Hiran Cabraal	(Non-Executive / Independent Director)	Sgd.
Mr. Roger Keith Modder	(Non-Executive / Independent Director)	Sgd.
Mr. Dilshan Hettiaratchi	(Non-Executive / Independent Director)	Sgd.
Mr. Ajantha de Vas Gunasekara	(Executive Director / Chief Financial Officer)	Sgd.

9.2 STATUTORY DECLARATION BY THE MANAGERS TO THE ISSUE

We, Investor Relations Department of Sampath Bank PLC, No.110, Sir James Peiris Mawatha, Colombo 02 being the Manager to the Issue of Sampath Bank PLC Debenture Issue 2026, hereby declare and confirm that to the best of our knowledge and belief the Prospectus constitutes full and true disclosure of all material facts about the Issue and Sampath Bank PLC.

Given on this 15th October 2026

(Sgd.)

Thilina Costa
Chief Manager – Investor Relations and Securities Services Department

ANNEXURE I

COLLECTION POINTS

Manager / Company Secretary	**Registrars to the Issue**	**Bankers to the Issue**
Investor Relations Department Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02. Mr. Lasantha Senaratne Company Secretary Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02.	Central Depositary Systems [Pvt] Limited Ground Floor, M & M Center, 341/5, Kotte Road, Rajagiriya.	Securities Services Department Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02.
Tel: +94-11 4 416 963/ 874/ 809/100 +94-11 4 730 652	Tel: +94-11 2 356 444	Tel: +94 11 2 4 416 610
Fax: +94-11 4 712 016 +94-11 2 300 924	Fax: +94-11 2 440 396	Fax: +94-11 4 712 016

TRADING PARTICIPANTS OF THE CSE

Bartleet Religare Securities (Pvt) Ltd. Level "G", "Bartleet House", 65, Braybrooke Place, Colombo 02. Tel : +94-11 4 221 000 Fax : +94-11 2 434 985 E-mail : info@bartleetreligare.com	**HNB Stockbrokers (Pvt) Ltd.** No. 53, Dharmapala Mawatha, Colombo 03. Tel : +94-11 2 206 206 Fax : +94-11 2 206 298 / 9 E-mail : sales@hnbstockbrokers.lk
John Keells Stockbrokers (Pvt) Ltd. 186, Vauxhall Street, Colombo 02. Tel : +94-11 2 306 250 / + 94 11 2 342 066 / 7 Fax : +94-11 2 342 068 E-mail : jkstock@keells.com	**Asha Securities Limited** No. 60, 5th Lane, Colombo 03. Tel : +94-11 2 429 100 Fax : +94-11 2 429 199 E-mail : asl@ashasecurities.net
Almas Equities (Pvt) Ltd. 3rd Floor, Tower B, Sino Lanka Towers, No. 409, Sri Jayawardenapura Mawatha, Rajagiriya. Tel : +94-70 7 144 551 Fax : +94-11 2 673 908 E-mail : info@almasequities.com	**Somerville Stockbrokers (Pvt) Ltd.** 410/95, 1/1, Bauddhaloka Mawatha, Colombo 07. Tel : +94-11 2 502 858 / +94-11 2 502 862 / +94-11 2 502 854 Fax : +94-11 2 502 852 E-mail : contact@somerville.lk

J B Securities (Pvt) Ltd. No. 150, St. Joseph Street, Colombo 14. Tel : +94-11 2 490 900 Fax : +94-11 2 430 070 E-mail : jbs@jb.lk	**Lanka Securities (Pvt) Ltd.** 3rd Floor," M2M Veranda Offices", No. 34, W.A.D. Ramanayeke Mawatha, Colombo 02. Tel : +94-11 4 706 757 / +94-11 2 554 942 Fax : +94-11 4 706 767 E-mail : info@lankasec.com
Asia Securities (Pvt) Ltd. 4th Floor, Lee Hedges Tower, No.349, Galle Road, Colombo 03. Tel : +94-11 7 722 000 Fax : +94-11 2 584 864 E-mail : inquiries@asiasecurities.lk	**Capital Trust Securities (Pvt) Ltd.** 42, Mohamed Macan Markar Mawatha, Colombo 03. Tel : +94-11 2 174 174 / +94-11 2 174 175 Fax : +94-11 2 174 173 E-mail : inquiries@capitaltrust.lk
Sampath Securities (Pvt) Ltd. 5th Floor, 26 B, Alwis Place, Colombo 03 Tel : +94-11 4 711 000 / +94-11 4 711 001 Fax : +94-11 2 394 405 E-mail : info@sampathsecurities.lk	**CT Smith Securities (Pvt) Ltd.** 4-14, Majestic City, 10, Station Road, Colombo 04. Tel : +94-11 2 552 290 - 4 Fax : +94-11 2 552 289 E-mail : info@ctsmith.lk
First Capital Equities (Pvt) Ltd. Level 12, Vallibel Property Building, No. 480, Galle Road, Colombo 03. Tel : +94- 11 2 123 901 Fax : - E-mail : equity@firstcapital.lk	**NDB Securities (Private) Ltd.** Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04. Tel : +94-11 2 131 000 Fax : +94-11 2 314 181 E-mail : support@ndbs.lk
ACS Capital (Pvt) Ltd. No.44, Guildford Crescent, Colombo 07. Tel : +94-11 7 898 302 / +94 11 488 9061-3 / +94-11 268 8899 Fax : - E-mail : info@acscapital.lk	**Capital Alliance Securities (Pvt) Ltd.** 6th Floor, M2M Veranda Offices, No. 34, W.A.D. Ramanayake Mawatha, Colombo 02. Tel : +94-11 2 317 777 Fax : +94-11 2 317 788 E-mail : info@cal.lk
Nestor Stock Brokers (Pvt) Ltd. The Landmark Building, No.385, Galle Road, Colombo 03. Tel : +94-11 5 388 138 Fax : +94-11 2 550 100 E-mail : info@nestorstockbrokers.lk	**First Guardian Equities (Pvt) Ltd.** 32nd Floor, East Tower, World Trade Centre, Colombo 01. Tel : +94-11 5 884 400 Fax : +94-11 5 884 401 E-mail : info@fge.lk

Enterprise Ceylon Capital (Pvt) Ltd. No. 2, 3rd Floor, 6th Lane, Colombo 03. Tel : +94-11 2 445 644 Fax : +94-11 2 372 541 E-mail : info@ecc.lk	**Richard Pieris Securities (Pvt) Ltd.** No. 310, High Level Road, Nawinna, Maharagama. Tel : +94-11 4 310 500 Fax : +94-11 2 802 385 E-mail : communication@rpsecurities.com
Softlogic Stockbrokers (Pvt) Ltd. Level 16, One Galle Face Tower, Colombo 02. Tel : +94-11 7 277 000 Fax : +94-11 7 277 099 E-mail : ssb.inquiry@softlogic.lk	**LOLC Securities Ltd.** No.481, T.B. Jayah Mawatha, Colombo 10. Tel : +94-11 7 582 000 Fax : +94-11 2 662 883 E-mail : info@lolcsecurities.com
ACAP Stock Brokers (Pvt) Ltd. No. 17, Lauries Place, Colombo 04. Tel : +94-704 779 500 Fax : +94-11 2 331 756 E-mail : info@acapstockbrokers.lk	**Ambeon Securities (Pvt) Limited** No.100/1,2nd Floor, Elvitigala Mawatha, Colombo 08. Tel : +94-11 5 328 100 / +94-11 5 328 200 Fax : +94-11 5 328 177 E-mail : info@ambeonsecurities.lk
Senfin Securities Limited 4th Floor, No.180, Bauddhaloka Mawatha, Colombo 04. Tel : +94-11 2 359 100 Fax : +94-11 2 305 522 E-mail : info@senfinsecurities.com	**Capital Alliance PLC** 6th Floor, M2M Veranda Offices, No. 34, W.A.D. Ramanayake Mawatha, Colombo 02. Tel : +94-11 2 317 777 Fax : +94-11 2 317 788 E-mail : info@cal.lk
Wealthtrust Securities PLC No. 102/1, Dr. N M Perera Mawatha, Colombo 08. Tel : +94-11 2 675 091 - 4 Fax : +94-11 2 689 605 E-mail : info@wealthtrust.lk	**Seylan Bank PLC** Level 3, Seylan Towers 90, Galle Road, Colombo 03. Tel : +94-11 2 456 300 Fax : +94-11 2 452 215 E-mail : info@seylan.lk

ANNEXURE II

CUSTODIAN BANKS

BANK OF CEYLON 11th Floor, No. 04, Bank of Ceylon Mawatha, Colombo 01. +94-11 2 204 064	**CITI BANK, N A** 65 C, Dharmapala Mawatha, Colombo 07. +94-11 4 794 733	**COMMERCIAL BANK OF CEYLON PLC** Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01. +94-11 2 430 420
DEUTSCHE BANK AG Level 21, One Galle Face Tower, 1A, Centre Road, Galle Face, Colombo 02. +94-112 447 062 / +94-112 438 057	**HATTON NATIONAL BANK PLC** HNB Towers, 479, T.B. Jayah Mawatha, Colombo 10. +94-77 7 712 406	**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED** 24, Sir Baron Jayathilake Mawatha, Colombo 01. +94-11 4 451 275
PEOPLE'S BANK (Head Office) People's Tower, No.374, Dr. Colvin R. de Silva Mawatha, Colombo 02. +94-11 3 740 740	**STANDARD CHARTERED BANK** 37 York Street, Colombo 01. +94-11 2 480 450	**SAMPATH BANK PLC** 110, Sir James Peiris Mawatha, Colombo 02. +94-11 5 416 963
DFCC BANK PLC No.73/5, Galle Road, Colombo 03. +94-11 2 442 031	**SEYLAN BANK PLC** Level 07, Seylan Towers, No 90 Galle Road, Colombo 03. +94-11 2 456 701/ +94-11 2 456 764 +94-77 2 279 545	**UNION BANK OF COLOMBO PLC** 64A, Galle Road, Colombo 03. +94-11 2 374 205
NATIONS TRUST BANK PLC 256, Sri Ramanathan Mawatha, Colombo 15. +94-11 4 313 131	**PAN ASIA BANKING CORPORATION PLC** (Head Office) 450, Galle Road, Colombo 03. +94-11 2 565 565	**NATIONAL DEVELOPMENT BANK PLC** No.40, Navam Mawatha, Colombo 02 +94-11 2 448 448
State Bank of India 16, Sir Baron Jayathilake Mawatha, P.O. Box 93, Colombo 01. +94-11 4 622 350		

ANNEXURE III

COPY OF THE RATING CERTIFICATE

Country Head

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates Sampath Bank's Proposed Basel III Subordinated Debentures Final 'A(lka)'

Tue 13 Oct, 2026 - 11:53 PM ET

Fitch Ratings - Singapore - 13 Oct 2026: Fitch Ratings has assigned Sampath Bank PLC's (AA-(lka)/Stable) proposed Sri Lankan rupee-denominated Basel III-compliant subordinated debentures of up to LKR10 billion a final National Long-Term Rating of 'A(lka)'.

The proposed debentures, which will mature in five and seven years, will be listed on the Colombo Stock Exchange. The bank plans to use the proceeds to supplement its Tier 2 capital base to maintain capital adequacy compliance as well as to support loan book growth.

The proposed debentures will qualify as Basel III-compliant regulatory Tier 2 capital. The debentures include a non-viability clause that states they will convert to ordinary voting shares upon the occurrence of a trigger event, as determined by the Governing Board of the Central Bank of Sri Lanka.

The final rating is the same as the expected rating assigned on 10 September 2026 and follows the receipt of documents conforming to information already received.

KEY RATING DRIVERS

Fitch rates the proposed Basel III Tier 2 debentures two notches below the bank's National Long-Term Rating of 'AA-(lka)'. This reflects Fitch's baseline notching for loss severity for this type of debt and our expectations of poor recoveries. There is no additional notching for non-performance risks, as the proposed debentures do not incorporate going-concern loss-absorption features.

Sampath's National Long-Term Rating is used as the anchor rating for this instrument because the rating reflects the bank's standalone financial strength and best indicates the risk of the bank becoming non-viable.

Fitch affirmed Sampath's ratings on 17 August 2026. See our latest rating action commentary, Fitch Affirms Sampath Bank at 'AA-(lka)'; Outlook Stable , for the key rating drivers and sensitivities.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

A downgrade of the bank's National Long-Term Rating will lead to a downgrade of the subordinated debt rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the bank's National Long-Term Rating will lead to an upgrade of the subordinated debt rating.

DATE OF RELEVANT COMMITTEE

14 August 2026

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
Sampath Bank PLC				
subordinated	Natl LT	A(lka)	New Rating	A(EXP)(lka)

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

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Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

National Scale Rating Criteria (pub. 22 Dec 2020)

Bank Rating Criteria (pub. 09 May 2026) (including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

Potential Conflicts Resulting from Revenue Concentrations

ENDORSEMENT STATUS

Sampath Bank PLC

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Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on

historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch's website.

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ANNEXURE IV

ACCOUNTANT'S REPORT & 5 YEAR SUMMARY

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Tel +94 - 11 542 6426
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The Board of Directors
Sampath Bank PLC,
No 110, Sir James Peiris Mawatha,
Colombo 02,
Sri Lanka.

06 October 2026

Dear Members of the Board,

ACCOUNTANTS' REPORT ("REPORT") FOR INCLUSION IN THE PROSPECTUS OF THE PROPOSED DEBENTURE ISSUE OF SAMPATH BANK PLC.

This Report has been prepared for the inclusion in the Prospectus of Sampath Bank PLC ("Bank") issued in connection with the issue up to Seventy Million (70,000,000) BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year and 7 Year Debentures with a Non-Viability Conversion feature (hereinafter referred to as the 'Debentures'), of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, to raise up to a sum of Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/-), with an option to issue up to a further Thirty Million (30,000,000) of the said Debentures to raise up to a further sum of Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-), at the discretion of the Bank in the event of an oversubscription of the initial Issue.

We have examined the respective audited financial statements of "the Bank for the financial years ended 31 December 2021 to 31 December 2025, and report as follows. Extracts of these financial statements have been included in the prospectus and this Report.

1. INCORPORATION

Sampath Bank PLC (the "Bank") is a Public Limited Liability Company incorporated in Sri Lanka on 10th March 1986 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No 07 of 2007 on 28th April 2008. It is a licensed commercial bank under the Banking Act No.30 of 1998 and supervised by the Central Bank of Sri Lanka. The shares of the Bank have a primary listing on the Colombo Stock Exchange.

The registered office of the Bank is located at No. 110, Sir James Pieris Mawatha, Colombo 02. The principal activities of the Bank involve providing financial services encompassing Retail Banking, Corporate Banking, Digital banking, Small and Medium Enterprise (SME) Banking, project and infrastructure financing, leasing, housing finance, cash management, correspondent banking, remittance services, margin trading, pawning, treasury and investment services, and card operations.

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T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. S.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
H.U.S.T Deyesinda FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapaksa FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: G.R.I. Perera FCMA(UK), LL.B, Attorney-at-Law, R.S. Goonewardene ACA, Ms. F.R. Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA(UK), Ms. D Corea Dharmaratne

KPMG

2. FINANCIAL STATEMENTS

2.1 Five-year summary of financial statements

A summary of Income Statement, Statement of Financial Position of the Bank for the five years ended 31 December 2021 to 2025, are based on the audited annual financial statements of the Bank prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS") laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and comply with the requirements of Companies Act No 7 of 2007 are set out in Annexure I.

2.2 Audit reports

The financial statements of the Bank for the financial years ended 31 December 2021 to 2025 have been audited by the predecessor auditor. Unqualified audit opinions have been issued for the said financial years by the predecessor auditor.

Application of accounting standards and accounting policies

The financial statements of the Bank for the financial years ended 31 December 2021 to 2025 complied with and prepared in accordance with Sri Lanka Accounting Standards (commonly referred as "SLFRS"/ "LKAS").

The accounting policies of the Bank are stated in detail in the annual audited financial statements (Annual reports) of the Bank for the years ended 31 December 2021 to 2025. The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the Bank from financial years ended 31 December 2021 to 2025 are given below.

Financial year	Adoption of revised Accounting Standards, and related changes in Accounting Policies
31 December 2021	No new accounting standards were adopted by the Bank during the year. The following amendments to existing standards which became effective from 01 January 2021 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to SLFRS 16 Leases: COVID-19-Related Rent Concessions beyond June 30, 2021** On December 04, 2020, CA Sri Lanka issued COVID-19-Related Rent Concessions - amendment to SLFRS 16 Leases. The amendments provided relief to lessees from applying SLFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic.

	The amendment was intended to be applied until June 30, 2021, but as the impact of the COVID-19 pandemic continued. on June 28, 2021 CA Sri Lanka extended the period of application of the practical expedient up to June 30, 2022. Adoption of the above amendments did not have any material impact on the financial statements of the Bank.
31 December 2022	No new accounting standards were adopted by the Bank during the year The following amendments to existing standards which became effective from 1 January 2022 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to LKAS 37: Onerous Contracts – Costs of Fulfilling a Contract** • **Amendments to LKAS 16: Property, Plant and Equipment - Proceeds before intended use.** • **Amendments to SLFRS 3: Reference to the Conceptual Framework** Adoption of the above amendments did not have any material impact on the financial statements of the Bank. **Reclassification of Debt portfolio from Fair value through Other Comprehensive Income to Amortized Cost** During the year, the Bank re-classified bulk of its treasury bond portfolio, and entire in FVOCI category to amortized cost category, with effect from April 01, 2022, as a result of changes to the business model of managing the assets due to unprecedented changes in the macro-economic conditions in line with the guidelines issued by the CA Sri Lanka in the form of Statement of Alternative Treatment (SOAT) on Re-classification of Debt Portfolio as a one off option. The amortised cost of the treasury bonds reclassified from the FVOCI amounted to Rs 29 Bn as at 31 December 2022. The fair value and the cumulative mark to market loss of these bonds would have been Rs 25.1 Bn and Rs 3.9 Bn respectively, had the Bank continued to classify these bonds in the FVOCI portfolio. The additional mark to market loss that would have been recognised for the year ended 31st December 2022 would have been Rs 2.7 Bn. **Surcharge tax** As per the Surcharge tax Act No. 14 of 2022, surcharge tax is pertaining to the year of assessment 2020/21. According to the said Act, surcharge tax shall be deemed to be an expenditure in the financial statements relating to the year of assessment 2020/21. Since the Act superseded the requirements of Sri Lanka Accounting standards, the surcharge tax expense was accounted for as recommended by the

	Statement of Alternative Treatment (SOAT) on Accounting for Surcharge Tax issued by the Institute of Chartered Accountants of Sri Lanka. Accordingly, the Bank recognized the total liability to the surcharge tax as an adjustment to the opening retained earnings as at 01 January 2022. **Change in deductible loan loss provision method for income tax** According to the Government Gazette No.2064/57 dated 1st April 2018, specific loan loss provision made in accordance with the CBSL directives had been allowed as claimable loan loss provisions for income tax purpose up to 31st December 2021. However, as per gazette No. 2305/05 dated 25th October 2022, provisions for impairment charges of Stage 1 and 2 have not been considered claimable. Consequently, only Stage 3 impairment provisions (subject to conditions) have been considered as claimable loan loss provision for tax purpose in the current year. Specifications of the Gazatte has been applied from 1st January 2022. Accordingly, the transition adjustment as at 1st January 2022 has been calculated separately based on the new regulation and required adjustments have been made in Financial Statements.
31 December 2023	No new accounting standards were adopted by the Bank during the year. The following amendments to existing standards which became effective from 1 January 2023 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to "Accounting Policies, Changes in Accounting Estimates and Errors" (LKAS 8): Definition of Accounting Estimates** • **Amendments to "Income Taxes" (LKAS 12): Deferred Tax related to Assets and Liabilities arising from a Single Transaction** • **Amendments to "Presentation of Financial Statements" (LKAS 1): Disclosure of Accounting Policies** Adoption of the above amendments did not have any material impact on the financial statements of the Bank.
31 December 2024	No new accounting standards were adopted by the Bank during the year. The following amendments to existing standards which became effective from 1 January 2024 were adopted and the Bank updated its accounting policies and disclosures as required. • **Amendments to LKAS 1- Presentation of Financial Statements - Classification of Liabilities with Covenants as Current or Non-current** • **Amendments to LKAS 7 - Statement of Cash Flows and SLFRS 7 - Financial Instruments Disclosures : Disclosures on Supplier Finance Arrangements**

	• **Amendments to LKAS 12 - Income Taxes- International Tax Reform – Pillar Two Model Rules** • **Amendments to SLFRS 16 - Leases** Adoption of the above amendments did not have any material impact on the financial statements of the Bank.
31 December 2025	**SLFRS S1-General requirements for disclosure of sustainability related financial information and SLFRS S2 -Climate related disclosures** The Bank adopted Sustainability Disclosure Standard – SLFRS S1 on "General Requirements for Disclosure of Sustainability-related Financial Information" (SLFRS S1) and SLFRS S2 on "Climate-related Disclosures" (SLFRS S2) during the year. As these are Disclosure Standards, the related disclosures have been disclosed in the relevant sections of the Annual Report as appropriate, and they do not form part of the Financial Statements for the year ended 31 December 2025. • **Amendments to LKAS 21- Lack of Exchangeability** Adoption of the above amendment did not have any material impact on the financial statements of the Bank.

2. Events after reporting date

There were no significant events that occurred after the last audit report issued for the financial year ended 31 December 2025, other than mentioned below.

- **Final dividend for financial year 2025**

The Directors of the Bank recommended a final cash dividend of Rs 10.30 per share for the financial year ended 31st December 2025. This dividend was approved by the shareholders at the Annual General Meeting held on 30th March 2026.

In accordance with Sri Lanka Accounting Standard - LKAS 10 "Events after the Reporting Period", this proposed final dividend was not recognised as a liability as at 31st December 2025.

- **Incorporation of a new Subsidiary to conduct wealth management business**

The Central Bank of Sri Lanka granted approval for the Bank to engage in wealth management business through a wholly owned subsidiary of the Bank. The subsidiary is currently in the process of obtaining the requisite SEC approvals and implementing the necessary governance framework, systems, processes, and operational infrastructure required to commence business operations.

KPMG

3. **Dividends**

The Bank had declared the following dividends in respect of ordinary shares for the years ended 31 December 2021 to 31 December 2025.

Year ended 31 December	Dividend Per Share Rs.	Remarks
2021	4.25	Rs. 4.25/- by way of cash dividend.
2022	4.60	Rs. 3.45/- by way of a cash dividend and Rs. 1.15/- by way of a scrip dividend.
2023	5.85	Rs. 5.85/- by way of cash dividend.
2024	9.35	Rs. 9.35/- by way of cash dividend.
2025	10.30	Rs. 10.30/- by way of cash dividend.

4. **Purpose and restriction on use and distribution**

This Report is prepared solely for the purpose of the Board of Directors of Sampath Bank PLC to be used in the Prospectus for the issuance up to Seventy Million (70,000,000) BASEL III Compliant - Tier 2 Listed Rated Unsecured Subordinated Redeemable 5 Year and 7 Year Debentures with a Non-Viability Conversion feature (hereinafter referred to as the 'Debentures'), of the par value of Sri Lankan Rupees One Hundred (LKR 100/-) each, to raise up to a sum of Sri Lankan Rupees Seven Billion (LKR 7,000,000,000/), with an option to issue up to a further Thirty Million (30,000,000) of the said Debentures to raise up to a further sum of Sri Lankan Rupees Three Billion (LKR 3,000,000,000/-), at the discretion of the Bank in the event of an oversubscription of the initial Issue.

This Report should not be used for any other purpose except for the inclusion in the Prospectus as mentioned above and should not be distributed to or used by parties other than the Bank.

Yours faithfully,

Chartered Accountants

Colombo

SAMPATH BANK - FINANCIAL INFORMATION

Statement of Profit or Loss

Bank

For the year ended 31st December	2021	2022	2023	2024	2025
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Gross Income	**104,570,303**	**197,570,518**	**226,154,096**	**195,321,016**	**218,780,329**
Interest income	85,986,952	157,619,458	203,447,113	183,054,746	181,059,355
Less : Interest expense	44,317,761	84,117,088	131,157,456	103,046,806	103,276,965
Net interest income	**41,669,191**	**73,502,370**	**72,289,657**	**80,007,940**	**77,782,390**
Fee & commission income	13,239,648	21,940,763	22,909,822	22,289,477	27,240,631
Less: Fee & commission expense	1,764,995	2,499,396	4,023,353	4,780,225	6,005,276
Net fee & commission income	**11,474,653**	**19,441,367**	**18,886,469**	**17,509,252**	**21,235,355**
Net gain/(loss) from trading	399,243	(2,248,355)	761,786	(1,777,456)	4,254,888
Net gain on derecognition of financial assets					
Capital gain on sale of financial assets	150,413	541,825	591,711	1,134,815	3,968,812
Impact on restructuring of Sri Lanka International Sovereign Bonds	-	-	-	(8,365,338)	-
Net other operating income	4,794,047	19,716,827	(1,556,336)	(1,015,228)	2,256,643
Total operating income	**58,487,547**	**110,954,034**	**90,973,287**	**87,493,985**	**109,498,088**
Less: Impairment charge	17,084,814	62,706,010	20,148,542	(11,728,043)	(637,253)
Net operating income	**41,402,733**	**48,248,024**	**70,824,745**	**99,222,028**	**110,135,341**
Less: Operating expenses					
Personnel expenses	9,542,996	12,496,048	14,249,843	18,056,922	19,945,786
Depreciation and amortisation expenses	2,454,371	2,544,968	2,644,499	3,088,048	4,895,065
Other operating expenses	8,670,697	13,006,891	15,562,653	18,187,593	21,927,581
Total operating expenses	**20,668,064**	**28,047,907**	**32,456,995**	**39,332,563**	**46,768,432**
Operating profit before taxes on financial services	**20,734,669**	**20,200,117**	**38,367,750**	**59,889,465**	**63,366,909**
Less: Taxes on financial services					
Value added tax on financial services	3,900,725	4,953,917	7,519,371	11,561,312	12,360,192
Social security contribution levy	-	222,054	1,087,971	1,605,738	1,716,693
Profit before income tax	**16,833,944**	**15,024,146**	**29,760,408**	**46,722,415**	**49,290,024**
Less : Income tax expense	4,376,447	1,889,994	12,620,329	19,401,803	19,079,307
Profit for the year	**12,457,497**	**13,134,152**	**17,140,079**	**27,320,612**	**30,210,717**
Attributable to:					
Equity holders of the Bank	12,457,497	13,134,152	17,140,079	27,320,612	30,210,717
Non - controlling interest					
	12,457,497	**13,134,152**	**17,140,079**	**27,320,612**	**30,210,717**

KPMG Chartered Accountants

SAMPATH BANK - FINANCIAL INFORMATION

Statement of Financial Position

Bank

As at 31st December	2021	2022	2023	2024	2025
	Rs 000	Rs 000	Rs 000	Rs 000	Rs 000
Assets					
Cash & cash equivalents	22,882,999	79,161,545	79,272,087	46,229,318	62,018,008
Balances with Central Bank of Sri Lanka	30,874,556	31,579,185	14,463,854	16,373,983	21,835,192
Placements with banks	2,739,514	10,927,216	33,741,322	26,452,245	39,223,825
Reverse repurchase agreements	2,752,011	10,072,569	-	1,000,220	44,282
Derivative financial instruments	1,399,119	44,598	587,577	907,054	2,468,488
Financial assets recognised through profit or loss - measured at fair value	3,907,704	4,641,277	4,744,188	4,614,332	403,260
Financial assets at amortised cost					
- loans & advances	762,588,294	811,157,649	756,435,559	860,151,610	1,127,776,792
- debt & other instruments	293,766,967	278,775,796	368,100,002	401,280,763	523,176,568
Financial assets - fair value through other comprehensive income	43,004,145	32,772,930	210,022,295	367,782,512	148,256,497
Investment in subsidiaries	3,503,350	3,898,512	4,110,642	4,190,721	4,226,113
Property, plant & equipment	7,817,923	8,910,525	9,623,120	10,854,850	15,187,778
Intangible assets	544,916	578,031	745,395	888,711	1,040,433
Right-of-use assets	3,265,318	3,540,286	3,605,525	7,860,280	7,190,091
Current tax receivables	-	-	-	-	-
Deferred tax assets	6,157,958	21,734,244	17,292,023	10,934,412	10,597,476
Other assets	14,708,621	26,630,974	33,204,832	18,820,112	14,807,760
Total Assets	1,199,913,395	1,324,426,337	1,541,948,421	1,777,941,123	1,978,252,563
Liabilities					
Due to banks	23,653,247	11,297,181	11,621,838	23,259,811	24,687,100
Derivative financial instruments	607,923	1,449,393	1,498,777	3,200,590	805,063
Securities sold under repurchase agreements	4,157,662	2,283,291	34,688,209	40,312,784	32,785,653
Financial liabilities at amortised cost					
- due to depositors	937,945,952	1,096,099,874	1,253,642,547	1,455,864,416	1,627,060,300
- due to other borrowers	14,434,115	9,173,923	6,637,129	8,061,364	8,357,756
- due to debt securities holders	31,006,592	25,259,536	26,709,893	18,891,500	29,795,272
Retirement benefit obligation	2,573,127	1,845,228	3,170,247	5,799,502	7,490,860
Dividend payable	148,032	187,141	212,571	298,695	405,100
Current tax liabilities	7,524,844	18,754,155	16,220,788	14,522,729	16,762,008
Deferred tax liabilities	-	-	-	-	-
Other liabilities	19,110,242	31,696,670	39,673,346	41,191,516	51,229,076
Total Liabilities	1,081,161,736	1,198,046,392	1,394,075,345	1,611,402,907	1,799,378,188
Equity					
Stated capital	47,622,493	47,622,493	48,741,119	48,741,119	48,741,119
Reserves					
Statutory reserves	5,075,000	5,755,000	6,615,000	9,645,470	11,379,931
Other reserves	57,247,452	64,832,981	81,950,709	94,494,548	103,504,994
Retained earnings	8,806,714	8,169,471	10,566,248	13,657,079	15,248,331
Total equity attributable to equity holders of the Bank	118,751,659	126,379,945	147,873,076	166,538,216	178,874,375
Non - controlling interest					
Total Equity	118,751,659	126,379,945	147,873,076	166,538,216	178,874,375
Total Liabilities & Equity	1,199,913,395	1,324,426,337	1,541,948,421	1,777,941,123	1,978,252,563
Commitments and contingencies	392,079,682	315,363,167	481,333,065	523,844,321	624,740,931

ANNEXURE V

DECLARATION TO BE GIVEN BY FATCA COMPLIANT INVESTORS

DECLARATION

Manager
Sampath Bank PLC
……

I/We……
…….....
and……..... of
.....(address)……..
……holder/s of Passport Number/ NIC Number…….... who fall under definition of a US Persons under the provision of the Foreign Account Tax Compliance Act ("FATCA") which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We hereby request Sampath Bank PLC which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the Sampath Bank PLC and to remit any tax payable to the Internal Revenue Services (IRS) of the United States of America.

I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

Date:…… …….

Signature/s of Applicant/s

www.sampath.lk