

SEYLAN BANK
DEBENTURE ISSUE 2025
PROSPECTUS





PROSPECTUS

AN INITIAL ISSUE BY SEYLAN BANK PLC OF UP TO FIFTY MILLION (50,000,000) BASEL III COMPLIANT TIER 2, LISTED RATED UNSECURED SUBORDINATED REDEEMABLE 5-YEAR AND 10-YEAR DEBENTURES (2025/30 AND 2025/35 RESPECTIVELY) WITH A NON-VIABILITY CONVERSION ("DEBENTURES"), OF THE PAR VALUE OF SRI LANKAN RUPEES ONE HUNDRED (LKR 100/-) EACH, WITH AN OPTION TO ISSUE UP TO A FURTHER SEVENTY FIVE MILLION (75,000,000) OF THE SAID DEBENTURES AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE AND WITH A FURTHER OPTION TO ISSUE UP TO A FURTHER TWENTY FIVE MILLION (25,000,000) OF THE SAID DEBENTURES AT THE DISCRETION OF THE BANK IN THE EVENT OF AN OVERSUBSCRIPTION OF THE INITIAL ISSUE AND THE SECOND TRANCHE, TO RAISE UPTO A MAXIMUM AMOUNT OF SRI LANKAN RUPEES FIFTEEN BILLION (LKR 15,000,000,000/-)

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

(Subject to the compliance with the CSE Listing Rules at the time of Listing)

Rated 'A- (lka)' BY FITCH RATINGS LANKA LIMITED

ISSUE IS LIMITED FOR "QUALIFIED INVESTORS" AS DEFINED HEREIN

**ISSUE OPENS ON
09TH JULY 2025**

JOINT MANAGERS TO THE ISSUE



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 an addendum.

By acquiring any Debentures, each Debenture Holder who applied for such debentures irrevocably consents to the principal amount of the Debenture 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 Issuer, Seylan Bank PLC ("The Bank").

Upon a Non-Viability Conversion:

- i. **The Trustee shall not be required to take any further directions from holders/ beneficial owners of the Debentures under the Trust Deed and**
- ii. **The Trust Deed shall impose no duties upon the Trustee whatsoever with respect to conversion of the Debentures into ordinary voting shares upon a Trigger Event**
- 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 contents of the Prospectus carefully prior to investment.

If you are in any doubt regarding the contents of this document or if you require any clarification or advice in this regard, you should consult your Stockbroker, Bank Manager, Lawyer or any other Professional Advisor.

Cautionary Statement

"This investment instrument is riskier than a bank deposit".

These Debentures with a Non-Viability Conversion 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, the Bank will convert the Debentures into ordinary voting shares. An investor will be deemed paid in full the principal plus accrued and unpaid interest due on Basel III compliant Debentures, upon such conversion. The number and value of Ordinary 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 of these debentures must determine the suitability of investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether the 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, an investment in these Debentures and the impact the Debentures will have on its overall investment portfolio;
- 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 Basel III compliant Debentures, and is familiar with the behaviour of financial markets; and
- v. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential 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 the 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 investor's overall investment portfolio.

PROSPECTUS

This Prospectus is dated 03rd July 2025.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared by the Joint Managers from information provided by Seylan Bank PLC (hereinafter referred as the “Bank” or the “Issuer”).

The Board of Directors of Seylan Bank PLC have seen and approved this Prospectus collectively and individually, accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of the Bank have been given in 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 investors are advised to read the Prospectus and rely on their own examination and assessment of the Bank and the terms of the Debentures issued including the risks associated.

For inquiries, please contact the Joint Managers to the Issue, People’s Bank Investment Banking Unit and First Capital Advisory Services (Pvt) Ltd

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed, reports included or for omitted statements, 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. 7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to section 40(1) of the Companies Act.

- a) The written consent of the External Auditors and Reporting Accountants 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 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 Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) 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 of the Bank for the inclusion of the name in the Prospectus as Company Secretary to the Bank.

- f) The written consent of the Joint Managers to the Issue for the inclusion of their names in the Prospectus as Joint 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 declaration made and subscribed to, by each of the Directors of the Bank herein named as Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said External Auditors and Reporting Accountants to the Issue and the Bank, Trustee to the Issue, Bankers to the Issue, Rating Agency to the Issue, Joint Managers to the Issue, Registrars to the Issue, Lawyers to the Issue and the Secretary to the Issuer have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka withdrawn such Consent.

Submission of the Prospectus to the Securities and Exchange Commission of Sri Lanka

A copy of the Prospectus has been delivered to the Securities and Exchange Commission of Sri Lanka prior in compliance with 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 this 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.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see **Section 5.11 "Risks Factors Associated with debentures"** of this Prospectus.

Forward looking Statements

Any Statements included in this Prospectus that are not statements of historical fact constitute "Forward Looking Statements". These can be identified by the use of forward looking terms such as "expect", "anticipate", "intend", "may", "plan to", "believe", "could" and similar terms or variations of such terms. However, these words are not the exclusive means of identifying "Forward Looking Statements". As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Bank are classified as "Forward looking Statements".

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Bank operates and its ability to respond to them, the Bank's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate

volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Bank.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Bank's present and future business strategies and the environment in which the Bank will operate in the future. Since there may be 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, 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 Lanka 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.

IMPORTANT

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

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

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

In line with this directive, THE DEBENTURES ALLOTTED TO AN INVESTOR WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH INVESTOR, the details of which is 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. With respect to Basel III compliant debentures the Bank 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.

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

ISSUE AT A GLANCE

Issuer	Seylan Bank PLC.					
Instrument	BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5- year and 10-year Debentures (2025/30 and 2025/35 respectively) with a Non- Viability Conversion.					
Listing	The Debentures will be listed on the Colombo Stock Exchange					
Number of Debentures	An initial issue of up to Fifty million (50,000,000) Basel III compliant Tier 2, Listed Rated Unsecured Subordinated Redeemable 5-year and 10- year Debentures (2025/30 and 2025/35 respectively) with a Non-Viability conversion ("debentures"), of the par value of LKR 100/- each, with an option to issue up to a further Seventy Five million (75,000,000) of the said Debentures at the discretion of the Bank in the event of an oversubscription of the initial issue and with a further option to issue up to a further Twenty Five million (25,000,000) of the said Debentures at the discretion of the Bank in the event of an oversubscription of the initial issue and the second tranche, totaling to maximum of One Hundred and Fifty million (150,000,000) Debentures					
Amount to be Raised	Sri Lankan Rupees up to Five Billion (LKR 5,000,000,000/-) with an option to raise a further Sri Lankan Rupees Seven Billion and Five Hundred Million (LKR 7,500,000,000/-) at the discretion of the Bank in the event of an oversubscription of the initial issue and with a further option to raise up to a further Sri Lankan Rupees Two Billion and Five Hundred Million (LKR 2,500,000,000/-) of said Debentures at the discretion of the Bank in the event of an oversubscription of the initial Issue and the second tranche in order to raise up to a maximum of Sri Lankan Rupees Fifteen Billion (LKR 15,000,000,000/-).					
Issuer Rating	A+(lka) /Stable by Fitch Ratings Lanka Limited					
Issue Rating	A-(lka) by Fitch Ratings Lanka Limited					
Trading Currency of the securities to be listed	Sri Lanka Rupees (LKR)					
Issue Price/Par Value	LKR 100/- per Debenture					
Interest Rate	Type	Redemption	Interest rate (per annum)	Type of Interest	Coupon Frequency	AER
	A	05 Years	11.25%	Fixed	Annual	11.25%
	B	05 Years	10.80%	Fixed	Quarterly	11.25%
	C	05 Years	364 days T-bill rate + 2.5% with a cap of 11.50% p.a. and floor of 9.5% p.a.	Floating	Annual	-
	D	10 Years	11.75%	Fixed	Annual	11.75%
	E	10 Years	11.40%	Fixed	Semi-Annually	11.72%

	<p>Floating Interest Rate for Type C will be the 364 Days Treasury Bill rate plus Two Decimal Five Nought per centum (2.50%) above the applicable 364 Days Treasury Bill rate (net of tax) published by the Central Bank of Sri Lanka on a weekly basis based on the most recent treasury bill auction which has been conducted either on the date of the commencement of the Interest Period or on a date immediately prior to the commencement of the Interest Period with a Cap rate of Eleven Decimal Five Nought per centum (11.50%) and a Floor rate of Nine Decimal Five Nought per centum (9.50%).</p>
Number of Debentures to be subscribed	<p>Qualified Investors are allowed to invest in either:</p> <ul style="list-style-type: none"> Debentures of Type A, and/or Debentures of Type B, and/or Debentures of Type C, and/or Debentures of Type D, and/or Debentures of Type E <p>Subject to the minimum subscription under each type as given below.</p> <p>The minimum subscription requirement applicable for a Qualified Investor applying for debt Securities shall be Rupees Ten Thousand (LKR 10,000/-).</p> <p>Provided however, the minimum subscription requirement applicable for an individual investor applying for BASEL III Compliant Debt Securities shall be Rupees Five Million (LKR 5,000,000/-).</p> <p>Any Application in excess of the minimum subscription requirement shall be in multiples of Rupees Ten Thousand (LKR 10,000/-).</p> <p>These debentures should be fully paid and issued only for cash.</p>
Method and payment of Principal & Interest	<p>By cheque marked "Account Payee Only" or through an electronic fund transfer mechanism recognised by the banking system of Sri Lanka such as SLIPS & RTGS (arranged only at the expense of the investor). RTGS transfers however could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS transfers (i.e., LKR 5,000,000/- as of the date of this Prospectus). Electronic modes of payment shall be given priority in the payment of principal sum and interest in the event accurate bank details are given.</p>
Interest Payment Date(s)	<p>Type A, Type C & Type D: The dates on which the interest payment shall fall due in respect of the Debentures, annually at the expiration of every one (01) year period commencing from the Date of Allotment of the Debentures and thereafter until the Date of Redemption and includes the Date of Redemption. Interest would be paid within three (03) working days from each interest payment date which interest becomes due. (Excluding such interest payment due date).</p> <p>Type B: The dates on which the interest payment shall fall due in respect of the Debentures, quarterly at the expiration of every three (03) months period commencing from the Date of Allotment of the Debentures and thereafter until the Date of Redemption and includes the Date of Redemption. Interest would be paid within three (03) working days from each interest payment date which interest becomes due. (Excluding such interest payment due date).</p>

	<p>Type E: The dates on which the interest payment shall fall due in respect of the Debentures, semi-annually at the expiration of every six (06) months period commencing from the Date of Allotment of the Debentures and thereafter until the Date of Redemption and includes the Date of Redemption. Interest would be paid within three (03) working days from each interest payment date which interest becomes due. (Excluding such interest payment due date).</p> <p>The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>
Date of Maturity	<p>Date of completion of 5 years for Type A, Type B & Type C from the date of allotment.</p> <p>Date of completion of 10 years for Type D & E from the date of allotment.</p> <p>Repayment of the Principal Sum (Face Value) before maturity in any circumstance shall be subject to the prior approval of the Debenture holders of the 3/4th of the Principal Sum of the Debentures outstanding at that time and the prior written consent of the Central Bank of Sri Lanka.</p>
Issue Opening Date	09 th July 2025
Issue Closing Date	<p>29th July 2025 or such earlier date (09th July 2025)</p> <p>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.</p> <ul style="list-style-type: none"> • The maximum of 150,000,000 Debentures being fully subscribed; or • The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 of Debentures becoming fully subscribed; or • The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 Debentures and the second tranche of 75,000,000 Debentures becoming fully subscribed; or <p>In the event the Board of Directors of the Bank decides to exercise the option to issue the further tranche of up to 75,000,000 of the Debentures (having subscribed the initial Issue of 50,000,000) but subsequently decides to close the subscription list upon part of further issue of 75,000,000 debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30pm.</p> <p>In the event the Board of Directors of the Bank decides to exercise the option to issue the further tranche of up to 25,000,000 of the Debentures (having subscribed the initial Issue of 50,000,000 of Debentures and the second tranche of 75,000,000 Debentures) but subsequently decides to close the subscription list upon part of further issue of 25,000,000 debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30pm.</p>

	In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial Fifty Million (50,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made by the company and the subscription list will be closed on the following Market Day at 4.30pm. (refer section 5.2).
Date of Allotment	The Date on which the Debentures will be allotted by the Bank to the investors subscribing thereto.
Basis of Allotment	<p>In the event of an oversubscription, the basis of allotment will be decided by the Board of Directors of the Bank in a fair and equitable manner within seven (7) Market Days from the date of closure.</p> <p>The Board, however, shall reserve the right to allocate up to a maximum of 75% of the Number of Debentures to be allotted under this Prospectus on a preferential basis to Qualified Investor/s of strategic importance (Identified Large scale Corporates/Banks/High Net Worth Individuals/Unit Trust/Insurance and Pension Funds).</p> <p>Number of Debentures to be allotted to identified Qualified Investor/s of strategic importance (Identified Large scale Corporates/Banks /High Net Worth Individuals/Unit Trust/Insurance and Pension Funds), on a preferential basis or otherwise will not exceed 75% of the total number of Debentures to be issued under the proposed debt issue under any circumstances, unless there is an under subscription from other Qualified Investors. (i.e., Qualified investors who do not fall under preferential category). In the event of such undersubscription, the other qualified investors who do not fall under preferential category are to be allotted in full and any remaining debentures are to be allotted to identified qualified investors of strategic importance.</p>
Trigger Event	<p>Means point or event at which the Governing Board of the Central Bank of Sri Lanka determines:</p> <p>(a) 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 Banking Act Direction No.1 of 2016 dated 29th December 2016 (as maybe amended from time to time); or</p> <p>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 Banking Act Direction No.1 of 2016 dated 29th December 2016 (as maybe amended from time to time).</p>
Non-Viability Conversion	<p>In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, there would be a conversion of Debentures to Ordinary Voting Shares by the Bank, in compliance with BASEL III requirements.</p> <p>Upon the occurrence of a Trigger Event, up to the outstanding balance of the Debentures including the total par value of such Debentures plus accrued and unpaid Debenture Interest (if any) as at that date will be 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.</p>

Conversion Price	The price based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share of the Company as published by the Colombo Stock Exchange during the three months (03) period, immediately preceding the date of the Trigger Event.
Volume Weighted Average Price (VWAP)	The Daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share as published by the Colombo Stock Exchange.

Seylan Bank PLC operates under the authority of the licence issued by Governing Board of Central Bank of Sri Lanka. The licence issued is a continuous licence and does not have an expiry date. Bank has complied with annual licence fee payable to the Central Bank of Sri Lanka within due timelines.

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1 CORPORATE INFORMATION

The Issuer	Seylan Bank PLC
Legal Form	A public limited liability company incorporated in Sri Lanka on 28 August 1987 under the Companies Act No.17 of 1982 and re-registered under the Companies Act No. 7 of 2007 on 30 May 2007. Commenced business operations as a Licensed Commercial Bank regulated under the Banking Act No. 30 of 1988 (as amended) on 24 March 1988. The Bank was listed in the Colombo Stock Exchange on 5 January 1989.
Company Registration Number	PQ 9
Date of Incorporation	28th August 1987
Registered Address	Seylan Towers, 90, Galle Road, Colombo 03. Email: info@seylan.lk Website: www.seylan.lk Tel: +94 11 2456000, Fax: +94 11 2456456
Board of Directors	Justice B P Aluwihare, PC - Independent Director / Chairman Mr R J Jayasekara - Director/Chief Executive Officer Mrs S K Salgado – Senior Independent Director Mr D M D K Thilakaratne – Non-Independent Non-Executive Director Mr D M Rupasinghe - Independent Non-Executive Director Mr L H A L Silva - Independent Non-Executive Director Mrs V G S S Kotakadeniya – Non -Independent Non-Executive Director Mrs A A Ludowyke – Independent, Non-Executive Director
Company Secretary	Mrs Saraswathie Poulraj Seylan Bank PLC Level 15 - Seylan Towers, 90, Galle Road, Colombo 03. Email: csy@seylan.lk Tel: +94 11 2456551, Fax: +94 11 2452584
Auditors to the Bank	M/s KPMG, Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03 Tel: +94 115426426, Fax: +94 11 2445872

2 RELEVANT PARTIES TO THE ISSUE

Joint Managers to the Issue

People's Bank Investment Banking Unit

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Mawatha, Colombo 02
Tel: +94 11 2206787
Fax: +94 11 2458842

First Capital Advisory Services (Pvt) Ltd

No. 2, Deal Place
Colombo 03

Tel: + 94 11 2 639 845

Fax: +94 11 2 639 819

Secretary to the Issuer

Mrs Saraswathie Poulraj

Company Secretary
Seylan Bank PLC
Level 15 - Seylan Towers
90, Galle Road, Colombo 03, Sri Lanka
Tel: 0094 11 2456551 / Fax: 0094 11 2452584

Lawyers to the Issue

M/s Nithya Partners

No. 97A, Galle Road,
Colombo 03.
Tel: +94-11 4 712 625, +94 11 2 335 908 / Fax: +94-11 2 328 817

Registrars to the Issue

SSP Corporate Services (Pvt) Ltd

No 101, Inner Flower Road,
Colombo 03.
Tel: +94 11 2573894, +94 11 2576871 / Fax: +94 11 2573609

Bankers to the Issue

Seylan Bank PLC

Millennium Branch,
"Seylan Towers"
No.90, Galle Road,
Colombo 03.
Tel: +94 11 2456103, +94 11 2456135 / Fax +94 11 2452506

Trustee to the Issue

People's Bank

No. 75, Sir Chittampalam A. Gardiner Mawatha
Colombo 02
Tel: +94 11 2 481 481 / Fax: +94 11 2 458 842

Auditors to the Issue

M/s KPMG,

Chartered Accountants,
32A Sir Mohamed Macan Markar Mawatha,
Colombo 03.
Tel: +94 11 5426426, Fax: +94 11 2445872

Credit Rating Agency to the Issue

Fitch Ratings Lanka Ltd

No.15-04, East Tower, World Trade Centre,
Colombo 01
T: 94-11-2541900 Fax: 94-11-2501903

3 LIST OF ABBREVIATIONS

AER	Annual Effective Rate
ATS	Automated Trading System of the Colombo Stock Exchange
AWPLR	Average Weighted Prime Lending Rate
BN/Bn	Billion
CAR	Capital Adequacy Ratio
CBSL	Central Bank of Sri Lanka
CCB	Capital Conservation Buffer
CDS	Central Depository System (Private) Limited
CSE	Colombo Stock Exchange
DSIB	Domestic Systemically Important Bank
FCBU	Foreign Currency Banking Unit
FY	Financial Year
IIA	Inward Investment Account
KMP	Key Management Personnel
LCB	Licensed Commercial Bank
LKAS	Sri Lanka Accounting Standard
LKR/Rupees/Rs.	Sri Lankan Rupees
MN/Mn	Million
NIC	National Identity Card
POA	Power of Attorney
RGFCA	Resident Guest Foreign Currency Account
RGRCA	Resident Guest Rupee Current Account
RTGS	Real Time Gross Settlements
RWA	Risk Weighted Assets
SEC	The Securities and Exchange Commission of Sri Lanka
SIA	Securities Investment Account
SLFRS	Sri Lanka Financial Reporting Standard
SLIPS	Sri Lanka Inter Bank Payment System
Issuer/Bank	Seylan Bank PLC
IIA	Inward Investment Account
T-Bill	Treasury Bill
VWAP	Volume Weighted Average Price
VAT	Value Added Tax
WHT	Withholding Tax
YoY	Year on Year

4 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant(s)	Any person(s) who is a Qualified Investor and 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.
Bank/Issuer	Seylan 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 Settlement in December 2010 (Revised in June 2011).
Closing Date	<p>29th July 2025 or such earlier date (09th July 2025)</p> <p>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.</p> <ul style="list-style-type: none"> • The maximum of 150,000,000 Debentures being fully subscribed; or • The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 of Debentures becoming fully subscribed; or • The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 Debentures and the second tranche of 75,000,000 Debentures becoming fully subscribed; or <p>In the event the Board of Directors of the Bank decides to exercise the option to issue the further tranche of up to 75,000,000 of the Debentures (having subscribed the initial Issue of 50,000,000) but subsequently decides to close the subscription list upon part of further issue of 75,000,000 debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30pm.</p> <p>In the event the Board of Directors of the Bank decides to exercise the option to issue the further tranche of up to 25,000,000 of the Debentures (having subscribed the initial Issue of 50,000,000 of Debentures and the second tranche of 75,000,000 Debentures) but subsequently decides to close the subscription list upon part of further issue of 25,000,000 debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30pm.</p> <p>In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial Fifty Million (50,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made by the company, and the subscription list will be closed on the following Market Day 4.30pm. (refer section 5.2).</p>

Non- Viability Conversion	<p>In the event of an occurrence of a Trigger Event as determined at the sole discretion of the Central Bank of Sri Lanka, there would be a conversion of Debentures to Ordinary Voting Shares by the Bank, in compliance with BASEL III requirements.</p> <p>Upon the occurrence of a Trigger Event, the outstanding balance of BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures including the total par value of such Debentures plus accrued and unpaid Debenture Interest (if any) as at that date will be 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 Company shall settle such sums in cash, based on the issue price of such share.</p>
Entitlement Date	Market Day immediately preceding the respective interest payment date or immediately preceding the 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.
Date of Allotment	The date on which the Debentures will be allotted by the Bank to the Applicants subscribing thereto.
Date of Redemption	The date on which the Redemption/Maturity of the Debentures will take place as referred to in section 5.7 of this Prospectus.
Debentures	BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable 5-year and 10-year Debentures (2025/30 and 2025/35 respectively) with a Non- Viability Conversion to be issued pursuant to this Prospectus.
Debenture Holder(s)	Any Qualified Investor who is for the time being the holder of the Debentures and includes his/her respective successors in title.
Interest Payment Date(s)	<p>Type A, Type C & Type D : The dates on which the interest payment shall fall due in respect of the Debentures, which shall be (1) year from the Date of Allotment and every year therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid within three (03) working days from each interest payment date which interest becomes due. (Excluding such interest payment due date).</p> <p>Type B: The dates on which the interest payment shall fall due in respect of the Debentures, which shall be three (3) months from the Date of Allotment and every three 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 within three (03) working days from each interest payment date which interest becomes due. (Excluding such interest payment due date).</p>

	<p>Type E: The dates on which the interest payment shall fall due in respect of the Debentures, which shall be six (06) months from the Date of Allotment and every six (06) months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption. Interest would be paid within three (03) working days from each interest payment date which interest becomes due. (Excluding such interest payment due date).</p> <p>The final interest payment will be paid together with the Principal Sum within three (03) Working Days from the Date of Redemption.</p>
Interest Period	<p>Type A, Type C & Type D: The one (01) year period from the date immediately succeeding a particular interest payment date and ending on the next interest payment date (inclusive of the said commencement date and end date) and shall include the period commencing from the date of allotment and ending on the first interest payment date (inclusive of the said commencement date and end date) and the period from the date immediately succeeding the last interest payment date before the date of redemption and ending on the date immediately preceding the date of redemption (inclusive of the aforementioned commencement date and end date).</p> <p>Type B: The three (03) months period from the date immediately succeeding a particular interest payment date and ending on the next interest payment date (inclusive of the said commencement date and end date) and shall include the period commencing from the date of allotment and ending on the first interest payment date (inclusive of the said commencement date and end date) and from the date immediately succeeding the last interest payment date before the date of redemption and ending on the date immediately preceding the date of redemption (inclusive of the aforementioned commencement date and end date).</p> <p>Type E: The six (06) months period from the date immediately succeeding a particular interest payment date and ending on the next interest payment date (inclusive of the said commencement date and end date) and shall include the period commencing from the date of allotment and ending on the first interest payment date (inclusive of the said commencement date and end date) and the period from the date immediately succeeding the last interest payment date before the date of redemption and ending on the date immediately preceding the date of redemption (inclusive of the aforementioned commencement date and end date).</p>
Issue	The offer of Debentures to Qualified Investor pursuant to this Prospectus.
Issue price	LKR 100/- (Sri Lankan Rupees Hundred) per Debenture.
Non-Resident(s)	Persons resident outside Sri Lanka including country funds, regional funds, investment funds and mutual funds established outside Sri Lanka.

Non-viability Conversion Price	The price based on the simple average of the daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share of the Company as published by the Colombo Stock Exchange during the three months (03) period, immediately preceding the date of the Trigger Event.
Par Value	LKR 100/- (Sri Lankan Rupees Hundred) per Debenture
Principal Sum	The product of the number of Debentures allotted and Par Value.
Qualified Investors	<ul style="list-style-type: none"> a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended). b) A specialized bank licensed by the Central Bank of Sri Lanka 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 Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended). f) A company licensed by the Central Bank of Sri Lanka 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.7 of 2007. i) An investment trust or investment company. j) A non-resident institutional investor k) An individual with a minimum initial investment amount of Rs.5,000,000/=.
Prospectus	This Prospectus dated 03 rd July 2025 issued by Seylan Bank PLC.
Redemption	Repayment of the Principal Sum accrued and unpaid interest (if any) with regard to a Debenture Holder by the Bank.
Registered Address	The address provided by the Debenture Holders to the CDS.
Subordinated	<p>Means the claims of the Debenture Holders shall in the event of winding up of the Bank rank after all the claims of depositors, secured creditors and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank but shall rank:</p> <ul style="list-style-type: none"> a) pari passu with any other subordinated debentures which had been issued by the Bank; (b) in priority to and over the claims and rights of the Shareholder/s of the Bank <u>unless there has been an issuance of shares to the Debenture Holders upon the occurrence of a Trigger Event in which case a Debenture Holder would cease to be a Debenture Holder and become a shareholder of the Bank to the extent of such issuance.</u>

Tier 2	Tier 2 Capital includes qualifying Tier 2 capital instruments, revaluation gains approved by CBSL and general loan loss provision of the Bank.
Trigger Event	Means a point or event at which the Governing Board of the Central Bank of Sri Lanka determines: <ul style="list-style-type: none"> (a) 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 Banking Act Direction No.1 of 2016 dated 29th December 2016 (as maybe amended from time to time); 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 Banking Act Direction No.1 of 2016 dated 29th December 2016 (as maybe amended from time to time).
Trust Deed	Trust Deed executed between Seylan Bank PLC and People's Bank (Trustee) on 20th June 2025.
Volume Weighted Average Price (VWAP)	The daily Volume Weighted Average Price (VWAP) of an Ordinary Voting Share as published by the Colombo Stock Exchange

5 INFORMATION RELATING TO THE ISSUE

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Seylan Bank PLC (hereinafter referred to as the “Board”) at the Board Meetings held on 30th January 2025, 21st February 2025, 27th May 2025 and 16th June 2025 resolved to raise a sum of Rupees Five Billion (LKR 5,000,000,000/-) by an initial issue of up to Fifty Million (50,000,000) Debentures, each with a Par Value of LKR 100/- and to raise a further sum of Rupees Seven Billion and Five Hundred Million (LKR 7,500,000,000/-) by an issue of a further Seventy Five Million (75,000,000) Debentures, in the event of an over subscription of the initial issue and to raise a further sum of Rupees Two Billion and Five Hundred Million (LKR 2,500,000,000/-) by an issue of a further Twenty Five Million (25,000,000) Debentures, in the event of an over subscription of the initial issue and the second tranche.

As such a maximum amount of Rupees Fifteen Billion (LKR 15,000,000,000) would be raised by the issue of a maximum of One Hundred and Fifty Million (150,000,000) Debentures each with the Par Value of LKR 100/-.

The issue would comprise BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures with a Non-viability Conversion (With a tenure of five (05) years and ten (10) years). Debentures would be issued at an issue price of LKR 100/- per Debenture and at an interest rate as more fully described in section 5.4 of this Prospectus.

The rights of Debentures Holders with respect to payment of the principal sum and accrued interest due for thereon upon winding up of the Bank rank after all the claims of depositors, secured creditors and other unsecured creditors of the Bank and any preferential claims under any Statutes governing the Bank but shall rank (a) *pari passu* with any other subordinated debentures which had been issued by the Bank; (b) in priority to and over the claims and rights of the Shareholder/s of the Bank. 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 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.

It is the intention of the Bank to list the Debentures on the Colombo Stock Exchange. The CSE has given its approval in principle for the listing of the Debentures and any Ordinary Voting Shares which may be issued with regards to Debentures upon the occurrence of a Trigger Event on the CSE.

However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE.

Only Qualified Investors would be eligible to invest in the Debentures in both the primary and secondary markets, provided that an individual investor entering the market through the secondary market (i.e., without having invested in such Debentures through the primary offer) would also need to invest at minimum a sum of Rs.5,000,000/-. Accordingly, the secondary market trading of the Debentures is limited to the Qualified Investors

As set out in Rule 2.2.1 (q) of the 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 will be open at 9.30 a.m. on 09th July 2025 and shall remain open for fourteen (14) Market Days until closure at 4.30 pm on 29th July 2025.

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.

- The maximum of 150,000,000 Debentures being fully subscribed; or
- The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 of Debentures becoming fully subscribed; or
- The Board of Directors of the Bank decides to close the Issue upon the initial Issue of 50,000,000 Debentures and the second tranche of 75,000,000 Debentures becoming fully subscribed; or

In the event the Board of Directors of the Bank decides to exercise the option to issue the further tranche of up to 75,000,000 of the Debentures (having subscribed the initial Issue of 50,000,000) but subsequently decides to close the subscription list upon part of further issue of 75,000,000 debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30pm.

In the event the Board of Directors of the Bank decides to exercise the option to issue the further tranche of up to 25,000,000 of the Debentures (having subscribed the initial Issue of 50,000,000 of Debentures and the second tranche of 75,000,000 Debentures) but subsequently decides to close the subscription list upon part of further issue of 25,000,000 debentures becoming subscribed, such decision is to be notified to the CSE on the day such decision is made and the subscription list will be closed on the following Market Day at 4.30pm.

In the event the Board of Directors of the Company decides to close the Debenture Issue without the full subscription of the initial issue of Fifty Million (50,000,000) Debentures, such decision is to be notified to the CSE on the day such decision is made by the company and the subscription list will be closed on the following Market Day at 4.30pm. (refer section 5.2).

Application may be made forthwith in the manner set out under the Procedure for Application in section 6.0 of this Prospectus and will be accepted at any one of the collection points set out in Annexure III of this Prospectus.

5.3 OBJECTIVES OF THE ISSUE

The primary objectives of the issue of the Debentures are:

- (1) to strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements by the issue of subordinated debentures; and

- (2) Grow the lending portfolio, especially in segments such as Small and Medium Enterprises (SME) and Export oriented industries.
- (3) Reduce Maturity gaps in the Assets and Liabilities of the Bank.

The Bank intends to utilize the funds raised through the Debenture Issue to further strengthen the Tier 2 Capital Base of the Bank. The subordinated nature and medium-term duration of the Debentures issued in compliance with requirements under Basel III, will enable the Bank to recognize the Debenture funds as Tier 2 capital and thereby to further strengthen the Tier 2 Capital Base as per Basel III requirements.

Since the approval from the Governing Board of the CBSL, to recognize the funds raised through the Debenture Issue as Tier 2 capital, has been obtained, the Bank is entitled to recognize the said funds raised, as Tier 2 capital from the Date of Allotment of the Debentures.

The pursuance of the primary objectives of the Debenture issue would not be a major transaction as contemplated by Section 185 of the Companies Act.

The Bank estimates that a minimum amount of LKR 5.0 billion is required to be raised by 31st December 2025 via BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures with a Non-viability Conversion in order to improve its Capital Adequacy Ratio. As of 31.03.2025, the Total Capital Adequacy Ratio stood at 17.64%, which is well above the minimum regulatory requirement of 12.5%, applicable for the Bank.

The Bank's decision to further strengthen the Tier 2 Capital Base is to maintain the Total Capital Adequacy Ratio at a satisfactory level to meet the envisaged demand for credit from the private sector, Small and Medium Enterprises (SME) and Export oriented industries from 2025 onwards and to optimize the cost of the capital by capitalizing on the current interest rates.

While maintaining a diversified lending approach, the Bank will utilize the entirety of the funds in growing the loan portfolio with a strategic focus on expanding priority segments such as Small and Medium Enterprises and Export oriented industries. However, the allocation of credit across industries/sectors will be managed considering the strategic priorities and market opportunities prevailing at the time of deployment, at the discretion of the bank. The monthly average disbursement of funds in loans and advances (excluding overdrafts, revolving imports loans and short term loans) during the quarter ended 31st March 2025 was approximately LKR 39.2 Billion. It should be mentioned that the Bank experienced a gross loan growth of LKR 27.9 billion for the year 2024. The cost associated with the Debenture would be compensated by the income generated from the funds raised and the benefits derived from having a strong regulatory capital.

Since the approval from the Governing Board of the CBSL, to recognize the funds raised through the Debenture Issue as Tier 2 capital has been obtained, the Bank is entitled to recognize the funds raised, as Tier 2 capital immediately from the Date of Allotment of the Debentures. Thus, the Bank does not foresee any risks limiting its ability to recognize the funds raised as Tier 2 capital, immediately after the allotment of Debentures.

Considering the monthly average loan disbursements recorded during the quarter ended 31st March 2025, it is unlikely that the Bank would not be able to lend the Debenture proceeds within a period of twelve (12) months.

Furthermore, the funds raised from the issuance are expected to help reduce maturity mismatches between the Bank's shorter-term liabilities and its medium to long-term assets which would enable the Bank to effectively manage maturity gaps in its assets and liabilities. Given that the proposed debentures have medium to long-term tenures of 5 and 10 years, the issuance will allow the Bank to lengthen the maturity profile of its liabilities by aligning long-term lending with more stable, long-term funding sources. This, in turn, will reduce the Bank's reliance on short-term borrowings and enhance its liquidity and interest rate risk management. However, Objective 3 (Reduce Maturity gaps in the Assets and Liabilities of the Bank) will be automatically achieved as a result of accomplishing Objectives 1 and 2 and no additional funding or support is required in achieving Objective 3 in the current context.

Present status of the Bank with respect to Capital Adequacy under BASEL III

The Bank is required to comply with the Banking Act Direction No 01 of 2016 dated 29th December 2016 on Capital Requirements under BASEL III which is effective from 1st July 2017.

Table below prescribes the minimum capital ratios that are required to be maintained by licensed commercial banks in accordance with the Banking Direction No. 01 of 2016 and the Total Capital Ratios of the Bank as at 31st December 2024 and 31st March 2025.

Components of Capital including Capital Conservation Buffer	Regulatory Capital Requirements for licensed banks		Capital Ratios of the Bank	
	Ratio to be maintained by Non-DSIBs (applicable to Seylan Bank)	Ratio to be maintained by DSIBs	Bank's Ratio as at 31st December 2024 (Audited)	Bank's Ratio as at 31st March 2025 (Unaudited)
Common Equity Tier 1	7.00%	7.00%+HLA	14.25%	13.67%
Total Tier 1	8.50%	8.50%+HLA	14.25%	13.67%
Total Capital Ratio	12.50%	12.50%+HLA	18.59%	17.64%

(LCBs which are determined as Domestic Systemically Important Banks (DSIBs) from time to time, are required to maintain Higher Loss Absorbency (HLA) requirements as specified by the Governing Board in the form of Common Equity Tier I (CET I).

The Bank will meet the expected capital levels as estimated in the Bank's Capital Augmentation Plan with this new capital infusion (minimum expected is LKR 5 Bn)

The Bank's total asset base as at 31st March 2025 was LKR 785.031 billion.

The position of the CAR of the Bank in terms of BASEL III as at 31.03.2025 and the Expected CAR pursuant to the Debenture issue are as follows:

Components of Capital including Capital Conservation Buffer	Minimum CAR requirement to be maintained as at 31.03.2025 as per the Banking Act Direction No. 01 of 2016.	Bank's Ratio as at 31 st December 2024 (audited)	Bank's Ratio as at 31 st March 2025	Minimum amount of funds the Bank is required to raise from the Debenture Issue which will have a convertible feature in compliance with BASEL III requirements to meet the CAR requirement as at 31/12/2025	Expected CAR position to be achieved by the Bank, subsequent to the Debenture Issue which will have a convertible feature in compliance with BASEL III requirements as at 31.12.2025		
					LKR 5.0 Bn	LKR 12.5 Bn	LKR 15.0 Bn
Total Tier 1 Capital Ratio	8.50%	14.25%	13.67%	LKR 5 Bn	14.91%	14.91%	14.91%
Total Capital Ratio	12.50%	18.59%	17.64%		18.97%	20.25%	20.67%

The Bank has obtained approval from the Central Bank of Sri Lanka (CBSL) on 30th June 2025 to include the Debenture proceeds as part of Tier 2 capital of the Bank.

Further, the Bank has obtained the shareholder approval by way of a Special Resolution for the issuance of Ordinary Voting Shares which may be occasioned by the occurrence of a 'Trigger Event' with regards to BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures. Further as per the Rule 2.2.1 (p) of the CSE Listing Rules, the Bank has also obtained the Shareholder approval by way of a Special Resolution at the Extraordinary General Meeting of the Bank held on 28th March 2025 for the issuance of the Basel III compliant Debentures.

The Bank will disburse the proceeds of the Issue in the ordinary course of business. However, in the event, funds are lent to related parties in future, such lending will be done in accordance with Section 9 of the CSE Listing Rules and the Bank's Policy and Procedures on Related Party Transactions and Conflicts of Interest which has taken into consideration the provisions and guidelines of the Banking Act and its Directions.

The Bank has utilized the proceeds of all previous Debenture Issues towards achieving the objectives of the respective Issues.

Utilization of Debenture Proceeds

The utilization of the proceeds from the Debenture Issue will be disclosed in the Interim Financial Statements and the Annual Report of the Bank from the allotment date until the objective 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 number	Objective as per Prospectus	Amount allocated as per prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% Of total proceeds	Amount utilized in LKR (B)	% Of Utilized against allocation (B/A)	Clarification if not fully utilized including whether the funds are invested (e.g., whether lent to related party/s)
1	To strengthen the Tier 2 Capital	Initial issue of LKR 5 Bn and a maximum issue of LKR 15 Bn	Upon the allotment of the Debentures. Approval has been obtained to include the amount raised via the Debentures under Tier 2 Capital Base					
2	Growing the lending portfolio (SME & Export)		Over a period of twelve (12) months from the Date of Allotment					
3	Reduce Maturity gaps in the Assets and Liabilities							

In the event the proceeds raised are fully utilized in terms of the objectives disclosed in the Prospectus prior to submission of the company's next immediate financial statements (i.e. either the Interim Financial Statements or the Annual Report), the company will disclose the fact that proceeds have been utilized in its entirety as per the above template.

Note:

Based on past experience, there is strong growth in the advance portfolio of the Bank. As such, there is no specific risk for the Bank not being able to invest the funds raised within the specified timelines to meet the key objective of credit lending. However, the proceeds would be invested in government securities which are risk free investments until they are utilized for lending purposes. They would be invested at the current market rates and are expected to generate a return at the rate of approximately 6.50% p.a. to 7.00% p.a. Please refer last paragraph of "Risks relating Risks relating to the objectives of the Debenture Issue".

Risks relating to the objectives of the Debenture Issue.

As the primary objective of the Bank is to carry on the business of lending or advancing of money, the business of lending to customers whether they are related parties or not, are recurrent transactions carried out in the ordinary and usual course of business of the Bank. Nevertheless, the Bank has an internal threshold on exposure to related parties against its regulatory capital and therefore the exposure will be limited to such threshold limit.

Since the proposed Debenture Issue is to raise up to a maximum of Rs. 15.0 billion and as there is a demand for credit there is no specific risk factor that may lead to non-achievement of the objective of the Issue. In the event the objective of raising Tier 2 capital is not achieved fully, the Bank would have to restrict itself to a slower growth in the future. However, the Bank would be able to supplement this requirement to a certain degree with retention of expected profits.

The risk of under subscription of the Debenture Issue will be greatly mitigated through appointing experienced Joint Managers to the Issue, pre-marketing and building a pipeline of potential investors. However, if the Bank is unable to lend these funds within the specified timelines due to subdued credit growth, the funds that would be raised would be invested in Government Securities at zero default risk until credit demands are fully met. Further, Bank does not identify any specific risk factor that may lead to non-achievement of expanding the loans and advances portfolio through diverse lending products within the specified timeline with the proceeds of the Issue up to a maximum of Rs.15.0 Bn.

In the event the Bank does not utilize the funds raised for the stated objectives and proposes to utilize the same for another objective or objectives, it will issue an announcement to that effect and take steps to seek Shareholder's approval prior to such utilization.

5.4 INTEREST ON THE DEBENTURES

The Debentures will carry a rate of interest as described in the table below.

Type of Debentures	Tenure	Interest rate (per annum)	Type of Interest	Coupon Frequency	AER
Type A	05 Years	11.25%	Fixed	Annual	11.25%
Type B	05 Years	10.80%	Fixed	Quarterly	11.25%
Type C	05 Years	364 days T-bill rate + 2.50% with a cap of 11.50% p.a. and floor of 9.50% p.a.	Floating	Annual	-
Type D	10 Years	11.75%	Fixed	Annual	11.75%
Type E	10 Years	11.40%	Fixed	Semi-Annually	11.72%

The interest rate has been determined, giving consideration to the Seylan Bank PLC rating as Issuer, the instrument rating, market conditions and features of the instrument, including the 'convertible feature'.

The interest calculation will be based upon the actual number of days (irrespective of the holidays)

in each interest payment period (Actual / Actual) and will be paid not later than Three (03) Working Days from each Interest Payment Date which interest becomes due for each type of debenture.

Payment of the interest on the Debenture will be made after deducting any taxes and charges thereon (if any) in Sri Lankan Rupees as per the applicable law prevalent at the time of interest payment to the Debenture Holders.

In order to accommodate the Debenture interest cycles in the CDS, the Debenture Holders to whom interest shall be paid shall be those holding Debentures in their CDS accounts as of the Entitlement Date.

Upon the occurrence of the 'Trigger Event', 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 Debentures 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 as above, the Debenture will cease to exist and accordingly, no interest will be accrued on the Debentures thereafter.

5.5 PAYMENT OF PRINCIPAL AND INTEREST

The Bank will redeem the Debentures on the date of redemption as specified in Section 5.7 and the interest payments will be made as specified in this section.

The payment of the principal sum and interest will be made either by electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS/CEFT and RTGS (arranged only at the expense of the investor) in the event accurate bank account details are provided or by cheque/s marked "Account Payee Only" dispatched to the address provided by the Debenture Holders to the CDS at the risk of the Debenture Holders. RTGS transfers, however, could be effected only for amounts over and above the maximum value that can be accommodated via SLIPS/CEFT transfers (i.e., LKR 5,000,000/- as of the date of this Prospectus).

However, in the event such payment is over the maximum amount that can be accommodated through electronic fund transfer mechanism recognized by the banking system of Sri Lanka or if the Debenture Holder has not provided to the CDS accurate and correct details of his/her bank account for the payment of Principal Sum and Interest, such payment to the Debenture Holder will be posted to the address registered with the CDS through registered post to the Debenture Holder, by crossed cheques marked "Account Payee Only". Interest payable will be made only by cheques within three (03) Working Days from the end of each period.

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

It is the responsibility of the Non-Resident and Foreign Investors to ensure that their IIA through which they invest for Debentures is recorded correctly against the records in CDS to dispatch their Debenture interest payments.

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 of interest payment to the Debenture Holders.

Statutory taxes and/or dues which are applicable at the time of the interest payment will be deducted. Qualified Investors are advised to obtain clarifications in this regard from their tax advisors.

5.7 REDEMPTION

Debentures are redeemable at maturity on the expiry of five (05) years and ten (10) years respectively from the Date of Allotment in accordance with the provisions contained in the Trust Deed.

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 and 4.3(b) in the trust deed.

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

Debenture holders shall not have any right or option to call for redemption of the Debentures before the Date of Redemption of such Debentures, except in the circumstances where the respective Debentures have become immediately payable in terms of Clause 10 of the Trust Deed respectively.

On the Date of Redemption of the Debentures, the Company shall in accordance with the provisions contained in the Trust Deed pay to the Debenture Holders not later than three (03) working days from such date, the principal sum of the Debentures which ought to be redeemed and interest (if any) remaining unpaid up to the date immediately preceding the Date of Redemption of the Debentures, unless a Trigger as more fully described in this prospectus occurs prior to such date.

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 up to the date immediately preceding such Market Day (inclusive of all intervening non-Market Days).

Occurrence of a Trigger Event

Upon the occurrence of the Trigger Event as determined by the Governing Board of the Central Bank of Sri Lanka, 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 Debentures Holders as of the date of the Trigger Event, 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 simple average of the daily Volume Weighted Average Price of an Ordinary Voting Share of the Bank during the three months (03) period, immediately preceding the date of the Trigger Event.

The CDS upload pertaining to Ordinary Voting Shares will be completed within 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 “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.

Conversion Price

Outstanding balance of 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 Volume Weighted Average Price (VWAP) of an Ordinary Voting Share of the Bank as published by the Colombo Stock Exchange during the three months (03) period, immediately preceding the date of the Trigger Event (Any reference in this document to VWAP would carry the same meaning as explained herein).

Averaging out of the VWAP over a period of 3 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.

If the prevailing 3-month Volume Weighted Average Share Price 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, a higher 3-month Volume Weighted Average Share Price at the time of the Trigger Event would result in a comparatively lower number of Ordinary Voting Shares being issued to Debentures 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. 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. If a Trigger Event occurs and thereafter a Conversion to Ordinary Voting Shares takes place, the Debentures will cease to exist.

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 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.

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.

Non-Occurrence of a Trigger Event

Debentures will be redeemed after the expiry of the respective tenures of the Debentures, i.e., Five (05) years and Ten (10) years from the Date of Allotment of such Debentures and the principal sum and unpaid and accrued interest (if any) payable on the redemption of Debentures will be paid not later than three (03) Working Days from the Date of Redemption, unless otherwise a 'Trigger Event' occurs as detailed herein.

5.8 TRUSTEE TO THE ISSUE

People's Bank has been appointed as the Trustee to this Debenture Issue. who will act as Trustee to the Issue and who is in compliance with the requirements Rule 2.2.1 (n) (ii), (iii), (iv) and (v) of the CSE Listing Rules. The Bank and the Trustee have executed a Trust Deed. In the application form for subscription of Debentures the Applicants are required to irrevocably authorize the Trustee, subject to any overriding clauses in the Trust Deed to act as their agent in entering in to such deeds, writing and instruments with the Bank and to act as Trustee for the benefit of and interest of the Debenture Holders on the terms and conditions contained in the said Trust Deed.

The rights and the obligations of the Trustee are set out in the Trust Deed and the Debentures will be subject to the terms and conditions incorporated in the said Trust Deed. There is no conflict of interest arising between the Trustee or its Board of Directors and the Bank. 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.

5.9 RIGHTS AND OBLIGATIONS OF THE DEBENTURE HOLDERS

a) Debenture Holders are entitled to the following.

- i. Receive the interest on the Interest Payment Dates at the interest rates set out in Section 5.5 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. To call a Debenture Holders meeting, receive notice and attend the meetings of Debenture Holders in accordance with the provisions contained in the Trust Deed.
- iii. Receive a copy of the Annual Report within 5 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 of these Debentures as set out in the Trust Deed

In the event of the Bank being subject to a winding up, the claims of Debenture Holders will rank after all the claims of the depositors, secured and unsecured creditors of the Bank and the preferential claims under section 365 of the Companies Act No.07 of 2007, but shall rank pari passu with other Basel III Compliant subordinated 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 Shares to the Debenture Holders upon the occurrence of a Trigger Event in which case, Such 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 Share Holders.

b) Debenture Holders are not entitled for the following;

- Attending and voting at the meetings of holders of Shares and other Debentures issued by the Bank.
- Sharing in the profit of the Bank.
- Participating in any surplus in the event of liquidation.
- Calling for redemption before maturity, subject to provisions stated in the Trust Deed.
- Convert the Debentures into Ordinary Shares at their option

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

c) Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS is up to date and accurate. Each Debenture Holder shall absolve the Bank from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS. Provided further that the Debenture Holder 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.

5.10 INSPECTION OF DOCUMENTS

Certified copies of the Articles of Association of the Bank, the audited financial statements of the Bank for the last five years ending 31st December - 2020 , 2021, 2022, 2023 and 2024, Rating Report, Trust Deed and all other documents pertaining to the Bank including material contracts and management agreements entered into by the bank (if any) to which references are made in this Prospectus could be inspected by the public during normal business hours at the Registered Office of Seylan Bank PLC from the date hereof, until the Date of Maturity of the Debentures issued.

In terms of Rule 3.3.13 (b) of the CSE Listing Rules; the Prospectus, Articles of Association of the Bank and the Trust Deed are hosted in the Bank's website, www.seylan.lk, and the CSE website, www.cse.lk, from the date of opening of the subscription list until the Date of Redemption of the Debentures.

Audited financial statements of the Entity / Group made up to 31st December 2024, Interim Financial Statements as of 31st March 2025, 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.seylan.lk.

Furthermore, the hard copies of the Prospectus and Application Form will be made available free of charge from the collection points as set out in Annexure III, from seven market (07) days prior to the date of opening of the subscription list.

5.11 RISK FACTORS ASSOCIATED WITH DEBENTURES

Subscribers to Debentures will be exposed to the following risks:

(a) Interest Rate Risk

The price of a typical Debenture will change in the opposite direction to a change in the market interest rates, assuming all other factors are equal. "Market Interest Rate" refers to the interest rate expected by investors for investments with a similar maturity and risk profile. As market interest rates rise, price of the Debentures may fall and as market interest rates fall, the price of the Debenture may rise. If an investor sells a Debenture prior to maturity when market interest rate is higher than on the Debenture interest rates, the investor may incur a capital loss. Similarly, if an investor sells a Debenture prior to maturity when market interest rate is lower than on the Debenture interest rate, then the investor may receive a capital gain. This uncertainty is known as "interest rate risk".

(b) Reinvestment Risk

The Bank shall pay interest on the Debentures annually, quarterly and semi-annually. The investor may decide to reinvest this interest payment and earn interest on interest. Depending on the prevailing market interest rates, the Debenture Holder may be able to reinvest the paid interest at a higher or lower interest rate than that is offered by these Debentures. This uncertainty is known as "reinvestment risk".

(c) Default Risk

Default risk also known as credit risk, refers to the risk that the Issuer of the debentures may default, i.e., the Issuer will be unable to pay interest and principal when due. It is advisable for prospective Seylan Bank PLC Debenture investors to take into account past earnings and asset growth performance of the Bank as reflected in the Balance Sheet of the Bank, its Risk Management Policies and the skills and experience of the Directors and Senior Management Team when forming an opinion on Default Risk.

This risk is gauged in terms of rating assigned by different rating agencies. Fitch Ratings Lanka Limited has assigned a National Long-Term rating of 'A- (Ika)' to BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures and will be periodically reviewing the same as set out in the Annexure I.

(d) Liquidity Risk

Liquidity risk depends on the ease with which Debentures can be sold after the initial placement. As the Debentures will be listed on the CSE, investors will be able to trade the instrument in the secondary market and convert it to cash, mitigating liquidity risk. 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.

(e) 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.

(f) Call Risk

Call risk refers to the risk that the issuer will retire the principal value of the debentures before maturity. The risk to an investor is that the timing of the call is not known and investor will be faced with a reinvestment risk in the event the call is made at a time when the market interest rates have declined.

Since these Debentures are not embedded with a call option, the Debenture would not be redeemed by the Bank prior to maturity for any reason whatsoever except due to unforeseen circumstances beyond the control of the Bank which would be directed and approved by the Central Bank of Sri Lanka along with the approval of the Debenture Holders representing 3/4th in nominal value of the Debentures outstanding when the principal sum is repaid before maturity.

(g) Subordination Risk

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 equal with the Bank's other subordinated indebtedness and will be subordinated in right of payment to the claims of the Bank's depositors and other unsubordinated creditors. 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 holders of senior indebtedness. If the Bank does not have sufficient assets to settle claims of such senior indebtedness holders 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 subordinated indebtedness if the Bank does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

In addition, 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 a 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 Shares to being the holder of Ordinary Shares. As a result, upon Non-viability Conversion, the 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 ARISING FROM THE DEBENTURES BEING A BASEL III NON-VIABILITY CONVERSION INSTRUMENT

Risks arising from Non-viability Conversion features

(i). Conversion Risk

It is the risk of the Bank issuing Ordinary Voting Shares to the Debenture Holders in lieu of the Debenture Capital and Interest earned and unpaid as at a particular date upon the occurrence of a Trigger Event. In such a situation, Such Debenture Holders would become Shareholders of the Bank and will rank equal and pari passu with existing Ordinary Voting Shareholders. The Bank's strong performance since its inception will mitigate the risk of the occurrence of a Trigger Event.

Upon the occurrence of a Trigger Event the Bank shall convert such Debentures into Ordinary Voting Shares and any accrued but unpaid Interest will be added to the par value of the Debentures and such accrued but unpaid 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 Debenture or the Trust Deed.

Potential investors in Basel III compliant Debentures should understand that, if a Trigger Event occurs and Debentures are converted into Ordinary Voting Shares, 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 number and 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 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). Basel III Compliant Debentures are loss-absorption instruments that involve risk and may not be a suitable investment for all investors

These Debentures are loss-absorption financial instruments designed to comply with applicable banking regulations and involve certain risks. Each potential investor of the Debentures must determine the suitability (either alone or with the help of a financial advisor) of the investment in light of its circumstances. In particular, each potential 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 investor should not invest in Basel III compliant Debentures unless he/she has the knowledge and expertise (either alone or with the financial advisor) 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 investor's overall investment portfolio. Prior to making an investment decision, potential 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 Basel III compliant Debentures will be converted into Ordinary Voting Shares. In addition, 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 these 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, 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 Debentures, including the Bank's other subordinated debt securities. 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, 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 Basel III compliant 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 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 Basel III compliant 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 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

In an Event of Default (which shall occur if the Bank becomes insolvent or bankrupt, the Bank goes into liquidation either voluntarily or under an order of a court of competent jurisdiction, or the Bank otherwise acknowledges its insolvency), the Trustee 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 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 Central Bank of Sri Lanka Act, No. 16 of 2023 and Part VII (A) and Part VIII of the Banking Act No.30 of 1988 (as amended) specify certain events upon which the Governing Board can exercise its resolution mechanism. In view of the above, based on the statutory authority of the Governing Board, 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 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 notwithstanding a determination that the Bank has ceased, or is about to cease to be viable, under such circumstances, the holders of the Basel III compliant Debentures may be exposed to losses through the use of other resolution tools under applicable statutes.

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

In Sri Lanka the secondary trading activity in the corporate debt market is limited. The Debentures are a new issue of securities and have no established secondary trading market. Further, the secondary market trading in respect of Debentures is only limited to Qualified Investors as defined in the Prospectus. There can 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. Therefore, 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 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 as well as the market value of the Debentures

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

5.12 BENEFITS OF INVESTING IN THE DEBENTURES

- Provides the Qualified investor with a regular cash inflow of interest payments.
- Opportunity to realize capital gain according to interest rate fluctuations in the financial markets.
- Capacity to exit from the investment at any time, after the Debentures are listed on the CSE.
- Can be used as collateral to obtain credit facilities from banks and financial institutions other than the Bank
- Provides the investor with an opportunity to invest in Debentures issued by a Commercial Bank in Sri Lanka.

5.13 TRANSFER OF DEBENTURES

- a) These Debentures are limited to Qualified Investors as long as the Debentures are listed in the CSE and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- b) The Debentures shall be transferable and transmittable amongst Qualified Investors as long as the Debentures are listed in the CSE to provisions contained in the Trust Deed, the Bank may register without assuming any liability or any transfer of Debentures, which are in accordance with the statutory requirements, rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- (c) In the case of the death of a Debenture Holder,
 - The survivor where the deceased was a joint holder; and
 - 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 recognised by the Issuer as having any title to his/her Debentures.
- (d) Any qualified investor becoming entitled to any Debenture in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that such Debenture Holder sustains the character in respect of which such Debenture Holder proposes to act or such Debenture Holder's 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 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 of the above conditions will be recognised by the Bank.

5.14 LISTING

It is the intention of the Bank to list the Debentures in the Colombo Stock Exchange upon the allotment thereof. Therefore, an application has been made to the CSE for permission to obtain a listing for the BASEL III compliant tier 2 listed rated unsecured subordinated redeemable debentures with a non-viability conversion and a further application has been made for the listing of any Ordinary Voting shares which may be issued upon the occurrence of a Trigger Event in respect of BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, debentures. The CSE has granted its approval in-principle for the same. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the Listing Rules of the CSE.

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

5.15 RATING OF THE DEBENTURES

Fitch Ratings Lanka Limited has assigned a National Long-Term Rating of 'A-(lka)' to BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures. Fitch Rating Lanka rates the proposed Tier 2 instrument two notches below the bank's National Long-Term Rating of A+(lka)/Stable to reflect the notes' subordinated status and higher loss-severity risks relative to senior unsecured instruments.

The Board of directors undertake to keep the trustee and CSE informed of any changes to the credit rating of the debentures if any of the directors are aware/being notified of any changes to the rating.

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/fitch-rates-seylan-bank-basel-iii-subordinated-debt-final-a-lka-25-06-2025>

A copy of the Rating report issued by Fitch Ratings Lanka Limited is set out in Annexure I.

5.16 COST OF THE ISSUE

The Directors estimate that the total cost of the Issue including the Listing fees, Trustee fees, Brokerage, Printing, Marketing, Stamp duties, Joint Managers and Registrars fees and other costs connected with the Issue will be approximately LKR 75 million and will be funded by Seylan Bank PLC.

5.17 BROKERAGE & FEES

Brokerage at the rate of 0.15% of the nominal value of the Debentures will be paid in respect of the number of Debentures allotted, on applications bearing the original stamp of any bank operating in Sri Lanka or a Trading Participant of the CSE or the Joint Managers (People's Bank Investment Banking Unit or First Capital Advisory Services (Pvt) Ltd) or any agent appointed by the Bank involved in marketing of the Issue.

5.18 UNDERWRITING

The Debenture Issue is not underwritten.

In the event the Issue is not fully subscribed and the objective of raising Tier 2 capital is not achieved fully, the Bank would have to manage the credit growth and its composition. However, the Bank would be able to supplement this requirement to a certain degree with retention of expected profits. The risk of under subscription of the Debenture Issue will be greatly mitigated through appointing experienced Joint Managers to the Issue, pre-marketing and building a pipeline of potential investors.

6 PROCEDURE FOR APPLICATION

6.1 ELIGIBLE APPLICANTS

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

- a) A commercial bank licensed by the Central Bank of Sri Lanka in terms of the Banking Act, No. 30 of 1988 (as amended).
- b) A specialized bank licensed by the Central Bank of Sri Lanka 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 Central Bank of Sri Lanka in terms of the Finance Business Act. No 42 of 2011 (as amended).
- f) A company licensed by the Central Bank of Sri Lanka 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.7 of 2007.
- i) An investment trust or investment company
- j) A non-resident institutional investor
- k) An individual with a minimum initial investment amount of Rs. 5,000,000/-.

Applicant would be determined as a qualified investor as per the information provided in the Application Form in line with the conditions stipulated herein.

Applications will not be accepted from individuals under the age of eighteen (18) years, or in the names of sole proprietorships, unincorporated trusts or non-corporate bodies.

In view of the above secondary trading of BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures on the CSE will also be limited to Qualified Investors

“Residency” will have the same meaning as in the order published under Section 31 of the Foreign Exchange Act No.12 of 2017 and published in Gazette Extraordinary No. 2213/35 dated 3rd February 2021.

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 3rd February 2021 with regard to the issue and transfer of Debentures of Companies incorporated in Sri Lanka to persons residents outside Sri Lanka.

6.2 HOW TO APPLY

- (a) Applications must be made on the Application Forms issued with this Prospectus. Applications are also permitted on photocopies of the Application Forms issued with the Prospectus.

Applicants using photocopies are requested to inspect the Prospectus, which is available for inspection and also issued free of charge at the Registered Office of the Bank and the Collection Points listed in Annexure III. Prospectus and Application Forms could also be downloaded from the website of the Bank (www.seylan.lk) or from the web site of the CSE (www.cse.lk). **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 Investor.**

Note on Availability of the Prospectus – In support of the environmental conservation efforts and in alignment with the corporate sustainability strategy, Seylan Bank PLC has submitted a formal request to the Colombo Stock Exchange (CSE) seeking a waiver from the requirement to print and distribute physical copies of this Prospectus and application forms in accordance with Section 2.4(f) of the CSE Listing Rules. This initiative reflects the Bank's commitment towards reducing carbon footprint through paperless documentation and enhancing investor accessibility through digital channels. Following a careful review, the CSE has granted approval for the Prospectus and application forms to be made available solely in electronic form. Accordingly, soft copies of the final Prospectus and application forms will be made accessible on the websites of Seylan Bank PLC and the Colombo Stock Exchange, and will be available to all members, trading members, and the investing public.

- (b) Applicants are allowed to invest in Debentures subject to the minimum subscription. A minimum of One hundred (100) Debentures (LKR10,000/-) and Applications exceeding the minimum subscription should be in multiples of 100 debentures (LKR10,000/-).
Provided however, the minimum subscription requirement applicable for an individual investor with regards to BASEL III Compliant, Tier 2, Listed, Rated, **Unsecured**, Subordinated, Redeemable, Debentures shall be Rupees Five Million (LKR 5,000,000/-).
- (c) Applicants should apply for only one Type of Debentures (i.e. either Debentures of Type A, Type B, Type C Type D, or Debentures of Type E) under one Application Form.
- (d) In the event an Applicant wishes to apply for more than one Type of Debentures, separate Application Forms should be used. Once an Application Form has been submitted for a particular Type of Debentures, it will not be possible for an Applicant to switch between the Types of Debentures
- (e) Joint applications may be made. However, an Applicant of a joint application will not be eligible to send a separate application individually or jointly with another party for the same type of debentures. Only one application should be made for the benefit of any person or corporate body. The interest cheques will be drawn in favour of the principal Applicant as given in the Application Form.
- (f) In the case of corporate Applicants, **the common seal of such entity** should be affixed and attested if required by the Articles of Association or such other constitutional documents of such Applicants or as per the statutes governing them. In case of approved provident funds, trust funds and approved contributory pension schemes, the applications should be in the name of the Trustee / Board of Management.

- (g) **A Sri Lankan citizen must state his / her National Identity Card (NIC) number on the Debenture Application Form. The Passport number can be given only when the NIC number is not available. In the case of a corporate entity, the company registration number must be given. A foreign citizen must state his / her passport number in the space provided.**

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

- (h) The Application Forms may be signed by any person on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. **Original of the POA should not be attached.**
- (i) Applicants who wish to apply through their Margin Trading Account should submit the application in the name of the "Margin Provider / Applicants Name" signed by the margin provider. A copy of the Margin Trading Agreement should be attached with the Application Form. Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Photocopy of the Margin Trading Agreement must be submitted along with the Application.
- (j) As per the Directive of the SEC made under Circular No. 08/2010, dated 22 November 2010 and Circular No. 13/2010 issued by the CDS dated 30th November 2010, all Debentures allotted must be directly uploaded to the CDS accounts. **As such, all Applicants should indicate their CDS account number in the Application Form.**

Applicants who do not have a CDS account are advised to open a CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Debentures to their CDS account. A CDS account can be opened through any Trading Participant of the CSE or through a Custodian Bank. (Annexure III & V)

Please note that upon the allotment of Debentures under this issue the allotted Debentures would be credited to the Applicant's CDS account indicated. **Please note that Debenture certificates shall not be issued. Applications which do not carry the CDS account number, which is not opened at the time of the closure of the subscription list or which indicate an incorrect / inaccurate CDS account number shall be rejected, and no allotment will be made.**

It should be noted that in the event the Applicant's CDS Account number is correctly stated in the Application Form, all correspondence with such Applicant will be sent to the address given to the CDS by such Applicant.

Further, in the event the name or the address of the Applicant mentioned in the Application Form differ from the name or address given to the CDS by such Applicant in respect of the CDS

Account mentioned in the Application Form, the name and the address given to the CDS by such Applicant in respect of the CDS Account mentioned in the Application Form will be considered as the name and address of such Applicant.

- (k) Foreign Investors and Non-Resident Investors may be affected by the laws of the jurisdiction of their residence. It is the responsibility of such investors to comply with the laws relevant to their country of residence and the Laws of Sri Lanka, when making an application for subscription of the Debentures.

Application Forms properly filled in accordance with the instructions thereof together with the remittance (cheque, bank draft, RTGS or bank guarantee as the case may be) for the full amount payable on application should be enclosed in an envelope marked **“Seylan Bank PLC Debenture Issue 2025”** on the top left-hand corner in capital letters and dispatched by post or delivered by hand to the Registrars to the Issue at the following address:

SSP Corporate Services (Pvt) Limited
Registrars to Seylan Bank PLC Debenture Issue
No. 101, Inner Flower Road, Colombo 3
Tel: +94(011) 2573894

In the alternative, Application Forms could also be handed over to any of the Collection Points set out in Annexure III.

- (l) Applications sent by post or delivered to any places mentioned in Annexure III (Collection Points) **should reach the office of the Registrars to the Issue at least by 4.30 p.m. on the following working day upon the closure of the subscription list.** Applications received after the said period will be rejected even though they have been delivered to any of the Collection Points prior to the Closing Date or carry a post mark dated prior to the Closing Date.

Please note that Applicant information such as full name, address, NIC number/passport number/ company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form.

Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF DEBENTURES WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Please note that upon the allotment of Debentures under this issue, the allotted Debentures would be credited to the Applicant's CDS account so indicated.

Hence, **DEBENTURE CERTIFICATES SHALL NOT BE ISSUED.**

6.3 MODE OF PAYMENT

- (a) Payment for the total value of Debentures applied for should be made separately in respect of each Application either by cheque/s, bank draft/s, bank guarantee drawn upon any licensed commercial bank operating in Sri Lanka, or RTGS transfer directed through any licensed commercial bank operating in Sri Lanka.
- (b) Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either,
- Multiple 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
 - Bank guarantee issued by a licensed commercial bank operating in Sri Lanka, or
 - RTGS, Internal Direct transfer with value on the date of submission of application or opening of the Issue whichever is later, or

Multiple bank drafts/cheques, bank guarantees or RTGS transfers will not be accepted for Applications valued below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-)

- (c) Cheques or Bank Drafts should be drawn upon any commercial bank in Sri Lanka and crossed **"Account Payee Only"** and made payable to **"Seylan Bank PLC Debenture Issue - 2025"**.
- (d) Cash and SLIPS/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 debenture within the given timelines.
- (e) In case of bank guarantees, such bank guarantees should be in a manner acceptable to the Bank, issued by any licensed commercial bank in Sri Lanka, payable on demand to **"Seylan Bank PLC Debenture Issue - 2025"** and be valid up to minimum of one (01) month from the issue opening date. 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.
- (f) In case of RTGS transfers (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 **"Seylan Bank PLC Debenture Issue - 2025"** bearing the **account number 0860-13598720-002 at Seylan Bank, Millennium Branch** with value on the date of submission of Application or opening of the Issue whichever is later.
It is mandatory to provide the CDS Account Number as the transaction reference for RTGS transfers
- (g) The Applicant should obtain a confirmation from the Applicant's bank, to the effect that arrangements have been made to transfer funds for the total value of Debentures applied for, to the credit of **"Seylan Bank PLC Debenture Issue - 2025"** bearing the account number **0860-13598720-002 at Seylan Bank PLC, Millennium Branch** with value on the date of submission of application or opening of the Issue whichever is later (i.e. the funds to be made available to the above account on date of submission of Application or opening of the Issue whichever is later) and should be attached with the Application.

- (h) For RTGS transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the Applicants are entitled to an interest at 5.00% p.a. from the date of transfer up to the date of Allotment. For such RTGS transfers, entire interest earned by investing such money (on actual/actual basis) will be paid from the date of such transfer up to the Date of Allotment. However, no interest will be paid if the RTGS transfers are not realised before 4.30 p.m of the Closure Date of the Subscription List. Furthermore, even if such RTGS transfers are affected prior to the Issue opening date, no interest will be paid for the period prior to the Issue opening date.
- (i) Payments for the Debentures by Non-residents should be made only out of funds received as inward remittances or available to the credit of **“Inward Investment Account” (IIA)** maintained with any licensed commercial bank in Sri Lanka in accordance with directions given by Director Department of Foreign Exchange in that regard to the licensed commercial banks. **An endorsement by way of a letter by the 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 IIA.** The IIA is the successor to the Securities Investment Account (SIA) under the Exchange Control Act and accordingly if any investor has an SIA the payment for the Debentures could be made from such an account. Such accounts would be re-designated as IIA with effect from 1st January 2018.
- (j) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and may be affected by the laws of the jurisdiction of their residence.
If the Non-Resident Applicants wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope marked “Seylan Bank PLC Debenture Issue - 2025” on the top left-hand corner in capital letters and dispatched by post or courier or delivered by hand to the Registrars to the Issue or collection points mentioned in Annexure III.

Applications sent by post or courier or delivered to any collection point set out in Annexure III should reach the office of the Registrars to the Issue, SSP Corporate Services (Pvt) Ltd, No 101, Inner Flower Road Colombo 03 at least by 4.30 p.m. on the following Market Day immediately upon the Closing Date.

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 Closing Date or carry a postmark dated prior to the Closing Date. Applications delivered by hand to the Registrars to the Issue after the Closing Date of the Issue will also be rejected.

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on 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.

6.4 REJECTION OF APPLICATIONS

- (a) Application Forms and the accompanying remittance mode (Cheque / Bank Draft / Bank Guarantee/RTGS) which are illegible or incomplete in any way and / or are not in accordance with the terms, conditions and instructions set out in this Prospectus will be rejected at the sole discretion of the Bank.
- (b) Applications from individuals under the age of eighteen (18) years or in the names of Sole Proprietorships, Partnerships or Unincorporated Trusts will also be rejected.
- (c) An Applicant of a Joint Application will not be eligible to submit another application either individually or jointly under the same Debenture type. Only one Application should be made by any person or entity under the same Debenture type. Multiple Applications will be rejected.
- (d) Applications which do not carry a valid CDS account number at the time of the closure of the subscription list or which indicate an incorrect / inaccurate CDS account number shall be rejected, and no allotment will be made. Application Forms stating third party CDS account numbers, instead of their own CDS account numbers, except in the case of Margin Trading Accounts, will also be rejected.
- (e) Any application forms a non-Qualified Investor applying for BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable, Debentures will be rejected.
- (f) Any Application Form with more than three (03) natural persons as joint Applicants for any type of Debentures will be rejected.
- (g) Any Application Form which does not state the NIC, Passport or Company Registration number, as the case may be, will be rejected.
- (h) Applications received through email after 4.30 p.m. on the Closure Date of the Subscription List shall be rejected.
- (i) In the event that cheques are not realized within two (2) Market Days from the closure of the subscription list 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.
- (j) Applications delivered by hand to the Registrars to the Issue, or to any place / institution discussed in Annexure III (Collection Points) after the subscription list is closed will be rejected. Application received by post or courier after 4.30 pm on the Market Day immediately following the closing date, will be also rejected even if they carry a post mark dated prior to the Closing date.
- (k) Applications delivered to any place / institution discussed in Annexure III (Collection Points) should also reach the office of the Registrars to the Issue at least by 4.30 pm on the following market day immediately upon the closure of the Subscription List. Applications received after the said duration will be rejected even though they have been delivered to any of the Collection Points prior to the Closing Date or carry a post mark dated prior to the Closing Date.

6.5 BASIS OF ALLOTMENT

The basis of Allotment will be decided by the Board of Directors of Seylan Bank PLC before the expiry of Seven (07) Market Days from the closure of the Issue and will be announced to the CSE.

Further, the Board reserves the right to allocate up to 75% of the Issue value on a preferential basis, to Investor/(s) of strategic importance with whom they might partner with in future endeavours. These benefits could be such as being able to tap into a non-conventional investor base, being able to build confidence among other investors due to the investment decision of strategic investors and being able to get the Issue subscribed with the larger quantum pledged.

Number of Debentures to be allotted to investors of strategic importance (Identified Large scale Corporates/Banks /High Net Worth Individuals/Unit Trust/Insurance and Pension Funds), on a preferential basis or otherwise will not exceed 75% of the total number of debentures to be issued under the proposed debt issue under any circumstances, unless there is an under subscription from other qualified investors. (i.e., qualified investors who do not fall under the preferential category). In the event of such undersubscription, the other qualified investors who do not fall under preferential category are to be allotted in full and any remaining debentures are to be allotted to identified qualified investors of strategic importance

The number of Debentures to be issued under Debentures of Type A, Type B, Type C, Type D, and Type E will be in accordance with the basis of allotment which will be decided at the discretion of the Board of Directors of the Bank in a fair and equitable manner in the event of an oversubscription.

The successful Applicants will be informed of the allotment within Ten (10) Market Days from the closure of the Subscription List.

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

The Board of Directors of the Bank reserves the right to refuse any Application or to accept any Application or part only, without assigning any reason, therefore.

6.6 ACCEPTANCE & REFUNDS

Where an application is rejected either in full or in part, subsequent to the cheque being realized, the Applicant's money in full or where an application is accepted only a part, the balance of the Applicant's money will be refunded.

Refunds due on Applications fully or partially accepted will be paid within eight (08) Market Days excluding the date of closure of the Subscription List. Applicants will be entitled to receive interest at the rate of last quoted Average Weighted Prime Lending Rate (AWPLR) published by the Central Bank of Sri Lanka plus 5% for the delayed period on any refunds not made within this period.

If the Applicant has provided accurate and complete details of his/her bank account in the Application Form, the Bankers to the Issue will make refund payments applicable up to and inclusive of Sri Lankan Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the applicant, through SLIPS.

In the event of refunds over Rupees Five Million (LKR 5,000,000/-), refunds will be made via RTGS. In the event where the Applicant has not provided accurate and correct details of the bank account in the Application Form, the Bank will make such refund payments to the Applicant by way of cheque and sent by post at the risk of the Applicant.

Refunds sent through post will be made by crossed cheques and sent by register post to the registered address. In the case of a Joint Application, a "crossed cheque" will be drawn in favour of the Applicant whose name appears first in the Application Form.

It is the responsibility of Non-Residents/Foreign Investors to ensure that their IIA details are accurately provided on the application Form to forward the refund to IIA through which the application was made.

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

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

6.7 CDS LODGEMENTS AND TRADING OF DEBENTURES

- (a) If the Applicant's CDS Account number is correctly stated in the Application Form the Debentures allotted will be directly uploaded to the CDS account stated in the Application Form before the expiry of **twelve (12) market days**, from the date of closure of the subscription list. A written confirmation in this regard will be sent to the Applicant within **two (02) market days** of crediting the CDS account, by ordinary post to the registered address of such Applicant.
- (b) The Bank shall submit to the CSE a 'Declaration' as set out in the Listing Rules of the CSE on the Market Day immediately following the day on which the investors' CDS Accounts are credited with the Debentures and secondary trading of the Debentures will commence on or before the third (03rd) Market Day upon receipt of the declaration by the CSE.
- (c) 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 SEYLAN BANK PLC

7.1 CORPORATE BACKGROUND

Seylan Bank PLC is a commercial bank regulated by the Central Bank of Sri Lanka and was incorporated on 28th August 1987. It commenced business operations as a Licensed Commercial Bank regulated under the Banking Act No. 30 of 1988 (As amended) on 24th March 1988. The Bank was listed on the Colombo Stock Exchange on 5th January 1989.

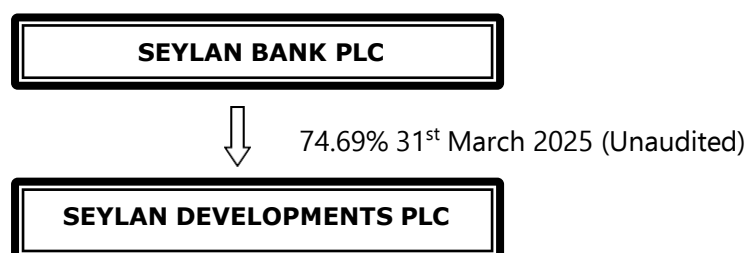
Seylan Bank PLC operates under the authority of the licence issued by the Governing Board of Central Bank of Sri Lanka.

The Bank offers banking products and services ranging from savings accounts, current accounts, foreign currency services, deposits and investments, credit cards, loan facilities, leasing, E-commerce and personal financial planning services. Apart from the above, the Bank offers personal banking facilities, trade finance, remittances, offshore banking, and pawning services.

As at 31st March 2025, Seylan Banks' network comprises of 170 Banking Centres, 215 ATMs, 106 CRMs, 102 CDKs, 70 CDMs and 100 Student Savings Centres and has overseas presence. They undertake remittance business on behalf of Sri Lankan expatriates in these countries while promoting the Bank's other products to them. From the inception, the Bank presented itself as flexible and customer friendly.

As at 31st March 2025, Seylan Bank PLC owns 74.69% stake in Seylan Developments PLC, a quoted subsidiary formed in 1992 for the purpose of constructing the head office building of the Bank and presently is involved in property development/management.

7.2 GROUP STRUCTURE



7.3 STATED CAPITAL AND SHARES IN ISSUE

Stated Capital and the Shares in issue as at *31st March 2025 were as follows:

Stated Capital (LKR.'000)	LKR 21,693,370	
No. of Shares Issued -	305,236,937	Ordinary Voting Shares -
	330,410,398	Ordinary Non-voting Shares-

*(Unaudited)

The public holding of the Bank as at 31st March 2025 was as follows:

Criteria	31 st March 2025 (Unaudited)	
	Voting	Non-Voting
Float adjusted market capitalization	LKR 12.142 Bn	LKR 8.216 Bn
Public Holding Percentage	54.87%	46.83%
Number of public shareholders	10,543	7,614
Option	1	2

7.4 MAJOR SHAREHOLDING

Top twenty (20) Ordinary Voting Shareholders of the Bank as at *31st March 2025 were as follows:

NO .	SHAREHOLDER'S NAME	NO OF SHARES HELD	PERCENTAGE (%)
1	BROWN & COMPANY PLC A/C NO. 1	31,979,642	10.48
2	SRI LANKA INSURANCE CORPORATION LTD-GENERAL FUND	30,523,687	10.00
3	EMPLOYEE'S PROVIDENT FUND	30,088,766	9.86
4	SAMPATH BANK PLC/ LOLC INVESTMENTS LTD	28,559,742	9.36
5	NATIONAL DEVELOPMENT BANK PLC	26,631,495	8.72
6	AMBEON HOLDINGS PLC	26,274,482	8.61
7	SEYLAN BANK PLC A/C NO.04-EMPLOYEES GRATUITY TRUST FUND	20,236,610	6.63
8	MR. K.D.D. PERERA	20,000,000	6.55
9	BANK OF CEYLON NO. 1 ACCOUNT	17,169,574	5.62
10	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	15,261,841	5.00
11	SAMPATH BANK PLC/BROWN AND COMPANY PLC	10,371,776	3.40
12	EMPLOYEES TRUST FUND BOARD	6,286,712	2.06
13	PEOPLE'S LEASING & FINANCE PLC / DON AND DON HOLDINGS (PRIVATE) LIMITED	3,305,193	1.08
14	NDB CAPITAL HOLDINGS LIMITED ACCOUNT NO-02	2,391,656	0.78
15	AMBEON CAPITAL PLC	2,287,044	0.75
16	EMFI CAPITAL LIMITED	2,019,501	0.66
17	EST.OF LATE M.J. FERNANDO	1,541,336	0.50
18	MR. K.R.B. FERNANDO	1,320,731	0.43
19	DR J.L.B. KOTELAWALA	699,357	0.23
20	MR. H. BERUWALAGE	600,815	0.20

*Unaudited

Notes

The Board decided at its meeting held on 15 April 2020 to limit the voting rights of Brown & Company PLC's shareholding in Seylan Bank PLC to 9.55% with effect from 31 March 2020 in compliance with the direction issued by the Governing Board vide Director – Bank Supervision's letter dated 06 April 2020.

Brown & Company PLC and LOLC Investments Ltd collectively hold 23.43% of the issued capital of the Bank. This joint shareholding limit has been approved by the Central Bank vide their letter dated 14 September 2011, subject to the joint holding of Brown & Company PLC and LOLC Investments Ltd being reduced from 23.43% to 15% within a period of 15 years from 13 October 2009. The Board of Directors at their meeting held on 27 August 2024, requested the Company Secretary to send follow up letters to respective Shareholders Brown & Company PLC and LOLC Investments Ltd, calling their attention to reduce their Collective Shareholding of 23.43% to 15%.

In response to same, LOLC Holdings PLC via a letter dated 30 September 2024, informed the Bank that LOLC Group remains committed to comply with Central Bank guidelines, however, they face a challenge to find a potential shareholder to acquire the stake at the right commercially viable price.

Related party relationships of the ordinary voting shareholders of the Bank as of 31st March 2025:

Shareholders (voting)	Relationship/% of equity capital held	Common Directors /KMPs
Sri Lanka Insurance Corporation Ltd – General Fund Sri Lanka Insurance Corporation Ltd – Life Fund	10% 5%	Directors, Mr W M R S Dias and Mr S V Corea who were nominated to the Board by SLIC retired on 28th May 2024 and 13th May 2024, respectively.
Brown & Company PLC A/C No. 1 Sampath Bank PLC/Brown and Company	10.48% 3.40%	Directors, Mr D M D Krishan Thilakaratne and Mrs V G S Sunjeevani Kotakadeniya were nominated to the Board by the Bank's material shareholders, Brown & Company PLC and LOLC Investments Ltd and represent common interests.
Sampath Bank PLC/LOLC Investments Ltd LOLC Investments Ltd	9.36 % 0.19%	
Seylan Bank PLC A/C No. 04 - Employees Gratuity Trust Fund (Employees Gratuity Trust Fund of the Bank)	6.63%	The Board of Trustees consists of members from the Board of Directors and the Senior Management of the Seylan Bank PLC.

Top twenty (20) Ordinary Non-voting shareholders of the Bank as at *31st March 2025 were as follows:

NO .	SHAREHOLDER'S NAME	NO OF SHARES HELD	PERCENTAGE (%)
1	SAMPATH BANK PLC/ LOLC HOLDINGS PLC	146,722,737	44.41
2	L O L C HOLDINGS PLC	23,775,575	7.20
3	EMPLOYEE'S PROVIDENT FUND	17,623,958	5.33
4	PEOPLE'S LEASING & FINANCE PLC / DON AND DON HOLDINGS (PRIVATE) LIMITED	8,438,028	2.55
5	AKBAR BROTHERS PVT LTD A/C NO 1	7,209,772	2.18
6	AUERBACH GRAYSON AND COMPANY LLC	4,526,357	1.37
7	MERRILL J FERNANDO & SONS (PVT) LIMITED	3,670,181	1.11
8	SAMPATH BANK PLC/ANDARADENIYA ESTATE PRIVATE LIMITED	3,536,313	1.07
9	COMMERCIAL BANK OF CEYLON PLC/W. JINADASA	3,000,000	0.91
10	L O L C TECHNOLOGY SERVICES LIMITED	2,885,232	0.87
11	MR. N. BALASINGAM	2,584,925	0.78
12	LOLC FINANCE PLC/DON & DON HOLDINGS (PVT) LTD	2,584,557	0.78
13	SRI LANKA INSURANCE CORPORATION LTD-LIFE FUND	2,081,379	0.63
14	MR. R. GAUTAM	1,925,700	0.58
15	EMPLOYEES TRUST FUND BOARD	1,915,290	0.58
16	SENFIN SECURITIES LIMITED	1,878,957	0.57
17	EST.OF LATE M.J. FERNANDO	1,808,938	0.55
18	MR. R.R. LEON	1,782,796	0.54
19	J.B. COCOSHELL (PVT) LTD	1,530,708	0.46
20	MISS. S. DURGA	1,525,235	0.46

*Unaudited

Related party relationships of the Ordinary non-voting shareholders of the Bank as at *31st March 2025 are as follows:

Shareholders (Non-Voting)	Relationship	Common Directors /KMPs
	No. of Shares %	
Sampath Bank PLC / LOLC Holdings PLC	44.41%	Directors, Mr D M D Krishan Thilakaratne and Mrs V G S Sunjeevani Kotakadeniya were nominated to the Board by the Bank's material shareholders, Brown & Company PLC and LOLC Investments Ltd and represent common interests.
LOLC Holdings PLC	7.20%	
LOLC Technology Services Ltd (LOLC Subsidiary)	0.87%	
Sri Lanka Insurance Corporation Ltd (Life fund)	0.63%	

*Unaudited

7.5 DEBT SERVICING DETAILS OF THE BANK

Description	FY 2021 (Audited)	FY 2022 (Audited)	FY 2023 (Audited)	FY 2024 (Audited)	31 st March 2025 (Unaudited)
Gross interest due on debentures (LKR' 000)	2,548,392	2,589,596	2,923,685	3,085,278	881,258
Debenture interest paid on or before due date (LKR' 000)	2,548,392	2,589,596	2,923,685	3,085,278	881,258
Debenture interest paid after the due date (LKR' 000)	N/A	N/A	N/A	N/A	N/A
Debenture interest not paid as of to date (LKR' 000)	N/A	N/A	N/A	N/A	N/A

7.6 LITIGATION, DISPUTES AND CONTINGENT LIABILITIES

Due to the nature of the business, litigation is common in respect of lending related areas of the banking industry. The Bank has its procedures set out for managing all legal actions which are instituted by the Bank as well as against the Bank such as those provided under Note 51 in the Annual Report for the year ended 31st December 2024. Ongoing legal actions are reviewed periodically and the cases disclosed in the Annual Report include certain unresolved matters due to the uncertainty of the outcome. Based on the available information and status of the cases, the Bank is not in a position to quantify the potential financial impact if any, as at the reporting date and therefore they are not disclosed as contingent liability. However, the Bank is of the opinion that the outcome of any action will not have a material effect on the profitability and financial position of the Bank.

Contingent Liabilities of the bank as at 31st March 2025 are as follows (unaudited):

Description	LKR '000
Acceptances	10,361,291
Standby Letters of Credit	133,868
Guarantees	59,323,286
Documentary Credit	20,227,500
Bills for Collection	5,816,690

These balances exclude Net Forward Exchange Contracts.

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions as stated above.

7.7 PARTICULARS OF DEBT AND LOAN CAPITAL

The outstanding borrowings of the Bank as at *31st March 2025 are as follows (unaudited):

Description	LKR '000
Due to Banks	
Refinance Borrowing	6,923,577
Borrowings from Local Banks	257,543
Borrowings from Foreign Banks	177,680
Total Due to Banks	7,358,800
Debt Securities Issued – Debentures at Amortized Cost	25,820,515
Other Borrowings - Refinance Borrowing (Other Institutions)	21,870

Note: The Bank does not have long-term borrowings, other than debentures as of 31st March 2025.

7.8 DEBT SECURITIES

Details of the Listed Debentures in issue as at the day of the prospectus are as follows:

BASEL III COMPLIANT TIER 2 LISTED RATED UNSECURED SUBORDINATED REDEEMABLE DEBENTURES (LKR 000')			
	Amount (LKR 000's)	Interest rate	Maturity Date
2018 PUBLIC ISSUE			
SEMI ANNUAL (TEN YEAR FIXED)	1,609,000	13.50%	29/03/2028
TOTAL	1,609,000		
2021 PUBLIC ISSUE			
ANNUAL (FIVE YEAR FIXED)	5,352,020	9.75%	12/04/2026
QUARTERLY (FIVE YEAR FIXED)	647,980	9.25%	12/04/2026
TOTAL	6,000,000		
2023 PUBLIC ISSUE			
ANNUAL (FIVE YEAR FIXED)	3,851,882	28.00%	02/05/2028
QUARTERLY (FIVE YEAR FIXED)	1,148,118	25.00%	02/05/2028
TOTAL	5,000,000		
2024 PUBLIC ISSUE			
ANNUAL (FIVE YEAR FIXED)	7,666,650	13.25%	17/07/2029
QUARTERLY (FIVE YEAR FIXED)	1,263,800	12.60%	17/07/2029
ANNUAL (SEVEN YEAR FIXED)	133,550	13.50%	17/07/2031
SEMI ANNUAL (SEVEN YEAR FIXED)	936,000	13.05%	17/07/2031
TOTAL	10,000,000		

Seylan Bank PLC has complied with the main objectives stated in the Prospectus' of its Debenture issues allotted in 2018, 2021, 2023 and 2024 which are listed in the Colombo Stock Exchange. There was no deviation from the objectives for which the Debentures were issued.

Objectives of the 2018 Debenture Issue (BASEL III Compliant, Tier 2, Listed Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion) of Rs.1,609,000,000/- (Debentures amounting to LKR 715 million, with a 5-year tenure, matured in 2025.)

- To strengthen the Tier 2 Capital base of the Bank in accordance with BASEL III requirements
- To grow the loans and advances portfolio through diverse lending products

Objectives of the 2021 Debenture Issue (BASEL III Compliant, Tier 2, Listed Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion) of Rs.6,000,000,000/-

- To strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements; and
- To meet the current credit demand (loans and advances) of the Bank.

Objectives of the 2023 Debenture Issue (BASEL III Compliant, Tier 2, Listed Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion) of Rs.5,000,000,000/-

- to strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements by the issue of subordinated debentures; and
- Grow the lending portfolio, especially in segments such as Small and Medium Enterprises (SME) and Export oriented industries; and
- Reduce Maturity gaps in the Assets and Liabilities of the Bank.

Objectives of the 2024 Debenture Issue (BASEL III Compliant, Tier 2, Listed Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion) of Rs.10,000,000,000/-

- to strengthen the Tier 2 Capital base of the Bank as per BASEL III requirements by the issue of subordinated debentures; and
- Grow the lending portfolio, especially in segments such as Small and Medium Enterprises (SME) and Export oriented industries; and
- Reduce Maturity gaps in the Assets and Liabilities of the Bank.

Debenture Holders of BASEL III Compliant, Tier 2, Listed Rated, Unsecured, Subordinated, Redeemable Debentures with a Non-Viability Conversion do not have the following rights;

- Sharing in the profits of the Bank
- Participating in any surplus in the event of liquidation or any special rights

The above-mentioned Debenture Holders are at 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.

However, In the event of liquidation or winding up, the claims of the above-mentioned subordinated Debenture Holders will be ranked after all the claims of the senior debt holders of the Bank and the preferential claims under Section 365 of the Companies Act No.7 of 2007 but in priority to the claims and rights of the Shareholders of the Bank.

There were no outstanding convertible debt securities other than BASEL III, convertible to equity as at 31st March 2025.

7.9 KEY FINANCIAL RATIOS

Description	31st Dec 2021*	31st Dec 2022*	31st Dec 2023*	31st Dec 2024*	31st March 2025 (Unaudited)
Interest Cover (times)	3.37	3.56	4.45	6.20	5.78
Debt (D) to Equity(E) ratio	0.42	0.40	0.33	0.36	0.36
Total Capital Adequacy Ratio (%)	14.11	13.59	15.84	18.59	17.64
Statutory Liquid Assets Ratio (%) for Domestic Banking Operations (Minimum Requirement - 20%)	22.84	25.16	38.51	**	**
Statutory Liquid Assets Ratio (%) for Foreign Currency Banking Operations (Minimum Requirement - 20%)	23.30	25.02	23.28	**	**

*Audited

**Discontinued the requirement on Statutory Liquid Assets Ratio by the CBSL Banking Act Direction No 01 of 2024 dated 13th June 2024 on "Statutory Liquidity Ratios of Licensed Banks".

1 Interest Cover (times)

Profit before Interest & Tax
Interest

2 Debt to Equity (times)

(Long Term Debt)
Equity

3 Capital Adequacy Ratio (%)

Total Capital Adequacy Ratio as per CBSL Directions
Total Capital (Tier 1& Tier 2)
Total Risk Weighted Assets

4 Statutory Liquid Assets Ratio (%)

- Domestic Banking Operations
- Foreign Currency Banking Operations

Statutory Liquid Assets as per the CBSL Directions/ Banking Act
Total Liability Base as per CBSL Directions

7.10 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The “Related Party Transactions Review Committee” was established as a Board Sub-committee with the main objective of reviewing Related Party Transactions as required by the Listing Rules of the Colombo Stock Exchange (CSE) (and any amendment from time to time) and the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka (SEC).

Members of the Related Party Transactions Review Committee are as follows:

Name of the Board Subcommittee Member	Membership Status	Directorship Status
Mr Lokugan Hewage Ananda Lakshman Silva	Chairman of the Committee	Independent Director
Mrs Averil Anne Ludowyke	Committee Member	Independent Director
Justice Buwaneka Pandukabaya Aluwihare, PC	Committee Member	Independent Director/Chairman of the Board

Director/CEO, AGM Compliance and relevant Members of the management who submitted papers to the Committee attended the Meetings by invitation as and when required.

8 BOARD OF DIRECTORS

Details of the Board of Directors of the Bank are as follows:

Name	Designation
Justice Buwaneka Pandukabaya Aluwihare, PC	Independent Director/Chairman
Mr Ramesh Joseph Jayasekara	Director/ Chief Executive Officer
Mrs Sandya Kumari Salgado	Senior Independent Director
Mr Don Manuwelge Don Krishan Thilakaratne	Non-Independent, Non-Executive Director
Mr Dissanayake Mudiyanseelage Rupasinghe	Independent, Non-Executive Director
Mr Lokugan Hewage Ananda Lakshman Silva	Independent, Non-Executive Director
Mrs Vithana Godellage Sarajika Sunjeevani Kotakadeniya	Non-Independent, Non-Executive Director
Mrs Averil Anne Ludowyke	Independent, Non-Executive Director

9 SENIOR MANAGEMENT

Name	Designation
Mr Ramesh Joseph Jayasekara	Director/Chief Executive Officer
Mrs Champika Dodanwela	Chief Financial Officer
Mr Harsha Wanigatunga	Chief Information Officer
Mr Malik Wickramanayake	Deputy General Manager – Operations
Mr Shanaka Perera	Deputy General Manager - Treasury
Mr Aruna Fernando	Deputy General Manager - Chief Risk Officer
Mr Varuna Koggalage	Deputy General Manager - Internal Audit
Mrs Sharon Fonseka	Deputy General Manager – Corporate Credit Branches
Mr Ranil Dissanayake	Deputy General Manager –Branch Credit
Mr Eranga Lankatilaka	Deputy General Manager – Recoveries
Mr Eugene Seneviratne	Deputy General Manager – Retail Banking
Mr Wasantha Karunaratne	Assistant General Manager - Services
Mr Kapila Rathnayaka	Assistant General Manager - Premises Maintenance
Mr Sampath Fernando	Assistant General Manager – Information Technology
Mr Ruwan Fernando	Assistant General Manager - Branches II
Mrs Vayoma Paranagama	Assistant General Manager - Legal
Mr Dilan Wijegoonaawardena	Assistant General Manager – International
Mrs Nilanthie De Meral	Assistant General Manager – Corporate Banking
Mr Dimuth Sigera	Assistant General Manager – Branches I
Mr Shanuka Jayarathna	Assistant General Manager – Finance
Mrs Chaya Gunarathne	Assistant General Manager - Compliance
Mr Asiri Abhayaratne	Assistant General Manager – Marketing & Sales
Mr Nissanka Rajapaksha	Assistant General Manager – Internal Audit
Mrs Amanthi Motha	Assistant General Manager – Human Resources
Mr Chaminda Senewiratne	Assistant General Manager – Digital Banking/Head of Digital Banking
Mr Cecilton Philip	Assistant General Manager – Branch Credit
Mrs Astrid Iddamalgoda	Assistant General Manager - Operations
Mrs Saraswathie Poulraj	Company Secretary
Mr Chandrajith Kelum Alwis	Chief Information Security Officer

10 STATUTORY DECLARATION BY THE DIRECTORS

We, the undersigned who are named herein as Board of Directors of Seylan Bank PLC hereby declare and confirm the following:

This Prospectus has been seen and approved by the directors of the Seylan Bank PLC and they collectively and individually accept full responsibility for the accuracy 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 their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Seylan Bank PLC have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to the Seylan Bank PLC and making assumptions that are considered to be reasonable at the present point in time in the best judgment of the directors.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing of Debentures issued by Seylan Bank PLC and those debentures which are the subject of this issue. Such permission will be granted when Debentures are listed in the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness/omissions of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of Seylan Bank PLC or the Debenture issue.

Name of Director	Designation	Signature
Justice Buwaneka Pandukabaya Aluwihare, PC	Independent Director/ Chairman	sgd
Mr Ramesh Joseph Jayasekara	Director/ Chief Executive Officer	sgd
Mrs Sandya Kumari Salgado	Senior Independent Director	sgd
Mr Don Manuwelge Don Krishan Thilakaratne	Non-Independent, Non-Executive Director	sgd
Mr Dissanayake Mudiyansele Rupasinghe	Independent, Non-Executive Director	sgd
Mr Lokugan Hewage Ananda Lakshman Silva	Independent, Non-Executive Director	sgd
Mrs Vithana Godellage Sarajika Sunjeevani Kotakadeniya	Non-Independent, Non-Executive Director	sgd
Mrs Averil Anne Ludowyke	Independent, Non-Executive Director	sgd

DECLARATION BY THE JOINT MANAGERS TO THE ISSUE

We, People's Bank Investment Banking Unit, of People's Bank Head Office, 13th Floor, No. 75, Sir Chittampalam A Gardiner Mawatha, Colombo 02 who are named in the Prospectus as the Joint Managers to the Issue of Seylan Bank PLC, hereby declare and confirm to the best of our knowledge and belief based on the information provided to us by Seylan Bank PLC, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Seylan Bank PLC, whose Debentures are being listed.

The common seal of People's Bank affixed on 18th June 2025 at Colombo, in the presence of Chairman and Secretary to the board of People's Bank.

Sgd
Chairman

Sgd
Secretary to the Board

We, First Capital Advisory Services Pvt Ltd, of No 2, Deal Place, Colombo 3 being Joint Managers to the Issue of Seylan Bank PLC, hereby declare and confirm to the best of our knowledge and belief that the Prospectus constitutes full and true disclosure of all material facts about the Issue and about Seylan Bank PLC, whose Debentures are being listed.

Signed by an authorized signatory of First Capital Advisory Services Pvt Ltd, being duly authorized thereto, on the 1st day of July 2025.

Sgd
Director

Sgd
Director

11 FINANCIAL INFORMATION

The following financial information of Seylan Bank PLC is available on the website of The Colombo Stock Exchange (www.cse.lk) and the website of the Seylan Bank PLC (www.seylan.lk).

- Audited financial statements of the Bank for the year ended 31 December 2024
- Interim financial statements of Seylan Bank PLC as at 31st March 2025
- Summarized financial statements for the five-year preceding the date of the application (i.e., for the financial years ending 31st December 2020 -31st December 2024) the Accountant's Report stating the accounting policies adopted by the Entity certified by the Auditors.

ANNEXURE I - CREDIT RATING REPORT

6/27/25, 10:16 AM

Fitch Rates Seylan Bank's Basel III Subordinated Debt Final 'A-(Ika)'


Maninda Wickramasinghe
Country Head MD/CEO

FitchRatings

RATING ACTION COMMENTARY

Fitch Rates Seylan Bank's Basel III Subordinated Debt Final 'A-(Ika)'

Wed 25 Jun, 2025 - 9:18 PM ET

Fitch Ratings - Colombo - 25 Jun 2025: Fitch Ratings has assigned Seylan Bank PLC's (A+ (Ika)/Stable) proposed Sri Lankan rupee-denominated, Basel III-compliant subordinated debentures of up to LKR15 billion a final National Long-Term Rating of 'A-(Ika)'.

The final rating is the same as the expected rating assigned on 7 May 2025 and follows the receipt of documents conforming to information already received.

KEY RATING DRIVERS

The proposed debentures, originally expected to have maturities of five, seven and 10 years, now carry maturities of five and 10 years and are to be listed on the Colombo Stock Exchange. The bank plans to use the proceeds to strengthen its Tier 2 capital, support the expansion of its loan book and reduce maturity mismatches in the balance sheet.

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

Fitch rates the proposed notes two notches below the bank's National Long-Term Rating. This reflects Fitch's baseline notching for loss severity for this type of debt and our expectation of poor recoveries. There is no additional notching for non-performance risk, as the proposed notes do not incorporate going-concern loss-absorption features.

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



Fitch upgraded Seylan's National Long-Term Rating on 21 January 2025; see [Fitch Upgrades 10 Sri Lankan Banks' National Ratings and Affirms Five after Scale Recalibration](#), published on 21 January 2025.

RATING SENSITIVITIES

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

A downgrade of the bank's National Long-Term Rating would 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 would lead to an upgrade of the subordinated debt rating.

DATE OF RELEVANT COMMITTEE

21 January 2025

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 ↕			PRIOR ↕
Seylan Bank PLC				
subordinated	Natl LT	A-(lka)	New Rating	A-(EXP)(lka)

[VIEW ADDITIONAL RATING DETAILS](#)

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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 - Effective from 15 March 2024 to 21 March 2025 (pub. 16 Mar 2024)
(including rating assumption sensitivity)

ADDITIONAL DISCLOSURES

Solicitation Status

Endorsement Policy

Potential Conflicts Resulting from Revenue Concentrations

ENDORSEMENT STATUS

Seylan Bank PLC

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Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at

<https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible



or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

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 II - BRANCH NETWORK

BRANCH	ADDRESS	TELEPHONE NUMBER
Ambalantota	154, Tissa Road, Ambalantota	047 - 22 25 482
Aralaganwila	No.14/82, Kolongas Junction, Aralaganwila.	027 - 22 57 274
Akkaraipattu	Zakir City, Pothuvil Road, Akkaraipattu	067 - 22 79 781
Akuressa	No.119, Deniyaya Road, Akuressa.	041 - 22 84 951
Aluthgama	No 295A, Senaro Building, Galle road, Aluthgama	034-22 93 501
Ambalangoda	No.24A, Galle Road, Ambalangoda.	091 - 22 58 010
Ampara	129, D.S.Senarayaka Street, Ampara	063 - 22 24 897
Anuradhapura	No.250, Maithreepala Senanayake Mw, Anuradapura	025 - 22 24 649
Attidiya	No.214, Main Road, Attidiya, Dehiwala	011 - 27 29 696
Athurugiriya	No.111/2, Borella Road, Athurugiriya.	011- 27 62 849
Avissawella	No.71, Rathnapura Road, Avissawella	036 - 22 22 007
Balangoda	123, Barns Ratwattay, Balangoda	045 - 22 87 107
Bambalapitiya	122.124, Galle Road, Colombo 04.	011-25 06 295
Batticaloa	No.06, Lloyds Av, Batticaloa	065 - 22 24 419
Bandaragama	No.17A, Horana Rd, Bandaragama	038 - 22 90 706
Badulla	No.10, Cocowatta Road, Badulla	055 - 22 22 073
Baduruliya	No 142,143,144, Rathnapura Road, Baduraliya	034 - 22 46 716
Bandarawela	No.240, Badulla Rd, Bandarawela.	057 - 22 23 144
Bogawanthalawa	No.79, Main Street, Bogawanthalawa	052 - 22 67 576
Borella	No 1119, Maradana Rd, Borella	011 - 26 78 193
Beliatte	NO.73, Tangalle Rd, Beliatte.	047 - 22 43 619
Battaramulla	No.119A, Pannipitiya Rd, Battaramulla	011 - 28 76 102
Boralesgamuwa	No.50, Dehiwala Rd, Boralesgamuwa	011 - 25 17 548
Beruwala	No.82, Galle Rd, Beruwala	034 - 22 79 887
Bowatte	No.476/2, Kurunegala Road, Bowatta, Bingiriya.	032 - 22 45 771
Colombo Fort Branch	No 69, Janadhipathi Mw, Colombo 01	011 - 24 45 840 /23 37 534

Pettah -02	No 184, Bankshall Street, Colombo 11	011 - 23 39 840
Cinnamon Gardens	No 41, Alexandra Place, Colombo 07.	011 - 26 94 966
Chavakachcheri	No.179, 181, 183, & 185, Kandy Road, Chavakachcheri.	021 - 22 70 525
Chilaw	No.46, Kurunegala Rd, Chilaw	032 - 22 22 121
Chankanai	Mallakkam Junction, Main St, Chankanai	021 - 22 50 025
Chenkaladi	Main Street, Chenkalady.	065 - 22 41 522
Chunnakam	No.130, Sir Ponnabalam Ramanathan Road, K.K.S Road, Chunnakam.	021 - 22 42 901
Dambulla	No.601, Anuradhapura Rd, Dambulla.	066 - 22 83 022
Dehiwela	No.166D, Galle Rd, Dehiwala	011 - 27 26 395
Dehiattakandiya	No.83/84, Main Street, Dehiattakandiya	027 - 22 50 034
Dankotuwa	NO.20, Negombo Road, Dankotuwa.	031 - 22 65 535
Dam Street Branch	No.203, Dam Street, Colombo 11	011 - 23 90 980
Dummalasuriya	No.128, Main Street, Dummalasuriya	032 - 22 42 221
Eheliyagoda	No 65, Avisawella Road, Eheliyagoda	036-2256995
Embilipitiya	New Town Rd, Embilipitiya	047 - 22 30 340
Eppawala	No.114/B, Talawa Road, Eppawala.	025 - 22 49 923
Gampaha	No.01, J Baudhaloka Mw, Gampaha	033 - 22 22 618
Godagama	No.157/A, High Level Road, Godagama	011 - 28 95 741
Giriulla	No.27, Maha Veediya (Negambo Road), Giriulla	037-2289114
Godakawela	No. 54/B, Main Street , Godakawela	045-2240724
Galle	No.341, 1st cross Street, Talbot Town, Galle.	091 - 22 32 242
Galenbindunuwewa	Kahatagasdigiliya Road, Galenbidunuwewa.	025 - 22 58 778
Gampola	No.44, Kandy Rd, Gampola	081 - 23 52 741
Ganemulla	No.4/2, Kirindiwita Rd, Ganemulla	033 - 22 60 230
Grandpass	No.401, Prince Of wales Av, Colombo 14	011 - 2347774
Gothatuwa	No.31, Gothatuwa New Town, Angoda.	011 - 24 10 985
Hambantota	No 53, Wilmot Street, Hambantota	047 - 22 20 507
Hettipola	No 169, Kurunagala Road, Hettipola	037-2291833
Hikkaduwa	No.271, Galle Road, Hikkaduwa	091 - 22 76 964

Homagama	No.94, High Level Rd, Homagama	011 - 28 55 065
Hingurakgoda	No.1314, Airport Rd, Hingurakgoda	027 - 22 46 242
Horana	No.160/1/1, Rathnapura Rd, Horana	034 - 22 61 176
Hatton	No.42, Dunbar Rd, Hatton.	051 - 22 22 234
Havelock Town	No.164 166, Havelock Rd, Colombo 05	011 - 25 96 550
Ingiriya	No.23/1, Central Building, Padukka Rd, Ingiriya.	034 - 22 69 754
Jaffna	No.141,143, Hospital Rd, Jaffna	021 - 22 23 755
Ja-ela	No.165 & 165 2/1, Colombo Rd, Ja-Ela.	011 - 22 37 421
Kalubowila	No.32, S De S jayasinghe Mw, Kalubowila, Dehiwala	011 - 28 22 944
Kamburupitiya	No. 05, Akuressa Rd, Kamburupitiya	041-2292555
Kantale	No.189, Agrabodhi Mw, Kanthale	026 - 22 34 478
Kiribathgoda	No.173, Kandy Rd, Kiribathgoda	011 - 29 08 113
Kochchikade	No.66, Chilaw Rd, Kochchikade	031 - 22 77 661
Kandana	No 82, Negombo Road, Kandana	011 - 22 34 207
Kaduruwela	No.824A, Main Street, Kaduruwela	027 - 22 25 319
Kadawatha	No.28 B, Ganemulla Rd, Kadawatha.	011 - 29 25 594
Kandy	No.21,, Dalada Veediya, Kandy	081 - 22 33 763/22 39 149
Kegalle	No.112, Colombo Rd, Kegalle.	035 - 22 22 007
Koggala	No.09, Export Processing Zone, Koggala, Habaraduwa.	091 - 22 83 390
Kurunegala	No.87, Colombo Rd, Kurunegala	037 - 22 23 575
Kurunegala branch-02	No 04, Kovil Road, Kurunegala	037-2041135
Kekirawa	No.06, Yakalla Rd, Kekirawa.	025 - 22 64 590
Kattankudy	No 500B, 500 C, New Kalmunei road, Manchanthoduwai.	065 - 22 46 625
Kilinochchi	No 155, 155/1, A9 Road, Kilinochchi	021 - 22 85 310
Kalutara	No.338, Main street, Kalutara	034 - 22 25 035
Kelaniya	No.32, Kandy Road, Dalugama, Kelaniya	011-2987321
Kalmunei	No.159, Batticaloa Rd, Kalmunai.	067 - 22 25 841
Katunayake	No.32, Dhammaloka Mw, Averiawatte, Katunayake.	011 - 22 52 566
Kottawa	No 360/2A, High Level Road, Pannipitiya	011 - 28 42 682

Kalpitiya	No.73, Main Street, Kalpitiya.	032-2260803
Kollupitiya	No.490, Galle road, Colombo 03	011 - 25 64 080
Karapitiya	No.108A, Karapitiya, Galle.	091 - 22 22 537
Kirindiwela	No.89, Gampaha Rd, Kirindiwela.	033 - 22 69 709
Kirulapone	No.280 B, High Level Rd, Colombo 06.	011 - 28 29 054
Kotahena	No.310, George R De Silva Mw, Colombo 13	011 - 24 47 041
Katuneriya	No.99/1, Chillaw Road, Katuneriya.	031 - 22 57 765
Kataragama	No.01, New Town, Kataragama.	047 - 56 77 165
Katugastota	No.81, Kurunegala Rd, Katugastota	081 - 22 12 870
Kuliyapitiya	No.137, Hettipola Rd, Kuliyapitiya	037 - 22 81 450
Kaluwanchikudy	No.225, Main Street, Kaluwanchikudy.	065 - 22 51 536
Matara Bazzar	No.167/A, New Tangalle Rd, Kotuwegoda, Matara.	041-2238395
Maradagahamula	No.150, Divulapitiya Rd, Maradagahamula	031 - 22 46 377
Maradana	No.250, Sri Sangaraja Mw, Colombo 10	011 - 23 34 185
Medawachchiya	No.82/C, Jaffna Rd, Medawachchiya.	025 - 22 45 383
Monaragala	No.94/3, New bus stand, Monaragala	055 - 22 76 212
Maharagama	No.134,134/1,136, High Level Rd, Maharagama	011 - 28 41 997
Mahiyanganaya	No.13, Kandy Road-South, Mahiyanganaya	055 - 22 58 112
Malabe	No.11, Athurugiriya Rd, Malabe	011 - 25 61 415
Millennium	Seylan Towers, No.90, Galle Rd, Colombo 03	011 - 24 52 502
Mount Lavinia	No.198, Galle Rd, Ratmalana.	011 - 27 38 272
Minuwangoda	No.40, Cargills Building, Colombo Rd, Minuwangoda.	011 - 22 99 004
Manampitiya	No.9/B, Main Street, Manampitiya	027-2051008
Mannar	No 181, Thalaimannar Road, Mannar	023 - 22 23 241
Moratuwa	No. 433, Galle Rd, Rawathawatte, Moratuwa.	011 - 26 56 902
Manipay	No.103, Jaffna Rd, Manipay.	021 - 22 55 526
Mirigama	No.70/1, Giriulla Rd, Mirigama.	033 - 22 73 001
Matara	No.58, Esplanade Rd, Matara	041 - 22 21 181
Mathugama	No.121, Agalawatta Rd, Matugama.	034 - 22 47 544

Matale	No.166-168, Main Street, Matale	066 - 22 32 934
Motatumulla	No.242 (330 & 330/1), De soysa Rd, Moratumulla, Moratuwa.	011 - 26 52 084
Mulativu	P W D Rd, Mullativu	021 - 22 90 065
Mutwal	No. 677, Aluth Mawatha Rd, Colombo 15.	011-2524138
Mawathagama	No.69/A, Kurunegala Rd, Mawathagama	037 - 22 98 666
Mawanella	No.1/3, New Kandy Rd, Mawanella.	035 - 22 46 007
Nochchiyagama	No.411, Puttalam Road, Nochchiyagama.	025 - 22 57 220
Negombo	No.141, Rajapakse Broadway, Negombo	031 - 22 24 302
Nelliyadi	No.157/1, Jaffna Rd, Nelliady.	021 - 32 05 961
Nittambuwa	No.195/1, Colombo Rd, Nittambuwa.	033 - 22 95 270
Nawalapitiya	No 13/A, Urban Council Road, Nawalapitiya	054 - 22 22 056
Nuwara Eliya	No.48, Park Rd, Nuwara Eliya.	052 - 22 23 026
Narammala	No.150, Kurunegala Rd, Narammala	037 - 22 48 764
Nugegoda	No.211, High Level Rd, Nugegoda.	011 - 28 15 094
Nawala	No.48/A, Narahenpita Rd, Nawala	011 - 28 06 727
Old Moor Street	No.315-317, Old Moor Street, colombo 12	011 - 24 21 483
Pannala	No.22, Negombo Rd, Pannala	037-2245532
Priority Banking Center	No 41, Alexandra Place , Colombo 07.	011-2425425
Padukka	No. 36A, Colombo Road, Padukka	011-2830365
Pelmadulla	No.17, Galwatta Rd, Pelmadulla	045 - 22 75 625
Pettah	No.96, Main Street, Colombo 11	011 - 23 37 823
Pitakotte	No.143A,Pagoda Rd,Pitakotte.	011 - 28 27 871
Pallekele	Kandy Industrial Park, BOI, Pallekele	081 - 24 23 958
Piliyandala	No.07, Old Rd, Piliyandala.	011 - 26 04 982
Pilimathalawa	No.225, Colombo Rd, Pilimathalawa.	081-2069707
Panadura	No.372, Galle Rd, Panadura	038 - 22 33 172
Peradeniya	No.670, Peradeniya Rd, Kandy.	081-2068041
Pussallawa	No.429, Nuwara Eliya Rd, Pussellawa	081 - 24 78 131
Puttlam	No.14, Kangani Kulam Street, Puttlam.	032 - 22 65 194

Pottuvil	Main Street, Pothuvil town, Pothuvil 12	063 - 22 48 515
Padaviya	No 387-A, Bandaranayaka Mawatha, Padavi Parakramapura	025-2253003
Raddolugama	No.171, National Housing scheme, Raddolugama.	011 - 22 92 778
Ratnapura	No 105, Main Street, Kudugawatta, Rathnapura	045 - 22 23 111
Ranpokunugama	No.01, Maduwegedara, Nittambuwa.	033 - 22 82 242
Ruwanwella	No. 52A, Kegalle Road, Ruwanwella	036 - 22 67 445
Sarikkamulla	No.97, Old Galle Rd, Sarikkamulla, Panadura.	038 - 22 35 265
Sammanthurai	No.113, Hijra Junction, Ampara, 1st Lane, Samanthurai	067 - 22 61 284
Siyabalanduwa	Infront of fuel station, Pothuvil Road, Siyabalanduwa	055 - 2279138
Soysapura	No.05, Angulana Junction, Katubedda, Moratuwa	011 - 26 22 756
Trincomalee	No.289, Central Rd, Trincomalee.	026 - 22 27 701
Thalawakele	No.43 A , Kotmale Rd, Thalawakele	052 - 22 58 638
Tissamaharamaya	No.169, Kachcheriyagama, Hambantota Rd, Tissamaharama	047 - 22 37 161
Udappuwa	Division No.6, Main Street, Udappu.	032 - 22 58 830
Union Place	No.115, Union Place, Colombo 02	011-2546395
Veyangoda	No.95, Negombo Rd, Veyangoda	033 - 22 95 050
Vavuniya	No.45, 2nd cross Street, Vavuniya.	024 - 22 22 633
Wadduwa	No.14, Station Rd, Wadduwa.	038-2294672
Wellawatte	No.445, Galle Rd, Colombo 06	011-2361823
Wijerama	No.675/1, High Level Rd, Wijerama.	011 - 28 03 001
Warakapola	No.192, Main Street, Warakapola.	035 - 22 67 628
Welimada	No. 107, Nuwara Eliya Rd, Welimada	057 - 22 45 617
Weliveriya	No.477/20/15, Edwin Estate, Main Street, Weliveriya.	033 - 22 55 021
Wennappuwa	No.17/1, Chilaw Road, Wennappuwa	031-2262967
Wattala	No.276, Negombo Rd, Wattala	011 - 29 33 589
Wariyapola	No. 105, Kurunagala Road, Wariyapola	037 - 22 68 598
Yakkala	No.184, Kandy Rd, Yakkala	033 - 22 26 378
Yatyanthota	No.51/1/2, Ginigathhena Rd, Yatyanthota.	036 - 22 71 480

ANNEXURE III - COLLECTION POINTS

COPIES OF THE PROSPECTUS CAN BE OBTAINED FREE OF CHARGE FROM THE FOLLOWING COLLECTION POINTS**Joint Managers to the Issue**

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Colombo 02,
Tel: +94 11 2206787
Fax: +94 11 2458842

First Capital Advisory Services (Pvt) Ltd
No. 2, Deal Place
Colombo 00300
Sri Lanka
Tel: + 94 11 2 639 845
Fax: + 94 11 2 639 819

Registrars to the Issue

S S P Corporate Services (Private) Limited
No. 101, Inner Flower Road
Colombo 03
Tel: +94-11 2 573 485
Fax: +94-11 2 573 037

Bankers to the Issue

Seylan Bank PLC
Millennium Branch,
"Seylan Towers",
No.90, Galle Road,
Colombo 03.
T: +94 11 2456103, 11 2456135, 11
2456145
F: +94 11 2452506, 11 2452501

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John Keells Stock Brokers (Pvt) Limited 186, Vauxhall Street, Colombo 02. Tel : +94-11 2 306 250 Fax : +94-11 2 342 068 E-mail : jkstock@keells.com	Asha Securities Limited No. 60, 5 th Lane, Colombo 03. Tel : +94-11 2 429 100 Fax : +94-11 2 429 199 E-mail : asl@ashasecurities.net
Almas Equities (Pvt) Limited Westin Tower,5th Level, No. 2 - 4/1, Lake Drive, Colombo 08. Tel : +94-70 7 144 551 Fax : +94-11 2 673 908 E-mail : info@almasequities.com	Somerville Stockbrokers (Pvt) Limited 410/95,1/1, Buddhaloka Mawatha, Colombo 07. Tel : +94-11 2 502 858 / +94-11 2 502 862 Fax : +94-11 2 502 852 E-mail : contact@somerville.lk
J B Securities (Pvt) Limited 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) Limited 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) Limited 4 th 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) Limited 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
S C Securities (Pvt) Limited 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 : itdivision@sampathsecurities.lk	CT CLSA Securities (Pvt) Limited 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@ctclsal.lk
First Capital Equities (Pvt) Limited Level 12, Vallible Property Building, No. 480, Galle Road, Colombo 03. Tel : +94- 11 2 123 901 Fax : - E-mail : equity@firstcapital.lk	NDB Securities (Private) Limited Level 2, NDB Capital Building, No. 135, Buddhaloka Mawatha, Colombo 04. Tel : +94-11 2 131 000 Fax : +94-11 2 314 181 E-mail : mail@ndbs.lk
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Nestor Stock Brokers (Pvt) limited The Landmark Building, No. 385, Galle Road, Colombo 03. Tel : +94-11 4 758 813 Fax : +94-11 2 550 100 E-mail : info@nestorstockbrokers.lk	First Guardian Equities (Pvt) Limited 32nd Floor, East Tower, World Trade Centre, Colombo 01. Tel : +94-11 446 4400 Fax : - E-mail : info@fge.lk

Enterprise Ceylon Capital (Pvt) Limited 2nd Floor 4B, Liberty Plaza, 250, R A De Mel Mawatha, Colombo 03. Tel : +94-11 2 445 644 Fax : - E-mail : info@ecc.lk	Richard Pieris Securities (Pvt) Limited No. 310, High Level Road, Nawinna, Maharagama. Tel : +94-11 4 310 500 Fax : +94-11 2 802 385 E-mail : communication@rpsecurities.com
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Senfin Securities Limited 4 th Floor, No.180, Buddhaloka Mawatha, Colombo 04. Tel : +94-11 2 359 100 Fax : +94-11 2 305 522 E-mail : info@senfinsecurities.com	

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<p>Capital Alliance PLC</p> <p>Level 5, "Millenium House", 46/58, Nawam Mawatha, Colombo 02.</p> <p>Tel : +94-11 2 317 777 Fax : +94-11 2 317 788 E-mail : info@cal.lk</p>	<p>Wealthtrust Securities Limited</p> <p>No. 102/1, Dr. N M Perera Mawatha, Colombo 08.</p> <p>Tel : +94-11 2 675 091 - 4 Fax : +94-11 2 689 605 E-mail : info@wealthtrust.lk</p>
<p>Seylan Bank PLC</p> <p>Level 3, Seylan Towers 90, Galle Road, Colombo 03.</p> <p>Tel : +94-11 2 456 300 Fax : +94-11 2 452 215 E-mail : info@seylan.lk</p>	

ANNEXURE IV - ACCOUNTANTS REPORT AND 5 YEAR SUMMARY



KPMG
(Chartered Accountants)
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17th March 2025

The Board of Directors,
Seylan Bank PLC,
Seylan Towers
No. 90, Galle Road,
Colombo 03.

Dear Sirs/Madam,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF SEYLAN BANK PLC

This report has been prepared for the inclusion in the Prospectus issued in connection with proposed issue of Fifteen billion (15,000,000,000) Basel III compliant; Tier 2, Listed, Rated, Unsecured, Subordinated Redeemable with a Non-Viability conversion with ordinary shares ("debentures"), of the par value of Rs. 100/- each amounting to Rs. 15 Billion; with an option to issue in one or more issuance until 31st December 2025.

We have examined the audited financial statements of Seylan Bank PLC and consolidated financial statements of the bank and its subsidiary ("the Group") for the financial years ended 31st December 2020 to 2024 extracted from the annual reports of the respective years, included in the prospectus and report as follows.

1. INCORPORATION

Seylan Bank PLC ("the Bank") is a listed Company incorporated in 1987 and domiciled in Sri Lanka. As per section 487 (2) of Companies Act No. 7 of 2007, the Bank has been re-registered under the registration number PQ9. The shares of the Bank have a primary listing on the Colombo Stock Exchange.

The Bank is licensed by the Central Bank of Sri Lanka to conduct banking and related activities such as accepting deposits, personal banking, trade financing, off-shore banking, resident and non-resident foreign currency operations, travel related services, corporate and retail credit, project financing, lease financing, rural credit, issuing of local and international debt and credit cards, internet banking, mobile banking, money remittance facilities, salary remittance packages, pawning, margin trading, factoring, digital banking services, islamic banking and dealing in government securities, etc. under the provisions of the Banking Act No. 30 of 1988.

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Ms. S. Joseph FCA
R.M.D.B. Rajapaksa FCA
M.N.M. Sumanaratne FCA
Ms. P.M.K. Sumanaratne FCA

T.J.S. Rajapaksa FCA
W.K.D.C. Abeyaratne FCA
Ms. S.K.D.T.N. Rodrigo FCA
Ms. C.T.A.N. Perera ACA
R.W.M.D. R.D.B. Rathnayake FCA

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Arushakoon ACA

Privileges: S.R.I. Perera FCBM (SRG) LL.B. Attorney-at-Law; R.S. Goonewardene ACA, Ms. P.R. Jayaratne FCBM (SRG), FOT, E. Sumanaratne ACA (SRG), R. D. H. Ratnayake ACA, Ms. D. Conna Chennaratne



2. FINANCIAL STATEMENTS

2.1 Five Years Summary of Financial Statements

A summary of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of Seylan Bank PLC for the years ended 31st December 2020 to 2024, based on the audited financial statements of the Bank are set out in Annexure 1.

Summaries presented for Operating Results, Assets, Liabilities and Shareholders' funds for financial years ended 31st December 2020 to 2024 are based on the financial statements prepared in accordance with SLFRSs and LKASs, effective from 1st January 2012 in the annual reports of the respective years.

2.2 Audit Reports

We have audited the financial statements of the Bank for the years ended 31st December 2020 to 2024. Unqualified audit opinions have been issued for the said financial years.

2.3 Application of Accounting Standards and Accounting Policies

The financial statements of the Bank for the financial years ended 31st December 2020 to 2024 complied with the applicable Sri Lanka Accounting Standards.

The accounting policies of the Bank are stated in detail in the audited financial statements of Seylan Bank PLC for the year ended 31st December 2024. The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the Bank from financial years ended 31st December 2020 to 2024 are given below.

Financial Year	Adoption of revised Accounting Standards and related changes in Accounting Policies
31 st December 2020	<p>Amendment to Business Combination- SLFRS 3</p> <p>The Group has initially adopted definition of the Business (Amendments to SLFRS 3) from 1st January 2020.</p> <p>Definition of a business</p> <p>The Group applied Definition of a Business (Amendments to SLFRS 3) to business combinations whose dates of acquisition were on or after 1st January 2020 in assessing whether it had acquired a business or a group of assets. The amendments did not have a material effect on the Group's financial statements because the Group had not acquired any subsidiaries during the year.</p>



31 st December 2021	<p>Interest Rate Benchmark Reform ("IBOR") (Amendments to SLFRS 9, LKAS 39 and SLFRS 7)</p> <p>A fundamental reform of major interest rate benchmark was undertaken globally, replacing certain interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as "IBOR reform"). The Bank had exposure to certain IBORs on its financial instruments that are being reformed as part of these market-wide initiatives.</p> <p>The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issued amendments to SLFRS 9, LKAS 39 and SLFRS 7 due to Interest Rate Benchmark Reform Phase 1 and Phase 2. The effective date of both IBOR reform Phase 1 and Phase 2 amendments were for annual reporting periods beginning on or after 1 January 2021 in the Sri Lankan context and the requirements under phase 2 amendments have to be applied retrospectively.</p> <p>The main risks to which the Bank has been exposed as a result of IBOR reform are operational, for example, the renegotiation of loan contracts through bilateral negotiation with customers, updating of contractual terms and revision of operational controls related to the reform and regulatory risk. Financial risk was predominantly limited to interest rate risk.</p>
31 st December 2022	<p>Onerous Contracts (Amendment to LKAS 37)</p> <p>The Group has adopted Onerous Contracts - Costs of fulfilling a Contract (Amendments to SLAS 37) from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contract assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy was to include both incremental costs and an allocation of other direct costs. The amendments were applied prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing as at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy - i.e. there were no impact on the opening equity balances as at 1 January 2022 as a result of the change.</p> <p>Reclassification of Debt portfolio from Fair value through Other Comprehensive Income to Amortised Cost</p> <p>The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has issued the "Statement of Alternative Treatment (SoAT) on Reclassification of Debt Portfolio" which provides a temporary practical</p>



	<p>expedient to permit the entities to reclassify the debt portfolio measured at Fair Value through Other Comprehensive Income (FVOCI) to Amortised cost.</p> <p>The Bank has adopted the above SoAT and re-classified its Debt Portfolio from Fair Value Through Other Comprehensive Income (FVOCI) to Amortised Cost (AC) with effect from 1 April 2022.</p>
31 st December 2023	<p>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</p> <p>The Group adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases. For leases, the Group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the Group applies the amendments to transactions that occur on or after the beginning of the earliest period presented. The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the Statement of Financial Position because the balances qualified for offset under LKAS 12. There was also no impact on the opening retained earnings as at 1 January 2022 as a result of the change. The key impact for the Group related to disclosure of the deferred tax assets and liabilities recognised.</p> <p>Material Accounting Policy Information</p> <p>The Group also adopted Disclosure of Accounting Policies (Amendments to LKAS 1) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments required the disclosure of 'material', rather than 'significant', accounting policies.</p>



31 st December 2024	No changes in Accounting Policies and adoption of revised Accounting Standards.
--------------------------------	---

2.4 Dividends

The Bank had declared the following dividends in respect of Ordinary Shares for the years ended 31st December 2019 to 31st December 2023.

Year ended 31 st December	Total Dividend Declared Rs. '000	Dividend Per Share Rs.
2019	1,007,248	2.00*
2020	775,535	1.50**
2021	1,602,572	3.00***
2022	1,155,553	2.00****
2023	1,538,623	2.50*****

* Rs. 1/- by way of cash dividend and Rs.1/- by way of a scrip dividend.

** Rs. 1.50/- by way of a scrip dividend.

***Rs. 3.00/- by way of a scrip dividend.

****Rs. 2.00/- by way of a scrip dividend.

****Rs. 2.00/- by way of a scrip dividend.

*****Rs. 1.00/- by way of cash dividend and Rs.1.50/- by way of a scrip dividend.

2.5 Events after the Reporting Date

The Board of Directors of the Bank has recommended the payment of a final dividend of Rs.3.50 per share for both voting and non-voting ordinary shareholders of the Bank to be paid by way of cash dividend of Rs. 3.50 per share for the year ended 31st December 2024.

Yours faithfully,

Chartered Accountants
Colombo



Annexure I: Five Year Summary

Statement of Profit or Loss and Other Comprehensive Income

Financial period ended 31st December

Trading Results

Gross Income

Profit before Taxation

Taxation

Profit after Taxation

Other Comprehensive Income, Net of Income Tax

Total Comprehensive Income

Dividend Per Share (Rs.)

	Bank					Group				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Gross Income	91,670,605	116,773,303	96,817,975	54,767,049	57,224,196	91,718,361	116,835,833	96,836,414	54,750,691	57,227,750
Profit before Taxation	16,043,413	10,080,086	6,678,860	6,027,776	4,111,247	16,235,034	10,369,451	6,796,658	6,184,680	4,295,636
Taxation	(5,992,136)	(3,823,872)	(1,916,597)	(1,447,236)	(1,099,947)	(6,082,296)	(3,868,829)	(2,218,885)	(1,449,010)	(1,197,578)
Profit after Taxation	10,051,277	6,256,214	4,712,263	4,580,540	3,011,300	10,152,738	6,400,622	4,577,773	4,735,670	3,098,058
Other Comprehensive Income, Net of Income Tax	684,540	(26,598)	(2,724,398)	(1,521,020)	1,832,025	793,610	56,454	(2,746,463)	(1,879,099)	1,865,107
Total Comprehensive Income	10,735,817	6,229,616	1,987,865	3,059,520	4,843,325	10,946,348	6,457,076	1,831,307	2,856,571	4,963,165

3.50

2.50

2.00

3.00

1.50

3.50

2.50

2.00

3.00

1.50





Annexure 1: Five Year Summary (Continued)

Statement of Financial Position

As at 31st December

	Bank					Group				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets										
Cash and Short Term Funds (Including Securities purchased under resale agreements)	21,068,770	49,668,394	43,883,063	26,108,085	16,179,037	21,068,810	49,668,333	43,883,103	26,108,125	16,179,077
Balances with Central Bank of Sri Lanka	8,719,115	7,028,281	16,784,172	8,725,834	7,371,203	8,719,115	7,028,281	16,784,172	8,725,834	7,371,203
Investments (Including Investment properties)	210,243,184	171,339,937	137,448,482	102,037,867	111,119,662	211,557,912	172,733,463	138,655,933	103,132,956	112,041,466
Loans and Receivables, Placements with Banks and Finance Companies (Including Leases and Bills of Exchange)	513,106,753	459,597,142	446,038,544	450,223,571	404,496,675	513,106,753	459,597,142	446,038,544	450,223,571	404,496,675
Investment in Subsidiary	1,153,602	1,153,602	1,153,602	1,153,602	1,153,602	-	-	-	-	-
Other Assets (Including Taxation)	14,438,594	19,672,022	18,334,776	9,653,966	8,284,399	14,237,373	19,665,942	17,777,800	9,648,369	8,303,769
Property, Plant & Equipment, Right-of-use assets, Leasehold Rights and Intangible Assets	10,939,821	9,426,157	9,163,005	9,673,986	9,102,642	11,377,214	9,900,119	9,695,624	10,251,378	9,613,742
Total Assets	779,689,839	717,985,435	672,805,644	607,576,911	557,707,420	780,067,177	717,593,290	672,835,176	608,090,133	558,005,932
Liabilities										
Deposits from Customers and Due to Banks	654,959,128	602,795,086	559,473,783	513,157,715	472,982,813	654,959,128	602,795,086	559,473,783	513,157,715	472,982,813
Borrowings and Debentures	26,614,038	26,846,850	33,569,308	24,287,127	19,648,554	26,614,038	26,846,850	33,569,308	24,287,127	19,648,554
Other Liabilities (Including Lease Liabilities)	26,110,926	25,129,915	20,165,011	16,163,392	13,725,819	22,781,752	21,882,913	17,698,473	13,130,109	10,638,933
Taxation (Including Deferred tax)	1,489,697	2,688,253	5,128,484	1,881,540	2,339,674	1,979,772	2,719,843	5,179,000	2,194,227	2,636,448
Dividends Payable	27,538	18,750	18,758	34,128	43,385	56,655	50,748	48,141	34,128	43,385
Total Liabilities	709,201,367	657,478,854	618,355,346	555,523,902	508,740,445	706,391,365	654,295,440	615,368,707	552,803,306	505,950,333
Equity										
Share Capital	21,693,370	20,908,673	19,926,453	18,323,882	17,548,347	21,693,370	20,908,673	19,926,453	18,323,882	17,548,347
Reserve Fund	3,383,537	2,880,973	2,568,162	2,332,549	2,103,522	3,383,537	2,880,973	2,568,162	2,332,549	2,103,522
Reserves	45,411,565	36,716,935	31,955,683	31,396,578	29,315,106	47,528,011	38,592,160	33,707,446	33,301,803	31,117,944
Non Controlling Interest	-	-	-	-	-	1,070,894	1,316,044	1,264,408	1,328,593	1,385,776
Total Equity	70,488,472	60,506,581	54,450,298	52,053,099	48,966,975	73,675,812	65,697,850	57,466,469	55,286,827	52,055,599
Total Liabilities and Equity	779,689,839	717,985,435	672,805,644	607,576,911	557,707,420	780,067,177	717,593,290	672,835,176	608,090,133	558,005,932
Commitments and Contingencies	180,816,364	165,840,804	167,641,159	224,389,878	195,154,154	180,821,071	165,859,420	167,642,941	224,389,963	195,173,315





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Bank (Continued)

	Stated Capital		Statutory Reserve Fund *		Retained Earnings	Reserves		Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting				Revaluation Reserve	FVOCI Reserve	Other Reserves
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2020	10,884,710	6,160,014	1,952,957	22,823,239	858,312	(14,219)	1,962,261	44,627,274
Total Comprehensive Income for the Year	-	-	-	3,011,300	-	-	-	3,011,300
Profit for the Year	-	-	-	(495,480)	-	-	-	(495,480)
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-
- Actuarial Losses on Defined Benefit Obligations measured at FVOCI	-	-	-	-	-	1,238,707	-	1,238,707
- Net Movement of Cash Flow Hedge Reserve measured at FVOCI	-	-	-	-	-	1,062,026	-	1,062,026
(2) Total Comprehensive Income for the Year	-	-	-	2,515,820	-	2,300,733	26,772	4,843,325
Transactions with Equity Holders, Recognised Directly in Equity	251,477	252,146	-	(1,007,247)	-	-	-	(503,624)
Cash/Share Dividends to Equity Holders	-	-	-	(150,565)	-	-	-	-
Transferred to Statutory Reserve Fund*	-	-	-	500,795	-	-	(500,795)	-
Transferred from Investment Fund Reserve	-	-	-	1,490	-	(1,490)	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	(308)	-	308	-	-
Net Loss on Reclassification of Debt Investments measured at FVOCI	-	-	-	(655,835)	-	(1,182)	(500,795)	(503,624)
(3) Total Transactions with Equity Holders	251,477	252,146	150,565	(655,835)	-	(1,182)	(500,795)	(503,624)
Balance as at 31 st December 2020 (1 + 2 + 3)	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238	48,966,978

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 204(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Bank (Continued)

	Started Capital		Statutory Reserve Fund *	Retained Earnings	Reserves		Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting			Revaluation Reserve	FVOCI Reserve	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2021	11,136,187	6,412,160	2,103,522	24,683,224	858,312	2,285,332	1,488,238
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	4,580,540	-	-	4,580,540
Other Comprehensive Income (net of tax)							
- Revaluation of Property, Plant & Equipment	-	-	-	-	601,759	-	601,759
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(390,122)	-	-	(390,122)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	(2,093,966)	(2,093,966)
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	438,794	438,794
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(77,485)
(2) Total Comprehensive Income for the Year	-	-	-	4,190,418	601,759	(1,655,172)	(77,485)
Transactions with Equity Holders, Recognised Directly in Equity							
Cash/Script Dividends to Equity Holders	385,076	390,459	-	(775,535)	-	-	-
Unclaimed Dividend Absorbed (Dividend Paid) in respect of Previous Years	-	-	-	9,228	-	-	9,228
Transferred to Statutory Reserve Fund*	-	-	229,027	(229,027)	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	875,339	-	(875,339)	-
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	8,535	8,751	-	17,286
(3) Total Transactions with Equity Holders	385,076	390,459	229,027	322,975	8,751	(875,339)	26,514
Balance as at 31st December 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318
							52,063,009

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Bank (Continued)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Revaluation Reserve	Reserves		Total
	Ordinary Shares - Voting Rs. ' 000	Ordinary Shares - Non Voting Rs. ' 000				FVOCI Reserve Rs. ' 000	Other Reserves Rs. ' 000	
(1) Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	29,196,617	1,468,822	(245,179)	976,318	52,053,009
Surcharge Tax	-	-	-	(1,168,335)	-	-	-	(1,168,335)
(2) Restated Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	28,028,282	1,468,822	(245,179)	976,318	50,884,674
Total Comprehensive Income for the Year	-	-	-	4,712,263	-	-	-	4,712,263
Profit for the Year	-	-	-	4,712,263	-	-	-	4,712,263
Other Comprehensive Income (net of tax)	-	-	-	(222,236)	-	-	-	(222,236)
- Actuarial Gain on Defined Benefit Obligations	-	-	-	(222,236)	-	-	-	(222,236)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,240,758)	-	(1,240,758)
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	(1,251,047)	-	(1,251,047)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	84,246	84,246
- Deferred Tax Impact on Tax Rate Change	-	-	-	(94,603)	-	-	-	(94,603)
(3) Total Comprehensive Income for the Year	-	-	-	4,490,027	(94,603)	(2,491,805)	84,246	1,987,865
Transactions with Equity Holders, Recognised Directly in Equity	792,802	809,769	-	(1,602,571)	-	-	-	-
Script Dividends to Equity Holders	-	-	-	14,484	-	-	-	14,484
Unclaimed Dividend Absorbed (Dividend Paid) in respect of Previous Years	-	-	-	-	-	-	-	-
Transferred to Statutory Reserve Fund*	-	-	235,613	(235,613)	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	339,989	-	-	(339,989)	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	9,396	-	-	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	1,563,275	-	1,563,275
(4) Total Transactions with Equity Holders	792,802	809,769	235,613	(1,454,315)	-	1,563,879	(339,989)	1,577,759
Balance as at 31 st December 2022 (2 + 3+4)	12,314,065	7,612,388	2,568,162	31,663,994	1,374,219	(1,183,105)	700,575	54,450,298

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Bank (Continued)

	Stated Capital		Statutory Reserve Fund *	Retained Earnings	Reserves		Total
	Ordinary Shares - Voting Rs. ' 000	Ordinary Shares - Non Voting Rs. ' 000			Revaluation Reserve Rs. ' 000	FVOCI Reserve Rs. ' 000	Other Reserves Rs. ' 000
(1) Balance as at 01 st January 2023	12,314,065	7,612,388	2,568,162	31,063,994	1,374,219	(1,183,165)	700,575
Total Comprehensive Income for the Year							
Profit for the Year	-	-	-	6,256,214	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	(1,005,704)	-	-	-
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(1,005,704)	-	-	-
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	691,287	-
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	287,819	-
(2) Total Comprehensive Income for the Year	-	-	-	5,250,510	-	979,106	-
Transactions with Equity Holders, Recognised Directly in Equity							
Share Dividend to Equity Holders	480,599	501,621	-	(1,155,353)	-	-	-
Transferred to Statutory Reserve Fund*	-	-	312,811	(312,811)	-	-	-
(3) Total Transactions with Equity Holders	480,599	501,621	312,811	(1,468,364)	-	-	-
Balance as at 31st December 2023 (1+2+3)	12,794,664	8,114,009	2,880,973	34,846,140	1,374,219	(203,999)	700,575
							60,506,581

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Bank (Continued)

	Stated Capital		Statutory Reserve	Retained Earnings	Revaluation Reserve	Reserves			Total
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Reserve Fund *			FVOCI Reserve	Special Reserve **	Other Reserves	
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01st January 2024	12,794,664	8,114,099	2,880,973	34,846,140	1,374,219	(203,999)	-	700,575	60,506,581
Total Comprehensive Income for the Year	-	-	-	10,051,277	-	-	-	-	10,051,277
Profit for the Year	-	-	-	10,051,277	-	-	-	-	10,051,277
Other Comprehensive Income (net of tax)	-	-	-	(761,544)	-	-	-	-	(761,544)
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(761,544)	-	-	-	-	(761,544)
- Net Losses on Investments in Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	-	-	550,665	-	-	550,665
Comprehensive Income	-	-	-	-	-	198,821	-	-	198,821
- Revaluation on Property, Plant & Equipment	-	-	-	-	696,598	-	-	-	696,598
(2) Total Comprehensive Income for the Year	-	-	-	9,289,733	696,598	749,486	-	-	10,735,817
Transactions with Equity Holders, Recognised Directly In Equity	378,313	406,384	-	(1,538,623)	-	-	-	-	(753,926)
Share Dividend to Equity Holders	-	-	-	(502,564)	-	-	-	-	-
Transferred to Statutory Reserve Fund*	-	-	502,564	(502,564)	-	-	-	-	-
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	14,727	-	(14,727)	-	-	-
Transferred to Special Reserve	-	-	-	(583,497)	-	-	583,497	-	-
(3) Total Transactions with Equity Holders	378,313	406,384	502,564	(2,609,957)	-	(14,727)	583,497	-	(753,926)
Balance as at 31 st December 2024 (1 + 2 + 3)	13,172,977	8,520,593	3,383,537	41,525,916	2,070,817	536,760	583,497	700,575	70,488,472

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax).

** Special Reserve was created for Restructured International Sovereign Bonds as per CBSL Instructions (02/17/500/0819/016) dated 13 Feb 2025 and included in the other reserves.





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Group (Continued)

	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Statutory Reserve Fund [*]	Retained Earnings	Revaluation Reserve	FVOCI Reserve	Other Reserves	Total	Non Controlling Interest	Total Equity
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2020	10,884,710	6,160,014	1,952,957	23,494,184	1,714,728	(44,601)	2,217,474	46,379,466	1,264,588	47,644,054
Total Comprehensive Income for the Year	-	-	-	3,038,629	-	-	-	3,038,629	59,429	3,098,058
Profit for the Year	-	-	-	-	21,139	-	-	21,139	8,841	29,980
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	(495,369)	46	(495,323)
- Revaluation of Property, Plant and Equipment	-	-	-	-	-	-	-	(495,369)	46	(495,323)
- Actuarial Gain on Defined Benefit Obligations	-	-	-	-	-	-	-	1,240,784	868	1,241,652
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	1,062,026	-	1,062,026	-	1,062,026
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	-	-	-	-	-
- Reversal of FVOCI reserve of equity instrument written-off	-	-	-	(564)	-	564	-	-	-	-
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	26,772	26,772	-	26,772
(2) Total Comprehensive Income for the Year	-	-	-	2,542,696	21,139	2,303,374	26,772	4,893,981	69,184	4,963,165
Transactions with Equity Holders, Recognised										
Directly In Equity										
Cash/Script Dividends to Equity Holders	251,477	252,146	-	(1,007,347)	-	-	-	(503,624)	(47,996)	(551,620)
Transferred to Statutory Reserve Fund*	-	-	150,565	(150,565)	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	500,795	-	-	(500,795)	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	1,490	-	(1,490)	-	-	-	-
Net Loss on Reclassification of Debt Investments measured at FVOCI	-	-	-	(308)	-	308	-	-	-	-
(3) Total Transactions with Equity Holders	251,477	252,146	150,565	(655,835)	-	(1,182)	(500,795)	(503,624)	(47,996)	(551,620)
Balance as at 31 st December 2020 (1 + 2 + 3)	11,136,187	6,412,160	2,103,522	25,381,045	1,735,867	2,257,591	1,743,451	50,769,823	1,285,776	52,055,599

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 20 of 1988 (3% of net profit after tax)





Annexure I: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the Year ended 31st December - Group (Continued)

	Statutory Capital		Statutory Reserve	Retained Earnings	Revaluation Reserve	FVOCI Reserve	Other Reserves	Total	Non Controlling Interest	Total Equity
	Ordinary Shares - Voting Rs. '000	Ordinary Shares - Non Voting Rs. '000	Fund Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
(1) Balance as at 01 st January 2021	11,156,187	6,412,160	2,103,522	25,381,699	1,735,867	2,257,027	1,743,451	50,769,823	1,285,776	52,055,599
Total Comprehensive Income for the Year	-	-	-	4,653,003	-	-	-	4,653,003	82,667	4,735,670
Profit for the Year	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	629,607	-	-	629,607	11,648	641,255
- Revaluation of Property, Plant and Equipment	-	-	-	-	629,607	-	-	629,607	11,648	641,255
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(390,684)	-	-	-	(390,684)	(235)	(390,919)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	(2,091,694)	-	(2,091,694)	950	(2,090,744)
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	438,794	-	438,794	-	438,794
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	-	(77,485)	(77,485)	-	(77,485)
(2) Total Comprehensive Income for the Year	-	-	-	4,262,319	629,607	(1,652,900)	(77,485)	3,161,541	95,030	3,256,571
Transactions with Equity Holders, Recognized Directly in Equity	385,076	390,459	-	(775,535)	-	-	-	-	(52,362)	(52,362)
Cash/Script Dividends to Equity Holders	-	-	-	9,228	-	-	-	9,228	-	9,228
Unclaimed Dividend Absorbed/(Dividend Paid) in respect of Previous Years	-	-	-	(229,027)	-	-	-	-	-	-
Transferred to Statutory Reserve Fund*	-	-	229,027	-	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	-	434,435	-	-	(434,435)	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	875,339	-	(875,339)	-	-	-	-
Reversal of Revaluation on Disposed Property, Plant and Equipment	-	-	-	8,654	8,661	-	-	17,315	12	17,327
Others	-	-	-	327	-	-	-	327	137	464
(3) Total Transactions with Equity Holders	385,076	390,459	229,027	323,421	8,661	(875,339)	(434,435)	26,870	(52,213)	(25,343)
Balance as at 31 st December 2021 (1 + 2 + 3)	11,521,263	6,802,619	2,332,549	29,967,349	2,374,135	(271,212)	1,231,531	53,958,234	1,338,593	55,296,827

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Group (Continued)

	Share Capital	Statutory Reserve	Retained Earnings	Revaluation Reserve	Reserves FVOCI	Other Reserves	Total	Non Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting							
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
(1) Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	29,967,349	2,274,135	(271,212)	1,231,531	53,958,254	1,328,593
Surcharge Tax	-	-	(1,168,335)	-	-	-	(1,168,335)	-	(1,168,335)
(2) Restated Balance as at 01 st January 2022	11,521,263	6,802,619	2,332,549	28,799,014	2,274,135	(271,212)	1,231,531	52,789,899	1,328,593
Total Comprehensive Income for the Year	-	-	-	4,574,359	-	-	-	4,574,359	3,411
Profit for the Year	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-
- Revaluation of Property, Plant and Equipment	-	-	-	(9,945)	-	-	(9,945)	(4,159)	(14,104)
- Actuarial Losses on Defined Benefit Obligations	-	-	-	(221,122)	-	-	(221,122)	466	(220,656)
- Net gains(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	(1,347,367)	-	(1,347,367)	(2,722)	(1,249,589)
- Change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	(1,251,047)	-	(1,251,047)	-	(1,251,047)
- Net Movement of Cash Flow Hedge Reserve	-	-	-	-	-	84,246	84,246	-	84,246
- Deferred Tax Impact on Tax Rate Change	-	-	-	(94,821)	-	-	(94,821)	(92)	(94,913)
(3) Total Comprehensive Income for the Year	-	-	-	4,353,237	(104,766)	(2,498,314)	84,246	1,834,403	(3,096)
Transactions with Equity Holders, Recognised Directly in Equity	-	-	-	-	-	-	-	-	-
Share Dividends to Equity Holders	792,802	809,769	-	(1,602,571)	-	-	-	(61,089)	(61,089)
Unclaimed Dividend Arrears (Dividend Paid) in respect of Previous Years	-	-	-	14,484	-	-	14,484	-	14,484
Reversal of Revaluation on Disposed Property, Plant and Equipment Transferred to Statutory Reserve Fund*	-	-	-	-	-	-	-	-	-
Transferred from Investment Fund Reserve	-	-	235,613	(235,613)	-	-	-	-	-
Net Gain on Disposal Equity Investments measured at FVOCI	-	-	-	359,989	-	-	(359,989)	-	-
Reclassification of Debt Instruments measured at Fair Value through Other Comprehensive Income	-	-	-	9,396	-	(9,396)	-	-	-
(4) Total Transactions with Equity Holders	792,802	809,769	235,613	(1,454,115)	-	1,553,879	(359,989)	1,577,789	(61,089)
Balance as at 31 st December 2022 (2+3+4)	12,314,065	7,612,388	2,568,162	31,697,936	2,269,369	(1,215,647)	955,788	56,202,061	1,267,408

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (3% of net profit after tax)





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Group (Continued)

	Statutory Capital		Statutory Reserve	Retained Earnings	Revaluation Reserve	FVOCI Reserve	Other Reserves	Total	Non Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Fund *	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
(1) Balance as at 01 st January 2023	12,314,065	7,612,388	2,568,162	31,697,936	2,369,369	(1,215,647)	955,788	56,202,061	1,264,408	57,466,469
Total Comprehensive Income for the Year	-	-	-	6,321,116	-	-	-	6,321,116	79,506	6,400,622
Profit for the Year	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income (net of tax)	-	-	-	-	59,648	-	-	59,648	24,947	84,595
- Revaluation of Property, Plant and Equipment	-	-	-	-	59,648	-	-	59,648	24,947	84,595
- Actuarial Gain/ (loss) on Defined Benefit Obligations	-	-	-	(1,609,715)	-	-	-	(1,609,715)	(1,677)	(1,611,392)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	694,210	-	694,210	1,222	695,432
- Net change in fair value on investments in equity instruments measured at FVOCI	-	-	-	-	-	287,819	-	287,819	-	287,819
(2) Total Comprehensive Income for the Year	-	-	-	5,311,401	59,648	982,029	-	6,353,078	103,998	6,457,076
Transactions with Equity Holders - Recognized Directly in Equity	-	-	-	-	-	-	-	-	-	-
Cash/Share Dividends to Equity Holders	480,599	501,621	-	(1,135,553)	-	-	-	(173,333)	(52,362)	(225,695)
Transferred to Statutory Reserve Fund*	-	-	312,811	(312,811)	-	-	-	-	-	-
(3) Total Transactions with Equity Holders	480,599	501,621	312,811	(1,468,364)	-	-	-	(173,333)	(52,362)	(225,695)
Balance as at 31 st December 2023 (1+2+3)	12,794,664	8,114,009	2,880,973	35,540,973	2,329,017	(233,618)	955,788	62,381,806	1,316,044	63,697,850

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the Year ended 31st December - Group (Continued)

	Statutory Capital		Statutory Reserve	Retained Earnings	Revaluation Reserve	Reserves		Total		Non Controlling Interest	Total Equity
	Ordinary Shares - Voting	Ordinary Shares - Non Voting	Fund *			FVOCI Reserve **	Special Reserve	Other Reserves			
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
(1) Balance as at 01 st January 2024	12,794,664	8,114,009	2,880,973	35,540,973	2,329,017	(233,618)	-	955,788	62,381,806	1,316,044	63,697,850
Total Comprehensive Income for the Year	-	-	-	10,113,406	-	-	-	-	10,113,406	39,332	10,152,738
Profit for the Year	-	-	-	10,113,406	-	-	-	-	10,113,406	39,332	10,152,738
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-	-
- Actuarial Gain/ (Loss) on Defined Benefit Obligations	-	-	-	(760,582)	-	-	-	-	(760,582)	326	(760,256)
- Net gains/(losses) on investments in debt instruments measured at FVOCI	-	-	-	-	-	564,651	-	-	564,651	4,739	569,390
- Net Change in Fair Value on Investments in Equity Instruments measured at Fair Value	-	-	-	-	-	198,821	-	-	198,821	-	198,821
- Revaluation of Property, Plant and	-	-	-	-	763,115	-	-	-	763,115	22,540	785,655
(2) Total Comprehensive Income for the Year	-	-	-	9,352,824	763,115	763,472	-	-	10,879,411	66,937	10,946,348
Transactions with Equity Holders, Recognised Directly in Equity											
Cash/Script Dividends to Equity Holders	378,313	406,384	-	(1,538,623)	-	-	-	-	(753,926)	(35,355)	(789,281)
Transferred to Statutory Reserve Fund*	-	-	502,564	(502,564)	-	-	-	-	-	-	-
Net Gains on Disposal of Equity Investments measured at Fair Value through Other Comprehensive Income	-	-	-	14,727	-	(14,727)	-	-	-	-	-
Transferred to Special Reserve	-	-	-	(583,497)	-	-	583,497	-	-	-	-
Changes in Ownership Interests in Subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Acquisition of Non-Controlling Interest	-	-	-	76,749	151	(1,227)	-	21,954	97,627	(276,732)	(179,105)
(3) Total Transactions with Equity Holders	378,313	406,384	502,564	(2,433,208)	151	(15,954)	583,497	21,954	(656,299)	(312,087)	(968,386)
Balance as at 31 st December 2024 (1+ 2 + 3)	13,172,977	8,520,393	3,383,537	42,360,589	3,092,283	513,900	583,497	977,742	72,604,918	1,070,894	73,675,812

* Statutory Reserve Fund represents the statutory requirement in terms of the Section 20(1) and (2) of the Banking Act No. 30 of 1988 (5% of net profit after tax)

** Special Reserve was created for Restructured International Sovereign Bonds as per CBSL Instructions (02/17/500/08/19/016) dated 13 Feb 2025 and included in the other reserves.





Annexure I: Five Year Summary (Continued)
STATEMENT OF CASH FLOWS (CONTINUED)

For the Year ended 31st December

	Bank					Group				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Cash Flows from Operating Activities										
Interest receipts	88,929,014	110,559,524	78,479,079	41,685,072	48,732,142	88,987,772	110,649,365	78,516,805	41,695,861	48,739,823
Interest payments	(47,519,620)	(61,187,798)	(33,232,226)	(21,411,294)	(29,889,168)	(47,514,176)	(61,175,851)	(33,219,943)	(21,402,467)	(29,879,048)
Net commission receipts	8,014,396	7,480,177	6,402,018	4,641,200	3,729,610	8,013,538	7,476,765	6,461,207	4,640,476	3,728,304
Trading income	47,272	243,836	196,078	38,216	165,587	47,272	243,836	196,078	38,416	166,776
Payments to employees	(8,796,690)	(7,582,118)	(7,583,372)	(7,353,683)	(6,961,878)	(8,842,903)	(7,621,765)	(7,626,699)	(7,390,910)	(6,995,809)
VAT and SSCL on financial services and DRI	(4,896,689)	(3,829,697)	(2,548,404)	(2,164,565)	(1,199,766)	(4,896,689)	(3,829,697)	(2,548,404)	(2,164,565)	(1,199,766)
Receipts from other operating activities	904,657	1,186,759	15,224,119	3,707,288	2,455,564	1,057,696	1,284,808	15,360,974	3,804,412	2,565,231
Payments on other operating activities	(9,079,901)	(6,983,425)	(3,861,384)	(3,850,483)	(4,062,152)	(9,160,887)	(7,044,218)	(3,916,877)	(3,892,235)	(4,111,841)
Operating Profit before Changes in Operating Assets and Liabilities	27,662,433	39,887,238	51,145,908	13,281,747	12,960,939	27,691,621	39,983,343	51,223,141	13,319,988	13,013,670
(Increase)/Decrease in Operating Assets :										
Balances with Central Bank of Sri Lanka	(1,690,834)	9,755,891	(8,058,338)	(1,354,631)	7,087,767	(1,690,834)	9,755,891	(8,058,338)	(1,354,631)	7,087,767
Financial assets at amortised cost - loans and advances	(3,946,730)	(10,693,387)	(19,115,338)	(54,727,268)	(18,421,886)	(3,946,730)	(10,693,387)	(19,115,466)	(54,727,317)	(18,421,886)
Other Assets	(324,450)	(1,658,310)	(3,063,032)	103,576	178,558	(308,045)	(1,432,965)	(5,106,545)	94,723	125,778
Increase/(Decrease) in Operating Liabilities :										
Financial liabilities at amortised cost - due to depositors	58,664,594	40,755,818	49,236,984	49,744,819	40,673,176	58,664,594	40,755,818	49,236,984	49,744,819	40,673,176
Financial liabilities at amortised cost - due to debt securities holders	(5,407,094)	(5,045,727)	9,238,188	89,286	(5,824,851)	(5,407,094)	(5,045,727)	9,238,188	89,286	(5,824,851)
Financial liabilities at amortised cost - due to other borrowers	7,380	8,668	188	(6,828)	(9,284)	7,380	8,668	188	(6,828)	(9,284)
Other Liabilities	(3,440,471)	1,443,681	(7,677,733)	181,437	(704,838)	(3,666,317)	1,138,781	(7,663,888)	262,403	(787,487)
Due to banks	(3,954,961)	(61,274)	(12,346,357)	(8,175,300)	3,910,058	(3,954,961)	(61,274)	(12,346,357)	(8,175,300)	3,910,058
Cash Generated from Operations	37,370,007	74,392,598	57,360,468	1,136,838	39,838,619	37,160,814	74,408,787	57,417,907	1,247,143	39,766,941
Income Tax Paid	(4,771,581)	(6,493,992)	(2,138,520)	(1,242,538)	(976,468)	(4,811,694)	(6,520,672)	(2,138,520)	(1,242,538)	(976,468)
Shareholder Tax Paid	-	-	(1,168,335)	-	-	-	-	(1,168,335)	-	-
Net Cash (Used in)/Generated from Operating Activities	32,598,086	67,898,606	54,053,613	(105,700)	38,862,151	32,349,120	67,888,115	54,111,052	4,605	38,790,473





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CASH FLOWS (CONTINUED)

For the Year ended 31st December

	Bank					Group				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	Rc.'000	Rc.'000	Rc.'000	Rc.'000	Rc.'000	Rc.'000	Rc.'000	Rc.'000	Rc.'000	Rc.'000
Cash Flows from Investing Activities										
Purchase of property, plant & equipment	(865,718)	(755,207)	(192,007)	(312,432)	(512,836)	(869,489)	(758,251)	(197,090)	(356,854)	(528,926)
Improvements to investment properties	-	-	-	-	-	(4,896)	(31,213)	(43,087)	(33,725)	(18,863)
Proceeds from sale of property, plant and equipment	3,563	7,681	2,359	10,323	15,896	3,563	7,681	2,359	10,323	15,896
Net proceeds from Sale, maturity and purchase of financial investments of government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing after 03 months	-	(1,701,728)	(11,411,748)	4,966,410	(19,049,799)	-	(1,623,810)	(11,489,675)	4,966,410	(19,049,799)
Net proceeds from sale, maturity and purchase of financial investments of shares and debentures	-	108,509	47,606	767,816	26,381	-	138,406	58,572	772,153	31,929
Net Cash Flow from Financial Assets - FVPL	6,784,624	-	-	-	-	6,784,624	-	-	-	-
Net Cash Flow from Debt Instruments at Amortised Cost	(24,464,173)	-	-	-	-	(24,282,049)	-	-	-	-
Net Cash Flow from Financial Assets - FVOCI	(15,210,706)	-	-	-	-	(15,339,061)	-	-	-	-
Reverse repurchase agreements maturing after three months	(2,867,224)	-	-	1,801	4,433	(2,867,224)	-	-	1,801	4,433
Net purchase of intangible assets	(323,933)	(210,914)	(102,672)	(149,882)	(177,129)	(323,933)	(210,914)	(102,672)	(149,882)	(177,129)
Dividend received from investment in subsidiaries	88,682	106,419	146,065	128,199	114,765	-	-	-	-	-
Dividend received from other investments	29,134	16,296	16,446	32,674	19,173	29,134	16,296	16,446	32,674	19,173
Net Cash (Used in) / Generated from Investing Activities	(36,825,751)	(2,428,944)	(11,494,851)	5,441,909	(19,549,116)	(36,870,731)	(2,441,805)	(11,755,147)	5,282,900	(19,703,286)





Annexure 1: Five Year Summary (Continued)
STATEMENT OF CASH FLOWS

Cash Flows from Financing Activities	Bank					Group				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Net proceeds from the issue of ordinary share capital	-	-	-	-	-	-	-	-	-	-
Net proceeds from the issue of subordinated debt	10,000,000	5,000,000	-	6,000,000	-	10,000,000	5,000,000	-	6,000,000	-
Repayment of subordinated debt	(5,000,000)	(7,182,280)	-	(1,727,720)	(2,806,040)	(4,971,000)	(7,082,280)	-	(1,727,720)	(2,806,040)
Interest paid on subordinated debt	(2,956,671)	(2,494,469)	(2,589,596)	(2,261,775)	(2,232,788)	(2,955,395)	(2,498,131)	(2,578,780)	(2,250,959)	(2,221,972)
Interest paid on un-subordinated debt	-	-	-	-	(241,770)	-	-	-	(42,931)	(49,720)
Dividend paid to non-controlling interest	-	-	-	-	-	(35,355)	(49,744)	(57,343)	(42,931)	(49,720)
Dividend paid to shareholders of the bank	(544,768)	(8)	(886)	(229)	(502,788)	(544,768)	(8)	(886)	(229)	(502,788)
Repayment of Principal Portion of Lease Liabilities	(839,358)	(792,238)	(752,565)	(822,434)	(750,450)	(540,333)	(597,121)	(474,202)	(537,647)	(465,698)
Net Cash (Used in) Generated from Financing Activities	659,203	(5,468,995)	(3,343,047)	1,187,842	(6,533,836)	955,149	(5,029,384)	(3,111,211)	1,440,514	(6,287,988)
Net Increase / (Decrease) in Cash and Cash Equivalents	(3,568,462)	60,000,667	39,215,715	6,524,031	12,799,199	(3,568,462)	60,317,026	39,244,694	6,688,019	12,799,199
Cash and Cash Equivalents at beginning of the Year	71,210,384	83,295,632	44,039,917	37,515,866	24,716,667	71,210,922	83,449,117	44,204,423	37,516,404	24,717,205
Cash and Cash Equivalents at end of the Year	67,641,922	143,256,299	83,255,632	44,039,917	37,515,866	67,642,460	143,766,143	83,449,117	44,204,423	37,516,404
Reconciliation of Cash and Cash Equivalents										
Cash and cash equivalents	17,482,295	49,034,834	40,402,164	16,113,653	10,044,937	17,482,335	49,034,874	40,402,204	16,113,693	10,044,977
Placements with banks and finance companies	50,159,627	22,175,550	1,828,177	8,288,351	10,784,450	50,160,125	22,176,048	1,828,675	8,288,849	10,784,948
Government of Sri Lanka Treasury Bills/Bonds and Development Bonds maturing within 03 months	-	71,228,765	37,396,742	9,608,882	10,543,586	-	71,738,671	37,589,689	9,772,850	10,543,586
Securities purchased under resale agreements maturing within three months	-	817,159	3,628,549	10,029,031	6,142,893	-	817,150	3,628,549	10,029,031	6,142,893
	67,641,922	143,256,299	83,255,632	44,039,917	37,515,866	67,642,460	143,766,143	83,449,117	44,204,423	37,516,404



ANNEXURE V - CUSTODIAN BANKS

BANK OF CEYLON 7th Floor, No. 04, Bank of Ceylon Mawatha, Colombo 01. 011 2 448 348	CITI BANK, N A 65 C, Dharmapala Mawatha, Colombo 07. 011 4 794 733	COMMERCIAL BANK OF CEYLON PLC Commercial House, 21, Sir Razik Fareed Mawatha, Colombo 01. 011 2 486 498
DEUTSCHE BANK Level 21, One Galle Face Tower, No.1A, Centre Road, Galle Face, Colombo 2. 011 4 791 103	HATTON NATIONAL BANK PLC HNB Towers, 479, T.B. Jayah Mawatha, Colombo 10. 077 7 712 406	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED 24, Sir Baron Jayathilake Mawatha, Colombo 01. 011 4 451 275
PEOPLE'S BANK Treasury, 5th Floor, 75, Sir Chittampalam A Gardiner Mawatha, Colombo 02. 011 2 206 782	STANDARD CHARTERED BANK 37 York Street, Colombo 01. 011 2 480 450	SAMPATH BANK PLC 110, Sir James Pieris Mawatha, Colombo 02. 011 5 406 939, 077 7 842 415
DFCC BANK PLC No.73/5, Galle Road, Colombo 03. 011 2 442 031	SEYLAN BANK PLC Level 07, Seylan Towers, No 90 Galle Road, Colombo 03. 011 2 456 701, 011 2 456 764, 077 2 279 545	UNION BANK OF COLOMBO PLC 64A, Galle Road, Colombo 03. 011 2 374 205
NATIONS TRUST BANK PLC 256, Sri Ramanathan Mawatha, Colombo 15. 011 4 313 131	PAN ASIA BANK 450, Galle Road, Colombo 03. 011 2 565 565	NATIONAL DEVELOPMENT BANK PLC No.40, Navam Mawatha, Colombo 02 011 2 448 448

ANNEXURE VI - DECLARATION TO BE GIVEN BY FATCA COMPLIANT INVESTORS

Manager

Seylan 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 Seylan 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 Seylan 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 Applicants



Seylan Bank PLC. Seylan Towers No 90, Galle Road Colombo 03

Co. Reg. No: PQ9 Fitch rating A+ (Ika) / Stable

**Seylan Bank is a licensed commercial bank supervised by the Central Bank of
Sri Lanka & Member of the Sri Lanka Deposit Insurance Scheme**

Website: www.seylan.lk