

29 February 2024

Dear Shareholder,

ANNUAL REPORT – 2023

In terms of Rule 7.5 of the Listing Rules of the Colombo Stock Exchange ('CSE') which provides the flexibility for the listed companies to decide on the mode of dispatching Annual Reports to its shareholders and holders of other securities, Seylan Bank PLC ('the Bank') has uploaded its Annual Report for the year 2023 in the Bank's website, www.seylan.lk as well as in the CSE's website, www.cse.lk. The Bank will not be circulating a printed copy or a softcopy in the CD-form of the Annual Report.

For ease of access of the Annual Report 2023, please use the following links:

Bank's website: <https://www.seylan.lk/about-us/investor-relation> or scan the QR code below.

CSE's website: <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=SEYB.N0000>

If you wish to receive a printed copy of the Annual Report 2023, you may make a request to the undersigned by completing the information in "Form of Request for Printed Copy of the Annual Report 2023" enclosed in this booklet, in accordance with the instructions given. A printed copy will be forwarded to you within eight (8) market days of receiving your written request.

Shareholders may contact the following staff at the Company Secretariat of the Bank on telephone numbers during working hours if they have any queries or need any clarification with regard to the above:

Ms Shenali De Silva - Tel : 011 2456589

Ms Indeewari Abeysekara - Tel : 011 2456582

Yours faithfully



(Ms) Saraswathie Poulraj
Company Secretary



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty Seventh (37th) Annual General Meeting of Seylan Bank PLC ('the Bank' or 'the Company') will be held on Thursday, 28th day of March 2024 at 11.00 a.m. at "Samudra Ballroom" of Taj Samudra Hotel, No.25, Galle Face Center Road, Colombo 03, Sri Lanka for the following purposes:

1. To receive and consider the Annual Report of the Board of Directors on the State of Affairs of the Company and the Audited Financial Statements for the year ended 31 December 2023 together with the Report of the Auditors thereon.
2. **Resolution No.1-** To declare a first and final Dividend for the financial year ended 31 December 2023 as recommended by the Board of Directors which said declaration is further explained in the Circular to Shareholders dated 29 February 2024 accompanying this Notice, and for this purpose to consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"THAT a first and final Dividend of a total sum of Rupees one billion five hundred and thirty eight million six hundred and twenty two thousand six hundred and forty five only (LKR 1,538, 622,645/-) which constitutes a Dividend of Rupees two and cents fifty (LKR 2.50) per share be distributed to the holders of Ordinary Voting and Ordinary Non-voting shares as follows:

- I. A sum of Rupee one (LKR 1.00) to be declared in cash on each Ordinary (voting) and Ordinary (Non-voting) share; and
- II. A sum of Rupees one and cents fifty (LKR 1.50) to be declared by way of the allotment of new fully paid Ordinary (voting) share for every 34.8235307235 existing Ordinary (voting) share held and one new fully paid Ordinary Non-voting share for every 27.2941185538 existing Ordinary Non-voting share;

THAT such dividend be paid out of the profit of the Company for the year ended 31 December 2023 which said profit has been recorded under "retained earnings" of the Company's Statement of Financial Position as at 31 December 2023;

THAT the shareholders entitled shall be those who are duly registered in the Company's Register of Shareholders including those shareholders whose names appear on the Central Depository Systems (Pvt) Ltd as at the end of trading on the Record Date, [i.e. the third (3rd) market day from and excluding the date of the meeting].

THAT the total number of new Ordinary Voting shares to be issued would be a maximum of eight million five hundred twenty thousand five hundred seventy one (8,520,571) and the total number of Ordinary Non-voting shares to be issued would be a maximum of eleven million six hundred seventy seven thousand seven hundred and six (11,677,706);

THAT the shares issued consequent to the allotment referred to above be listed on the Colombo Stock Exchange ('CSE');

THAT the residual share fractions arising from the aforementioned issue and allotment of new Ordinary Voting shares and Non-voting shares be aggregated and allotted to a trustee who will dispose such shares on the trading floor of the CSE and the sales proceeds arising therefrom shall be distributed to a charity or charities as shall be determined and approved by the Board of Directors;

THAT the new Ordinary voting shares and Ordinary non-voting shares to be so allotted and issued shall not be eligible for the payment of the cash dividend declared hereby."

The residual share fractions referred to in the above resolution shall mean the fractions after applying the respective formula for the issue and allotment of the new shares as indicated in the Circular dated 29 February 2024.

3. **Resolution No.2-** To re-elect as a Director, Mr D M D Krishan Thilakarathne, who retires by rotation at the Annual General Meeting in terms of Article 82 of the Articles of Association of the Company.

Mr D M D Krishan Thilakarathne is a Non-Executive Director of the Bank appointed to the Board on 01 October 2018. His profile is published on page 81 of the Annual Report 2023.

4. **Resolution No.3-** To re-elect as a Director, Ms Sandya K Salgado, who retires by rotation at the Annual General Meeting in terms of Article 82 of the Articles of Association of the Company.

Ms Sandya K Salgado was appointed to the Board as an Independent Non-Executive Director on 01 December 2016. She was appointed as the Senior Independent Director w.e.f. 06 November 2023. Her profile is published on page 81 of the Annual Report 2023.

5. **Resolution No.4-** To elect as a Director, Justice Buwaneka P Aluwihare PC, who retires at the Annual General Meeting in terms of Article 89 of the Articles of Association of the Company.

Justice Buwaneka P Aluwihare PC is an Independent /Non-Executive Director of the Bank appointed to the Board w.e.f. 26 February 2024. His profile is published in the Market Announcement made to the CSE on 27 February 2024.

6. **Resolution No.5-** To re-appoint M/s KPMG, Chartered Accountants as the Auditors of the Company for the ensuing year and to authorize the Board of Directors to determine their remuneration.
7. **Resolution No.6-** To authorize the Board of Directors to determine donations to be made by the Bank during the year 2024.
8. To consider any other business of which due notice may have been given.

BY ORDER OF THE BOARD OF DIRECTORS
SEYLAN BANK PLC



(Ms) Saraswathie Poulraj
Company Secretary

Colombo
29 February 2024

Please refer following instructions regarding attendance at the meeting.

- (a) An Ordinary (voting) shareholder who is entitled to attend, speak and vote at the meeting is entitled to appoint a proxy to attend, speak and vote on his/her behalf.
- (b) An Ordinary (non-voting) shareholder who is entitled only to attend and speak at the meeting is entitled to appoint a proxy holder to attend and speak on his/her behalf.
- (c) A proxy holder need not be a shareholder of the Company. A form of proxy is enclosed for this purpose.
- (d) The completed form of proxy should be deposited at the Office of the Company Secretary at Level 15, Seylan Towers, No.90, Galle Road, Colombo 03 not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Only registered proxy holders will be permitted to attend the Annual General Meeting.
- (e) Shareholders/proxy holders are requested to bring with them their National Identity Cards or any other form of valid identification (e.g. passport, driving license) when attending the Annual General Meeting.



(Company Registration No. PQ9)
Registered Office: Seylan Towers, No.90 Galle Road, Colombo 3

CIRCULAR TO SHAREHOLDERS

Dear Shareholder/s

FIRST AND FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2023 TO BE SATISFIED PARTLY BY THE PAYMENT OF CASH AND PARTLY BY THE ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES

Recommendation of a First and Final Dividend

The Board of Directors of Seylan Bank PLC ('the Company') is pleased to inform the shareholders of the Company that a first and final dividend of Rupees two and cents fifty (LKR 2.50) on each Ordinary (voting) share and Ordinary (non-voting) share is recommended for the financial year ended 31 December 2023. The dividend is subject to due declaration and approval by the shareholders at the Company's Annual General Meeting ('AGM') to be held on Thursday, 28 March 2024.

The dividend so declared will be satisfied:

- (i) Partly by way of payment in cash for a value of Rupee one (LKR 1.00) for each Ordinary (voting)share and Ordinary (non-voting) share held; and
- (ii) Partly by the allotment and issue of Ordinary (voting) share/s and Ordinary (non-voting) share/s for a value of Rupees one and cents fifty (LKR 1.50) for each Ordinary (voting) share and Ordinary (non-voting) share held.

Such dividend will be paid out of the profit of the Company for the year ended 31 December 2023 which said profit has been recorded under "retained earnings" in the Company's Statement of Financial Position as at 31 December 2023. The Company made a profit of LKR 6,256 Million, as reflected in the Audited Financial Statements of the Company for the year ended 31 December 2023.

The total amount of the dividend that is proposed to be so declared is Rupees one billion five hundred and thirty eight

million six hundred and twenty two thousand six hundred and forty five only (LKR 1,538, 622,645/-). The dividend to be satisfied in the following manner.

Method of Satisfaction	Total Amount (LKR)
By way of payment in cash	615,449,058/-
By the allotment and issue of new ordinary shares	923,173,587/-
Total	1,538, 622,645/-

The Board of Directors is confident that the Company will be able to satisfy the "Solvency Test" set out in Section 57 of the Companies Act No.07 of 2007 immediately after the payment of such dividends and have signed a Certificate of Solvency in terms of Section 56(3) of the said Companies Act. The Bank also obtained a Certificate of Solvency from its Auditors, M/s KPMG ,Chartered Accountants.

Issue of New Ordinary Shares to Entitled Shareholders

In view of the aforementioned proposal, the Company intends to allot and issue new Ordinary (voting) and new Ordinary (non-voting) shares to those shareholders who are registered in the Company's Share Register as well as those shareholders whose names appear on the Central Depository System (Pvt) Ltd ('CDS') as at the end of trading on the record date, which is the 3rd market day from and excluding the date of the AGM. Accordingly, the shares to be allotted would be as follows:

- (a) One new fully paid Ordinary (voting) share for every 34.8235307235 existing Ordinary (voting) shares held by the entitled shareholders; and
- (b) One new fully paid Ordinary (non-voting) share for every 27.2941185538 existing Ordinary (non-voting) shares held by the entitled shareholders.

The above mentioned share ratio is based on a value of Rupees forty four and cents forty (LKR 44.40) per Ordinary Voting share and Rupees thirty four and cents eighty (LKR 34.80) per Ordinary Non-voting share respectively, being the closing prices of the respective shares as at the end of trading on 19 February 2024. The Board is satisfied that the consideration for which the issue of new shares are to be issued, is fair and reasonable to the Company and to the existing shareholders of respective class of shares.

Consequently, a maximum of eight million five hundred twenty thousand five hundred seventy one (8,520,571) New Ordinary (voting) shares and a maximum of eleven million six hundred seventy seven thousand seven hundred and six (11,677,706) new Ordinary (non-voting) shares will be issued. Accordingly, the Ordinary Voting shares in issue will increase from 296,716,366 to 305,236,937 and the Ordinary (non-voting) shares in issue will increase from 318,732,692 to 330,410,398. The Ordinary (voting) shares and Ordinary (non-Voting) shares to be so issued shall not be eligible for the cash dividend to be declared which is referred above.

The new Ordinary (voting) shares and Ordinary (non-voting) shares to be so issued, shall, upon due allotment thereof to the entitled shareholders, rank equal and pari passu in all respects with the existing issued and fully paid Ordinary (voting) shares and Ordinary (non-voting) shares of the Company, respectively. Consequent to the allotment and issue of such new shares, the Stated Capital of the Company will increase from LKR 20,908,672,750.61 to LKR 21,693,370,271.80. Any difference in the Stated Capital arising due to the rounding-off of the number of shares to be issued to individual shareholders will be considered together with the residual share fractions.

Fractions arising on Allotment and Issue of New Shares

The residual share fractions arising from the aforementioned issue and allotment of new Ordinary (voting) shares and Ordinary (non-voting) shares will be aggregated and the Ordinary (voting) shares and Ordinary (non-voting) shares arising consequent to such aggregation will be allotted to a trustee, to be nominated and appointed by the Board of Directors. The trustee so nominated and appointed will hold the said shares in trust and dispose such shares on the trading floor of the Colombo Stock Exchange ('CSE') within a reasonable period of time. The sales proceeds arising therefrom shall be distributed to a charity or charities as shall be determined and approved by the Board of Directors.

Fractional entitlement referred to herein shall mean the fractions after applying the respective formula for the issue and allotment of the new shares as indicated below:

Ordinary (voting) shares	Number of Ordinary (voting) shares held by a shareholder as at end of trading on the record date x 1 <hr/> 34.8235307235
Ordinary (non-voting) shares	Number of Ordinary (non-voting) shares held by a shareholder as at end of trading on the record date x 1 <hr/> 27.2941185538

Listing on the Colombo Stock Exchange

Pursuant to an application made by the Company to the CSE, the CSE has granted approval in principle for the listing of the new Ordinary (voting) and Ordinary (non-voting) shares on the official list of the CSE upon allotment.

Allotment of New Shares

In the event that the shareholders pass the requisite resolution declaring the aforementioned dividend and its satisfaction partly by way of the allotment and issue of new Ordinary (voting) shares and Ordinary (non-voting) shares, the accounts of the shareholders whose shares are deposited in the CDS would be directly uploaded with the new shares (to the extent each shareholder has become entitled thereto) within five (5) market days from and excluding the record date which is the third (3) market day from and excluding the date of the AGM.

In calculating the number of shares held by a shareholder as at record date, the shareholding of such shareholder as appearing in the CDS and the Shareholders' Register maintained by the Company will not be aggregated. However, if a shareholder holds shares in his/her/It's CDS account with multiple stockbrokers the shares held with such stockbrokers will be aggregated for calculation purposes, and the shares arising as a result of the proposed allotment and issue of new shares will be uploaded proportionately to the respective CDS accounts held with each broker.

Allotment of New Shares to Shareholders who do not hold CDS Accounts

In view of the Direction issued by the Securities and Exchange Commission of Sri Lanka pertaining to the dematerialization of listed securities, shareholders who hold shares in scrip form (i.e. in the form of a share

certificate) as per the Shareholders' Register maintained by the Company will not be issued share certificates for the new shares allotted in their favour. Such shareholders are requested to open an account with the CDS and to deposit the share certificates in their possession in the CDS, prior to the date of the AGM, to enable the Company to directly deposit the new shares into such CDS account of the shareholder.

As regards the new Ordinary (voting) share and/or Ordinary (non-voting) share entitlements of those shareholders who fail or were unable to open an account with the CDS prior to the date of the AGM, the Company will register in the respective shareholder's account in the Share Register maintained by the Company, the share entitlements allotted. If such shareholders open CDS accounts after the AGM and inform the Company Secretary in writing of such CDS account number, the Company will take steps to directly upload the new share entitlements to the respective CDS accounts within five (5) market days.

Statement of Compliance

The Board of Directors hereby confirms that the allotment and issue of the new Ordinary (voting) shares and Ordinary (non-voting) shares is in accordance with the Articles of Association of the Company, the Listing Rules of the Colombo Stock Exchange and the provisions of the Companies Act No. 07 of 2007.

Allotment and issuance of new Ordinary (voting) Shares and Ordinary (non-voting) Shares in part satisfaction of the first and final dividend for the year ended 31 December 2023 is subject to the shareholders passing the resolution declaring the said dividend at the AGM.

Annual General Meeting (AGM)

The Notice of the AGM scheduled to be held on Thursday, 28th day of March, 2024, at 11.00 a.m. at "Samudra

Ballroom" of Taj Samudra Hotel, No.25, Galle Face Center Road, Colombo 03, Sri Lanka setting out in item 2 thereof, the relevant resolution to be passed by the shareholders in relation to the declaration of the stated dividend is circulated with this Circular to Shareholders.

Shareholders who are unable to attend at the meeting in person are entitled to appoint a proxy to attend, speak, and vote on their behalf, depending on their voting rights. Such shareholders should complete and return the enclosed Form of Proxy (in accordance with instructions specified therein) not less than forty eight (48) hours before the time scheduled for the holding of the AGM.

Yours faithfully

**BY ORDER OF THE BOARD OF DIRECTORS
OF SEYLAN BANK PLC**



(Mrs) Saraswathie Poulraj
Company Secretary

Colombo
29 February 2024

Note:

Please contact the Company Secretariat on 011 2456589; and 011 2456582 for any clarification/information.

SEYLAN BANK PLC

Annual General Meeting

FORM OF PROXY

I/We* (full name of shareholder and names of joint holder/s', if any)
 of (address of main shareholder)
 being a shareholder/s of Seylan Bank PLC
 hereby appoint (full name of proxy holder)
 or failing him/her;

- Mr Wadugamudalige Marius Ravindra Srilal Dias of Colombo 05, whom failing,
- Mr Ramesh Joseph Jayasekara of Colombo 04, whom failing,
- Mr Srikumaradas Viran Corea of Dehiwela, whom failing,
- Ms Sandya Kumari Salgado of Panadura, whom failing,
- Mr Don Manuwelge Don Krishan Thilakarathne of Battaramulla, whom failing,
- Mr Dissanayake Mudiyansele Rupasinghe of Kadawatha, whom failing,
- Mr Lokugan Hewage Ananda Lakshman Silva of Dehiwela, whom failing,
- Ms Vithana Godellage Sarajika Sunjeevani Kotakadeniya of Nugegoda, whom failing,
- Ms Averil Anne Ludowyke of Rajagiriya, whom failing,
- Justice Buwaneka Pandukabaya Aluwihare, PC of Thalawathugoda.

all of whom are members of the Board of Directors of Seylan Bank PLC;
 as my/our* Proxy to represent me/us* on my /our* behalf at the Thirty Seventh (37th) Annual General Meeting of the Company to be held on Thursday, 28th day of March, 2024 at 11.00 a.m. and at any adjournment thereof.

The preferences in the following table to be marked by Ordinary Voting Shareholder/s only.

I/We* the undersigned hereby authorize my/our* Proxy to vote for me/us* and on my/our* behalf in accordance with the preferences as indicated below (please mark your preference with an "X"):

Resolution No.	FOR	AGAINST
1. To declare a first and final ordinary dividend for the financial year ended 31 December 2023 as recommended by the Board of Directors and to consider and if thought fit to pass the resolution set out in the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director, Mr D M D Krishan Thilakarathne, who retires by rotation in terms of Article 82 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director, Ms Sandya K Salgado, who retires by rotation in terms of Article 82 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To elect as a Director, Justice Buwaneka P Aluwihare PC , who retires in terms of Article 89 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint M/s KPMG, Chartered Accountants as the Auditors of the Company for the financial year 2024 and to authorize the Directors to determine their remuneration for the said financial year.	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorize the Board of Directors to determine donations that may be made by the Bank during the year, 2024	<input type="checkbox"/>	<input type="checkbox"/>

(*Please strike off inappropriate words)

Signed this day of, 2024

Signature/s of Shareholder/s

Shareholder/s' N.I.C/Co. Reg. No.

NOTES AND INSTRUCTIONS FOR THE COMPLETION OF FORM OF PROXY

1. In terms of Article 63 of the Articles of Association of Seylan Bank PLC ("the Company") the instrument appointing a proxy shall be in writing and;
 - a) in the case of an individual be under the hand of the shareholder or his attorney or
 - b) if such shareholder is a company or corporation either under its common seal or under the hand of an officer or attorney authorized in that behalf in accordance with its Articles of Association or constitution.

In terms of Article 69, a company or corporation being a member of the Company may appoint any of its officers or any other person to be its representative or proxy at any meeting or meetings of the company and any person so appointed shall be entitled to be present and vote and exercise all other powers in regard to any such meeting on behalf of the company or corporation which he/she represents as if he/she were a member holding the shares of such company or corporation.

(The Company may, but shall not be bound to require evidence of the authority of any such attorney or representative officer).

2. The full name and address of the shareholder should be filled legibly on the Form of Proxy together with the National Identity Card Number/Passport/Company Registration Number/CDS Account Number (as applicable).
3. Ordinary Voting shareholders shall indicate with an 'X' in the space provided as to how the proxy is to vote on each of the resolutions. If no indication is given, the proxy of an Ordinary Voting shareholder shall exercise his/her discretion and vote as he/she thinks fit.
4. The completed Form of Proxy should either be:
 - (i) addressed to the Company Secretary of Seylan Bank PLC and posted or hand delivered to the registered office of the Company, at Seylan Towers, No. 90, Galle Road, Colombo 03 OR,
 - (ii) Scanned and emailed to the email address: agm2024@seylan.lk with the email subject titled "SEYLAN AGM PROXY" or faxed to fax number 011-2452584;

not later than forty eight (48) hours before the time appointed for the holding of the Meeting.

5. If the Form of Proxy has been signed by an attorney, a certified copy of the Power of Attorney certified by a Notary Public should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the company.
6. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the Form of Proxy has been completed, no vote will be recorded by the Form of Proxy.

SEYLAN BANK PLC - FORM OF REQUEST FOR A PRINTED COPY OF THE ANNUAL REPORT 2023

To : The Company Secretary, Seylan Bank PLC
Seylan Towers, 90 Galle Road, Colombo 3

I would like to receive the printed version of the Annual Report 2023 of Seylan Bank PLC.

Full Name of Shareholder:	
Address: (please enter the relevant postal code of town/area)	
Shareholders' NIC/ Passport/Company Registration No.	
Contact/Tel. No:	Email address (if any):
Signature: (in the case of a corporate entity, an authorized officer shall sign under the Company rubber stamp)	Date:

Notes:

1. Please complete the above Form by filling legibly the required information and signing in the space provided.

In the event the shareholder is a company, the Form of Request should be signed by a duly authorized officer of the company with the Company Rubber Stamp.

2. Please forward the completed Form of Request to the Company Secretariat by any one of the following methods -

By Post/By hand addressed to:

Company Secretary,
Seylan Bank PLC,
"Seylan Towers",
90, Galle Road,
Colombo 03

Or,

By email to - seylan.report@seylan.lk, the above information.

- Signature not required if sent from the individual shareholder's personal email
- However, in the case of a corporate entity, or an individual who wants to send the information from a third-party email, a duly completed/signed scanned copy of the above form shall be attached.

PRINTED MATTER

If undelivered, please return to :

The Company Secretary
Seylan Bank PLC

Level 15, Seylan Towers
90, Galle Road, Colombo 03, Sri Lanka