

3rd March 2023

Dear Shareholder,

ANNUAL REPORT – 2022

In terms of Rule 7.5 of the Listing Rules of the Colombo Stock Exchange which provides the flexibility to 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 2022 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 2022, 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 2022, you may make a request to the undersigned by completing the information in 'Form of Request for Printed Copy of the Annual Report 2022' 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 Shiromi Patabendige - Tel : 011 2456582

Ms Waruni Shironika - Tel : 011 2456589

Yours faithfully



(Ms) Saraswathie Poulraj
Company Secretary



NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty Sixth Annual General Meeting of Seylan Bank PLC (“the Bank” or “the Company”) will be held on Thursday, 30th day of March, 2023 at 10.30 a.m. at the Bougainvillea Hall of Galadari Hotel, No.64, Lotus Road, Colombo 01, 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 2022 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 2022 as recommended by the Board of Directors which said declaration is further explained in the Circular to Shareholders dated 3 March 2023 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 One Hundred and Fifty Five Million Five Hundred and Fifty Two Thousand One Hundred and Forty Six only (LKR 1,155,552,146/-) which constitutes a Dividend of Rupees Two (LKR 2.00) per share be distributed to the holders of Ordinary Voting and Ordinary Non-voting shares by way of allotment and issue of new Ordinary Voting shares in the ratio of one new fully paid Ordinary Voting share for every 20.1764708485 existing Ordinary Voting shares held and one new fully paid Ordinary Non-voting share for every 12.4705881682 existing Ordinary Non-voting shares;

THAT such dividend be paid out of the profit of the Company for the year ended 31 December 2022 which said profit has been recorded under “retained earnings” of the Company’s Statement of Financial Position as at 31 December 2022;

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;

THAT the total number of new Ordinary Voting shares to be issued would be a maximum of fourteen million eleven thousand six hundred and six only (14,011,606) and the total number of Ordinary Non-voting shares to be issued would be a maximum of twenty three million six hundred and sixty one thousand three hundred and seventy nine (23,661,379);

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 Ordinary 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.”

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 3 March 2023.

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

Mr S V Corea is a Non-Executive Director of the Bank appointed to the Board on 14 May 2015. His profile is published in the Annual Report 2022.

4. **Resolution No. 3** - To re-elect as a Director, Mr A S Wijesinha who retires by rotation at the Annual General Meeting in terms of Article 82 of the Articles of Association of the Company.

Mr A S Wijesinha is an Independent Non-Executive Director of the Bank and was appointed to the Board on 1 December 2016. He was designated as the Senior Director w.e.f. 23 September 2022. His profile and other directorships held are published in the Annual Report 2022.

5. **Resolution No. 4** - To elect as a Director, Mr L H A Lakshman Silva, who retires at the Annual General Meeting in terms of Article 89 of the Articles of Association of the Company.

Mr L H A Lakshman Silva is an Independent Non-Executive Director of the Bank appointed to the Board on 18 July 2022. His profile and other directorships held are published in the Annual Report 2022.

6. **Resolution No. 5** - To elect as a Director, Ms V G S S Kotakadeniya, who retires at the Annual General Meeting in terms of Article 89 of the Articles of Association of the Company.

Ms V G S S Kotakadeniya is a Non-Executive Director of the Bank appointed to the Board on 17 August 2022. Her profile and other directorships held are published in the Annual Report 2022.

7. **Resolution No. 6** - To elect as a Director, Ms A A Ludowyke, who retires at the Annual General Meeting in terms of Article 89 of the Articles of Association of the Company.

Ms A A Ludowyke is an Independent Non-Executive Director of the Bank appointed to the Board on 17 August 2022. Her profile is published in the Annual Report 2022.

8. **Resolution No. 7** - 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.

9. **Resolution No. 8** - To authorize the Board of Directors to determine donations to be made by the Bank during the year, 2023.

10. To consider any other business of which due notice may have been given.

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



(Mrs) Saraswathie Poulraj
Company Secretary

Colombo
3 March 2023

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 licence) 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 2022 TO BE SATISFIED BY THE ALLOTMENT AND ISSUE OF NEW ORDINARY SHARES (SCRIP DIVIDEND)

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 (LKR 2.00) on each Ordinary Voting share and Ordinary Non-voting share is recommended by the Board for the financial year ended 31 December 2022. 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, 30 March 2023.

The dividend so declared will be satisfied by the allotment and issue of Ordinary Voting share/s and Ordinary Non-voting share/s for a value of Rupees Two (LKR 2.00) 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 2022 which said profit has been recorded under "retained earnings" in the Company's Statement of Financial Position as at 31 December 2022. The Company made a profit of LKR 4,712 Million, as reflected in the Audited Financial Statements of the Company for the year ended 31 December 2022.

The total amount of the dividend that is proposed to be so declared is Rupees One Billion One Hundred and Fifty Five Million Five Hundred and Fifty Two Thousand One Hundred and Forty Six only (LKR 1,155,552,146/-) by the allotment and issue of new Ordinary Voting and Ordinary Non-voting shares of the Company.

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). 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. Accordingly, the shares to be allotted will be as follows:

- (a) One new fully paid Ordinary Voting share for every 20.1764708485 existing Ordinary Voting shares held by the entitled shareholders; and
- (b) One new fully paid Ordinary Non-voting share for every 12.4705881682 existing Ordinary Non-voting shares held by the entitled shareholders.

'Record Date' is the third (3rd) Market Day from and excluding the date of the Annual General Meeting.

The above mentioned share ratio is based on a value of Rupees Thirty Four and Cents Thirty (LKR 34.30) per Ordinary Voting share and Rupees Twenty One and Cents Twenty (LKR 21.20) per Ordinary Non-voting share respectively, being the closing prices of the respective shares as at the end of trading on 21 February 2023. The Board is satisfied that the consideration for which the issue of new shares is based, is fair and reasonable to the Company and to the existing shareholders of respective class of shares.

A maximum of fourteen million eleven thousand six hundred and six only (14,011,606) new Ordinary Voting shares and a maximum of twenty three million six hundred and sixty one thousand three hundred and seventy nine (23,661,379) new Ordinary Non-voting shares will be issued. Accordingly, the Ordinary Voting shares in issue will increase from 282,704,760 to 296,716,366 and the Ordinary Non-voting shares in issue will increase from 295,071,313 to 318,732,692.

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 19,926,453,430.01 to LKR 20,908,672,754.01. 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	$\frac{\text{Number of Ordinary Voting shares held by a shareholder as at end of trading on the Record date} \times 1}{20.1764708485}$
Ordinary Non-voting shares	$\frac{\text{Number of Ordinary Non-voting shares held by a shareholder as at end of trading on the Record date} \times 1}{12.4705881682}$

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 shares 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 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.

In calculating the number of shares held by a shareholder as at the 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/its 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 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. 7 of 2007.

Further, the new Ordinary Voting Shares and Ordinary Non-voting Shares will be allotted and issued in satisfaction of the first and final dividend for the year ended 31 December 2022, only upon 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, 30th day of March, 2023 at 10.30 a.m. at the Bougainvillea Hall of Galadari Hotel, No. 64, Lotus Road, Colombo 01 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 participate at the meeting are entitled to appoint a proxy to participate, 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
3rd March 2023

Note:

Please contact the Company Secretariat on 011 2456582; 011 2456589, or 011 2456594 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 Kapila Prasanna Ariyaratne of Colombo 08, whom failing,
Mr Srikumaradas Viran Corea of Dehiwela, whom failing,
Mr Anushka Sheran Wijesinha of Colombo 05, whom failing,
Ms Sandya Kumari Salgado of Panadura, whom failing,
Mr Don Manuwelge Don Krishan Thilakaratne of Battaramulla, whom failing,
Mr Darshan Ravindra Abeysuriya of Rajagiriya, 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

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 Sixth Annual General Meeting of the Company to be held on Thursday, 30th day of March, 2023 at 10.30 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 2022 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 S V Corea, 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, Mr A S Wijesinha, 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, Mr L H A Lakshman Silva, who retires in terms of Article 89 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To elect as a Director, Ms V G S S Kotakadeniya, who retires in terms of Article 89 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
6. To elect as a Director, Ms A A Ludowyke, who retires in terms of Article 89 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint M/s KPMG, Chartered Accountants as the Auditors of the Company for the financial year 2023 and to authorize the Directors to determine their remuneration for the said financial year.	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorize the Board of Directors to determine donations that may be made by the Bank during the year, 2023	<input type="checkbox"/>	<input type="checkbox"/>

(*Please strike off inappropriate words)

Signed this day of, 2023

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 in 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: csy@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 2022

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 2022 of Seylan Bank PLC.

Full Name of Shareholder:	
Address :	
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 in 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 to: Company Secretary, Seylan Bank PLC, "Seylan Towers", 90, Galle Road, Colombo 03 Or, By email to - csy@seylan.lk the above information.