



{Company Registration No. PQ 9}

Seylan Towers, 90 Galle Road, Colombo 3; Tel : 011 2456589; 2456594

CIRCULAR TO SHAREHOLDERS

THIS DOCUMENT IS OF VALUE.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER PROFESSIONAL ADVISOR IMMEDIATELY.

Dear Shareholder/s,

Your Company, Seylan Bank PLC made a profit of Rs.3,189.2 Million for the year ended 31st December 2018. Total equity of the Company increased from Rs.34,206 Million to Rs.34,609.8 Million as reflected in the Audited Financial Statements as at 31st December 2018. The total equity of the Company as at 30th June 2019 was Rs.37,425 Million as reflected in the Company's Unaudited Financial Statements.

Seylan Bank PLC ('the Company') being a licensed commercial bank regulated by the Central Bank of Sri Lanka is required to comply with the Banking Act Direction No.1 of 2016 on capital requirements under BASEL III. As such, having identified the need to raise funds to increase the Tier 1 Capital and thereby to strengthen the Capital Adequacy of the Company, and further to support the anticipated balance sheet growth, the Board of Directors of the Company, by Resolution dated 4th September 2019 decided to recommend a Rights Issue of new ordinary shares to its shareholders as described below.

1. RIGHTS ISSUE OF NEW ORDINARY VOTING SHARES AND ORDINARY NON-VOTING SHARES

Subject to the approval of the shareholders, to issue 62,869,468 new ordinary voting shares at a consideration of Rs.45.25 per share and 63,036,478 new ordinary non-voting shares at a consideration of Rs.24.50 per share as at end of trading on 4th November 2019 {date of Extraordinary General Meeting (EGM)} in the proportion of one (01) new ordinary voting share for every existing three (03) ordinary voting shares and one (01) new ordinary non-voting share for every existing three (03) ordinary non-voting shares held provided that no shareholder will be entitled to any fraction of any share.

1.1 Fraction of a share

The fractional entitlements referred to herein shall mean the fractions arising after applying the following formula.

For ordinary voting shares:

$$\frac{(\text{Number of ordinary voting shares held by a shareholder as at end of trading on the EGM date}) \times 1}{3}$$

For ordinary (non-voting) shares:

$$\frac{(\text{Number of ordinary non-voting shares held by a shareholder as at end of trading on the EGM date}) \times 1}{3}$$

1.2 Consideration

As required by the Companies Act No.7 of 2007 ("the Companies Act"), the Board resolved that in its opinion, the consideration of Rs.45.25 per ordinary voting share and Rs.24.50 per ordinary non-voting share is fair and reasonable to the Company and to all its existing shareholders.

Note: The new ordinary voting shares and ordinary non-voting shares may hereinafter be collectively referred to as "shares".

1.3 Offer to subscribe

The offer to subscribe for the shares will be made by the Company by way of a Letter of Provisional Allotment with the right to renounce only in favour of the Central Depository Systems (Pvt) Limited (CDS).

All such new shares shall, upon due subscription and final allotment (which shall be effected on a date after the last date for acceptance and payment) and provided due payment has been received therefor, rank equal and *pari passu* in all respects with the existing ordinary voting shares and ordinary non-voting shares, including the right to participate in any distribution carried out by the Company thereafter. The final allotment of the shares shall for all intents and purposes constitute an increase of the Company's stated capital. After the proposed Rights Issue the stated capital of the Company is expected to increase from Rs.12,655,485,588.90 to Rs.17,044,722,726.90.

In terms of Section 5.2.a. of the Listing Rules of the Colombo Stock Exchange (the CSE), the Company is required to obtain the approval of the shareholders for the proposed Rights Issue. Approval of the shareholders is also required in terms of the Company's Articles of Association. The requisite ordinary resolutions to be passed by the shareholders have been set out in the enclosed Notice of Meeting.

2. OBJECTIVES OF THE ISSUE

The main objective of the Rights Issue is to increase the Tier 1 Capital of the Company and thereby to strengthen the Capital Adequacy of the Company. Further, the Company also looks forward to strengthen the balance sheet to support the business growth, expansion and performance of the Company.

2.1 Increasing Tier 1 Capital and Capital Adequacy Requirements under BASEL III

The Company's Capital Ratios under Basel III with the minimum regulatory requirement as at 31st December 2018, 30th June 2019 are tabulated below. The projected Capital Ratios as at 31st December 2019 are also given herein with the minimum regulatory requirements, based on the fact that the Company's Asset Base was Rs.482 Billion (as at 30th June 2019).

Components of Capital	Capital Adequacy Requirement (%)					
	31 st December 2018		30 th June 2019		31 st December 2019	
	Requirement	Actual (Audited)	Requirement	Actual (unaudited)	Requirement	With proposed Rights Issue and profit certification of the half year ended 30/06/2019 (Projected)
Common Equity						
Tier 1 Capital with Buffers (CCB)	6.375	10.20	7.00	9.54	7.00	10.62
Total Tier 1 Capital with Buffers (CCB)	7.875	10.20	8.50	9.54	8.50	10.62
Total Capital with Buffers (CCB)	11.875	13.30	12.50	13.58	12.50	14.09

The capital infusion through the Rights Issue will enable the Company to maintain all three capital ratios mentioned in the above table well above the regulatory minimum levels, as stipulated under Basel III regulations.

2.2 Strengthen the Balance Sheet to support the business growth, enhance the lending book and increase the profitability

The proceeds of the Rights Issue will be utilized to fund the expected advances growth within six months of the date of allotment. Further, it will be lent in the ordinary course of business. In the event part of the funds is lent to related parties, such lending would be at arms-length basis and in terms of the Company's Policy on Related Party Transactions which is in line with Section 9 of the CSE Listing Rules and Section 3(7) of the Banking Act Directions No.11 of 2007 on Corporate Governance (as amended) issued to licensed commercial banks. During the interim period, the funds will be invested in government securities which are expected to yield a return of 7.75% p.a. (approximately).

The monthly average disbursement of funds in loans and advances (excluding overdrafts, revolving imports loans and short term loans) during the preceding three months ended 30th September 2019 was approximately Rs.16,972 Million. It should be mentioned that the Bank experienced a net loan growth of Rs.46,021 Million during the year 2018 and Rs.26,751 Million for the nine months period ended 30th September 2019.

The proposed amount to be raised through the Rights Issue is the minimum sum required to meet the above mentioned objectives. Hence, in the event of an under subscription, the Company will resort to alternate options. Further, if there are any changes to the above mentioned objectives due to change in circumstances, approval of the shareholders would be sought prior to effecting such changes after making the required announcements to the CSE.

2.3 Specific Risks Associated with the Objectives stated in 2.1 and 2.2 above

- There are no specific risks associated with the objectives stated, as dependence of proceeds of the Issue to achieve the objective of advances growth is marginal since the Company in the ordinary course of business has access to multiple sources of funds such as different types of deposits and borrowings.
- In deploying these funds the Company's internal procedures ensure a rigorous assessment of the credit applicants' credit worthiness, ability for repayment through realistic projected cash flows, collaterals, close monitoring of repayment of loans, etc. All these ensure that the associated credit risk is mitigated.

3. BENEFITS OF INVESTING IN RIGHTS ISSUE

The existing ordinary voting shareholders and ordinary non-voting shareholders will have the opportunity to invest in the Company's ordinary voting shares and ordinary non-voting shares at a discounted price of Rs.45.25 per ordinary voting share and Rs.24.50 ordinary non-voting share, respectively, when the net assets value per share of the Company is Rs 99.08 as at 30th June 2019.

4. CONTINGENCIES

There are no material changes to the contingent liabilities that were disclosed in the Audited Financial Statements as of 31st December 2018 and Interim (Unaudited) Financial Statements as of 30th June 2019.

5. MARKET PRICES OF SHARES

The highest, lowest and closing prices of the Company's shares during the preceding three (03) calendar months are given below;

5.1 Ordinary Voting Shares

Month	Highest Traded Price(Rs.)	Lowest Traded Price (Rs.)	Closing Price (Rs.)	No of Trades	No of Shares Traded
July 2019	78.00	51.00	75.00	677	2,185,610
August 2019	76.00	66.70	70.00	362	365,193
September 2019	69.90	49.50	51.30	802	227,455

5.2 Ordinary Non-voting Shares

Month	Highest Traded Price(Rs.)	Lowest Traded Price (Rs.)	Closing Price (Rs.)	No of Trades	No of Shares Traded
July 2019	42.00	30.50	39.70	1,768	4,172,165
August 2019	42.90	38.10	39.40	1,054	2,565,887
September 2019	39.00	28.20	29.60	1,542	2,578,929

Closing market prices of the shares of the Company as at 9th October 2019 were as follows:

- Rs.53.00 per ordinary voting share and
- Rs.29.60 per ordinary non-voting share.

6. TWENTY LARGEST SHAREHOLDERS AS AT 30TH SEPTEMBER 2019

6.1 Ordinary Voting Shareholders

No.	Name of Shareholder	No of Shares held	Percentage
1	Sri Lanka Insurance Corporation Ltd ([includes General Fund and Life Fund])	28,291,256	15.00
2	Brown & Company PLC A/C NO. 1	26,169,291	13.87
3	Employees Provident Fund	18,592,097	9.86
4	LOLC Investments Ltd	18,014,952	9.55
5	National Development Bank PLC A/C No. 02	16,455,821	8.72
6	Bank Of Ceylon No. 1 Account	14,145,629	7.50
7	Mr. R.S. Captain	11,733,847	6.22
8	Employees Trust Fund Board	4,010,640	2.13
9	Mr S. E. Captain	3,813,079	2.02
10	Seyfest (Pvt) Limited	3,234,555	1.71
11	Ms L A Captain	2,801,826	1.49
12	Sesot (Private) Limited	2,442,622	1.30
13	Seyshop (Private) Limited	2,320,860	1.23
14	Seybest (Private) Limited	2,320,860	1.23
15	Esots (Private) Limited	2,302,315	1.22
16	Ambeon Holdings PLC	2,228,394	1.18
17	NDB Capital Holdings Limited A/C No.02	1,910,362	1.01
18	AIA Insurance Lanka PLC A/C No.07	1,734,891	0.92
19	Mr K R B Fernando	1,088,123	0.58
20	Sotse (Pvt) Ltd	1,047,134	0.56

6.2 Ordinary Non-Voting Shareholders

No.	Name of Shareholder	No of Shares held	Percentage
1	LOLC Holdings PLC	83,080,731	43.93
2	Employees Provident Fund	10,087,023	5.33
	Peoples Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd	4,226,104	2.23
3	Akbar Brothers Pvt Ltd A/C No. 1	4,061,408	2.15
4	Peoples Leasing & Finance PLC/Don and Don Holdings (Pvt) Ltd	4,055,127	2.14
5	Deutsche Bank AG As Trustee For JB Vantage Value Equity Fund	3,492,766	1.85
6	Pershing LLC S/A Averbach Grauson & Co.	3,205,414	1.70
7	Mr. E. Thavagnanasooriyam & Mr E Thavagnasundaram	3,204,103	1.69
8	Employees Trust Fund Board	3,008,630	1.59
9	First Capital Limited	2,384,831	1.26
10	J.B. Cocoshell (Pvt) Ltd	2,370,237	1.25
11	Merrill J Fernando & Sons (Pvt) Limited	2,100,619	1.11
12	Mr. N. Balasingam	1,972,634	1.04
13	MR R R Leon	1,667,337	0.88
14	LOLC Technology Services Limited	1,646,856	0.87
15	Mrs P Thavarajah	1,250,000	0.66
16	Dr. S. Yaddehige	1,185,982	0.63
17	Mr. R. Gautam	1,102,124	0.58
18	Mr D N N Lokuge	1,008,337	0.53
19	Mr. E. Thavagnanasooriyam	1,000,011	0.53
20	Mr A P Somasiri	959,992	0.51

7. DISCLOSURES IN THE INTERIM FINANCIAL STATEMENTS AND THE ANNUAL REPORTS

7.1 Continuous Disclosure regarding status of utilization of funds raised through the Rights Issue (dd-mm-yy)

The Company will disclose the information in the following template and the statement through all the Interim Financial Statements and Annual Reports from the date of raising funds through the proposed Rights Issue until objectives are achieved and funds are fully utilized.

Rights Issue Proceeds Utilization as at dd-mm-yy								
Objective No.	Objective as per circular	Amount Allocated as per circular (Rs.)	Proposed date of utilization as per circular	(A) Amount allocated from proceeds (Rs.)	% of total proceeds	(B) Amount utilized (Rs.)	(B/A) % of utilized against allocation	Clarification If not fully utilized including where the funds are invested (i.e. whether lent to related party/ies etc.)

In the event the proceeds of the Rights Issue are fully utilized in terms of the objectives disclosed in this Circular to Shareholders prior to the submission of the Company's next financial statements (i.e. interim financial statements or Annual Report), the Company will disclose the fact that the proceeds have been utilized in its entirety as per the above template.

The Company will disclose to the CSE in the event of any change to the timelines for achieving the objectives of the Rights Issue and to duly make disclosures in its' Interim Financial Statements and Annual Report if such changes are envisaged.

The latest Audited Financial Statements of the Company as at 31st December 2018 are available in the website of the CSE (www.cse.lk) and the investor relations page of the Company's web site (www.seylan.lk)

7.2. Disclosure regarding status of utilization of funds raised from the BASEL III Compliant Debenture Issue 2019) as at 30.06.2019

As at 30th June 2019, the Company fully utilized the LKR 5.0 Billion raised from the fully paid, BASEL III Compliant, Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures Issued during the year (allotted on 18th April 2019) for the objectives as stated in the Prospectus of the said Debenture Issue, i.e. to strengthen the Tier 2 Capital base of the Company as per BASEL III requirement; and to meet the current credit demand (loans and advances) of the Company.

8. DIVIDEND HISTORY

The dividend history of the Company in respect of both ordinary voting dividend and ordinary non-voting dividend for the past three (3) years is as follows;

Dividend Paid (Gross)	Year ended 31.12.2018	Year ended 31.12.2017	Year ended 31.12.2016
Value in Rs.			
Cash Dividend	183,049,546.00	354,456,106.00	344,960,410.00
Scrip Dividend	732,198,184.00	886,140,265.00	776,160,922.50
Total Dividend	915,247,730.00	1,240,596,371.00	1,121,121,332.50
Dividend pay-out ratio % (Dividends/Net Profit After Tax)			
Cash Pay Out Ratio	5.74	8.00	8.60
Scrip Pay Out Ratio	22.96	20.00	19.35
Total Pay Out Ratio	28.70	28.00	27.95
Dividend Per Share			
Cash	0.50	1.00	1.00
Scrip	2.00	2.50	2.25
Total	2.50	3.50	3.25

9. 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 Section 9 of the Listing Rules of the CSE and the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka ("SEC").

The following Directors of the Company are the Members of the Committee:

- Mr P L S Kumar Perera (Independent Non-Executive Director) - Chairman of the Committee)
- Ms M Coralie Pietersz (Independent Non-Executive Director/Senior Director)
- Mr S Viran Corea (Non-Independent Non-Executive Director)
- Mr Anushka S Wijesinha (Independent Non-Executive Director)

10. APPLICATION FOR RIGHTS AND RELEVANT DATES

10.1 Provisional Allotment and Provision for Renunciation

Subject to the shareholder approval being obtained for the Rights Issue at the EGM, the offer to subscribe for the new shares (hereinafter also known as the rights shares) will be made by the Company by way of a Letter of Provisional Allotment, with provision for renouncing such rights in favour of the Central Depository System (Private) Limited (CDS) only. The manner in which the Letter of Provisional Allotment should be dealt with will be fully set out therein.

The date of provisional allotment shall be the same date as the date of the EGM which would be also referred to as the date of entitlement of the rights shares. The Shareholders duly registered in the Company's books including those holding shares through the CDS as at end of trading on the date of the EGM, shall be entitled to the Rights Issue.

The Company's shares will trade ex-rights (XR) from the market day after the date of provisional allotment until the last date of acceptance and payment for the rights shares.

In terms of Rule 5.2(d)(ii)(2) of the CSE Listing Rules, the dispatch of Provisional Letters of Allotment shall be done within 5 market days from and excluding the date of provisional allotment. However, the Company sought and obtained a waiver of the said requirement from CSE to allow the Company 7 market days from and excluding the date of provisional allotment, considering the number of shareholders (approximately 16,100) and the volume of work/process involved in printing and dispatching the same under Registered post. Therefore, the Provisional Letters of Allotment will be dispatched within seven (07) market days from and excluding the date of provisional allotment.

10.2 Last date for acceptance and payment for rights shares

Subject to paragraphs 1 and 2 in 10.1 above, the last date for acceptance and payment for rights shares shall be 29th November 2019 being the tenth (10th) market day from and excluding the date of dispatch of the provisional letters of allotment.

DB

All incomplete application/s with incorrect details will be rejected. Refunds in respect of rejected applications will be paid as expeditiously as possible but not exceeding ten (10) Market Days from the last date of acceptance and payment for the rights shares. As stated above, the rights shares may be renounced to the CDS only. The period of renunciation shall not exceed nine (09) Market Days from and excluding the date of dispatch of the Provisional Letters of Allotment.

10.3 Trading of the "Rights"

Trading of the "Rights" (as mentioned in the provisional allotment letters) will commence on the fourth (4th) market day from and excluding the date of dispatch of Letters of Provisional Allotment. Such trading shall continue throughout the period of the renunciation to the CDS.

In allotting shares provisionally, the shareholding as appearing in the CDS and the shareholders' register maintained by the Company as at end of trading on the date of the EGM will be amalgamated in so far as the National Identity Card numbers of such shareholders are available with the Company for identification purposes.

10.4 Unsubscribed shares and allotment of such shares to applicants for additional shares

New ordinary voting shares and ordinary non-voting shares, not subscribed for as at the last date of acceptance and payment as would be specified in the Provisional Letter of Allotment and any shares representing fractional entitlements, will be deemed to have been declined and the respective declined shares will be pooled together and be allotted to the respective holders of shares who have applied for additional shares on a reasonable basis to be decided by the Board of Directors, or depending on the availability of the shares, in full satisfaction of their requests for additional rights, at the same respective price. The allotment in the case of ordinary voting shares will however be subject to the shareholding restrictions in the Banking Act No.30 of 1988 (as amended) ("Banking Act").

Subject to the shareholding restrictions in the Banking Act, any unsubscribed shares as shall remain after allocating to the shareholders who have applied for additional rights in full satisfaction of their requests, be allotted to any person or persons at the discretion of the Board at the time of allotting shares to the shareholders who have requested for additional shares, however, not later than ten market days from such date of allotment.

10.5 Over subscription of the Rights Issue

In the event of an over-subscription, the Directors reserve the right of accepting or rejecting any application for additional shares in whole or in part. Fractional share entitlement would be treated as declined shares and the aggregate of such fractions will be available for allotment at the same price respectively to shareholders who apply for additional shares.

10.6 Direct uploads to the CDS accounts in respect of allotments

As required in terms of Directive issued by the SEC under Circular No.08/2010 dated 22nd November 2010 and Circular No.13/2010 dated 30th November 2010 issued by the CDS, all new ordinary voting shares and ordinary non-voting shares to be issued under the proposed Rights Issue, will be directly uploaded to the CDS accounts of shareholders maintained with the CDS, within twelve (12) market days from the last date for acceptance and payments.

No share certificate will be issued to any shareholder. In the event of the non-availability of a CDS account number, the new shares to be allotted to any shareholder, will only be registered in the share ledger/register maintained by the Company. Such shareholder will not be entitled to a share certificate and not be able to trade the new shares until such time these shares are deposited with the CDS. Therefore, the shareholders must ensure strict adherence to the aforementioned Directives and Circulars. Subsequent to the opening of the CDS account and informing of such account number to the Company Secretary by the shareholder, the new shares will be deposited to such CDS account by the Company.

11. UNDERWRITING ARRANGEMENTS

The Company has not entered into any formal underwriting arrangement. However, the Directors and the Management of the Company will take reasonable steps to complete the share issue successfully. Any

unsubscribed shares remaining after allocating to the shareholders who have applied for additional rights in full satisfaction of their requests, shall be allotted to any person or persons at the discretion of the Board at the time of allotting shares to the shareholders who have requested for additional shares, however, not later than ten market days from such date of allotment.

The Company has not requested for a written commitment from any shareholder for subscription in full for their entitlement for the proposed Rights Issue and their level of commitment to further subscribe for any unsubscribed shares as the Company is confident that the shareholders will subscribe in full for their entitlement for the proposed Rights Issue, and that there will be subscribers for the additional shares.

However, allotment of additional rights of ordinary voting shares to the shareholders will be subject to the shareholding restrictions imposed by the Banking Act.

12. APPROVALS IN RESPECT OF PROPOSED RIGHTS ISSUE

Approval in principle has been obtained from the CSE to issue and list the new ordinary voting shares and new ordinary non-voting shares arising from the Rights Issue. The listing of the shares by the CSE will in no way be reflective of the merits of the issue. The CSE assumes no responsibility for the correctness of any statements made, opinions expressed or reports included.

The proposed Rights Issue is a permitted activity under Section (b)/Schedule II of the Banking Act.

The Company further confirms that no other approval is required for the proposed Rights Issue other than the approval of the shareholders and approval of the CSE as stated in this Circular.

13. EXTRAORDINARY GENERAL MEETING (EGM)

The Issue of ordinary voting share and ordinary non-voting shares by way of the Rights Issue as herein recommended is subject to the required resolution being passed by the shareholders. An EGM of the Company is being convened to be held on Monday, 4th November 2019, for the purpose of passing the resolution as set out in the Notice of Meeting dispatched with this Circular.

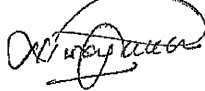
Shareholders who are unable to attend the meeting in person are kindly requested to complete the enclosed Form of Proxy (in accordance with the instructions specified therein) and deposit it at the registered office of the Company not less than forty eight (48) hours before the time appointed for the meeting and no registration of proxies will be accommodated after the said deadline or at the venue on the date of the EGM.

15. DIRECTORS' DECLARATIONS

In addition to the above statements/disclosures, the Directors of the Company declare and state as follows;

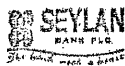
- (a) The listing of the Securities by the CSE will in no way be reflective of the merits of the issue. The CSE assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports included.
- (c) The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts, the omission of which would render any statement in the Circular misleading.

By Order of the Board of
SEYLAN BANK PLC



(Mrs) N N Najumudeen
Company Secretary

Colombo, 15th October 2019



(Company Registration No. PQ 9)

Seylan Towers, 90 Galle Road, Colombo 3; Tel : 011 2456589; 2456594

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Seylan Bank PLC ('the Company') will be held on Monday, 4th November 2019 at 10.00 a.m. at the Auditorium, Sri Lanka Institute of Tourism and Hotel Management, No.78, Galle Road, Colombo 03, to consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"It is hereby resolved that the Company

- Issues 62,869,468 new ordinary voting shares for the purpose of increasing the total number of ordinary voting shares in issue as at the date of entitlement, issued by way of a Rights Issue of shares to the shareholders of the Company in proportion of one (01) new ordinary voting share for every three (03) ordinary voting shares held as at end of trading on 4th November 2019 (the date of entitlement), at an issue price of Rs.45.25 per each ordinary voting share, provided that no shareholder shall, upon or in consequence of the said Rights Issue of new shares, be entitled to a fraction of any share;
- Issues 63,036,478 new ordinary non-voting shares for the purpose of increasing the total number of ordinary non-voting shares in issue as at the date of entitlement, issued by way of a Rights Issue of shares to the shareholders of the Company in proportion of one (01) new ordinary non-voting share for every three (03) ordinary non-voting shares held as at end of trading on 4th November 2019 (the date of entitlement), at an issue price of Rs.24.50 per each ordinary non-voting share, provided that no shareholder shall, upon or in consequence of the said Rights Issue of new shares, be entitled to a fraction of any share;
- Any unsubscribed rights and any shares representing fractional entitlements relating to the ordinary voting shares and ordinary non-voting shares shall be deemed declined shares and be pooled together and be allotted to the respective ordinary voting shareholders and ordinary non-voting shareholders who have applied for additional shares on a reasonable basis determined by the Directors or in full satisfaction of their requests for additional rights, depending on the availability of shares, at the same price but subject to the shareholding restrictions in the Banking Act No.30 of 1988 (as amended) and any surplus shares as shall remain after allocating to the shareholders who have applied for additional rights in full satisfaction of their requests, be allotted to any person or persons at the discretion of the Board of Directors of the Company and the fractional entitlements referred to herein shall mean the fractions arising after applying the formula mentioned in the Section 1 of the Circular to Shareholders;
- The new ordinary voting shares and ordinary non-voting shares so allotted upon acceptance and final allotment shall, rank equal and *pari passu* in all respects with the existing ordinary voting shares and ordinary non-voting shares respectively."

By Order of the Board of

SEYLAN BANK PLC

Mrs N N Najmudeen

Company Secretary

Colombo, 15th day of October, 2019

Note :

A member is entitled to appoint a Proxy to attend and represent on his/her behalf. A proxy need not be a member of the Bank. A Form of Proxy is attached for the purpose. The instrument appointing a Proxy must be deposited at the Registered Office of the Bank at Seylan Towers, No.90, Galle Road, Colombo 03, not less than forty eight (48) hours before the time fixed for holding of the meeting.

You are kindly requested to bring with you, your National Identity Card or any valid source of identification (e.g. Driving Licence, Passport).

