

12th July 2024

Mr. Renuka Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Tower
World Trade Centre
Echelon Square
Colombo 1.

Dear Sir,

**PROPOSED SALE OF THE SHAREHOLDING OF MERCHANT BANK OF SRI LANKA & FINANCE PLC
(MBSL) IN MBSL INSURANCE COMPANY LTD (MBSLI)**

We wish to inform you that the Board of Directors of Merchant Bank of Sri Lanka & Finance PLC (MBSL) at a meeting held on 11th July 2024 resolved to grant approval in principle for the proposed sale of MBSL's entire shareholding (53.81%) in MBSL Insurance Company Limited (MBSLI). The proposed sale will be subject to obtaining the necessary regulatory approvals from the Insurance Regulatory Commission of Sri Lanka and Central Bank of Sri Lanka and compliance with procedural steps in the Shareholders Agreement between the shareholders of MBSLI.

Further details of the proposed sale will be disclosed to the Colombo Stock Exchange, no sooner the requisite approvals are obtained and a final agreement is reached with a prospective purchaser of the said shares.

Kindly make an announcement to this effect.

Yours faithfully,

MERCHANT BANK OF SRI LANKA & FINANCE PLC



Dammika Hapuhinna
CHIEF EXECUTIVE OFFICER

