

25 September 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre, Echelon Square
Colombo 01

Madam,

**ANNOUNCEMENT OF PROPOSED ISSUE UPTO TEN MILLION (10,000,000) UNSECURED
SUBORDINATED REDEEMABLE DEBENTURES ISSUED AT A PRICE OF LKR 100/- EACH**

We wish to inform you that the Board of Directors of Merchant Bank of Sri Lanka & Finance PLC (MBSL) has approved to issue Five Million (5,000,000) Unsecured Subordinated Redeemable 5 year Debentures at a price of LKR 100/- each with an option to Issue upto a further Five Million (5,000,000) of the said Debentures at LKR 100/- each in the event of an oversubscription of the initial Five Million (5,000,000) Debentures to raise a sum upto Rupees One Billion (LKR 1.0 Billion). This issuance was approved by the Central Bank of Sri Lanka by its letter dated 24th September 2026, in term of Finance Companies (Debt Instruments) Direction No. 03 of 2013.

The proposed debenture issue is subject to obtaining all other necessary regulatory approvals.

Yours faithfully,
MERCHANT BANK OF SRI LANKA & FINANCE PLC



Russel Fonseka
CHIEF EXECUTIVE OFFICER

