

6th July 2022

Colombo Stock Exchange
#04-01 West Block,
World Trade Centre,
Echelon Square,
Colombo 01.

Attn: Mr. Renuke Wijeyawardhane
Chief Regulatory Officer

Dear Sirs,

CORPORATE DISCLOSURE - WARRANTS ISSUED BY UNION BANK OF COLOMBO PLC TO CULTURE FINANCIAL HOLDINGS LTD.

We write with reference to the above matter.

As you are aware, Union Bank of Colombo PLC (the "Company") issued 218,281,250 unlisted warrants ("Warrants") to Culture Financial Holdings Ltd ("Culture") on 30 September 2014. As per the terms of issue thereof, each Warrant confers the holder of that Warrant with the right to subscribe to one (1) new ordinary voting share of the Company within a period of six (6) years from issue of the Warrant at a consideration of LKR 16.00 per share. The exercise period for the Warrants expires on 30 September 2020.

As per the original terms of issue, the original exercise period of the Warrants was due to lapse on 30th September 2020 and further to a request made by Culture, the Company sought approval of the Securities and Exchange Commission of Sri Lanka ("SEC") and from the Central Bank of Sri Lanka (CBSL) for an extension of the exercise period of the Warrants by further two (2) years (i.e. until 30th September 2022) and to revise the exercise price to a price that is equivalent to the average closing price for a five day period immediately preceding the exercise of Warrants.

CBSL by letter dated 1st June 2020 confirmed that it had no objection and SEC by letter dated 08th June 2020 granted approval for the extension of the exercise period and the revision of the exercise price of the Warrants in the foregoing manner. Accordingly, the Company extended the exercise period of the Warrants to 30th September 2022 and revised the exercise price thereof to a price that is equivalent to the average closing price for a five day period immediately preceding the exercise of the Warrants after obtaining all other relevant approvals.

Based on the above, if Culture wishes to exercise the Warrants and subscribe to the underlying shares, must necessarily do so on or before 30th September 2022.

The primary objective of the Warrants is to enable the holder thereof to support the future capital requirements of the Company and to meet any regulatory requirements related to minimum capitalization.

The Company is currently in compliance with the minimum capital and other prudential requirements imposed by the CBSL in terms of the Banking Act No. 30 of 1988 and the Company also expects to be compliant therewith on 30 September 2022. Further, there are no expansion or growth plans of the Company that require infusion of capital on or before 30 September 2022.

Given the Company does not have an immediate need for new capital, Culture requested that the exercise period for the Warrants be extended by a further one and a half (1 ½) years (i.e. until 31st March 2024).

The Board of Directors of the Company, having considered Culture's request, decided to extend the exercise period of the Warrants by a further one and half (1 ½) years (i.e. until 31st March 2024).

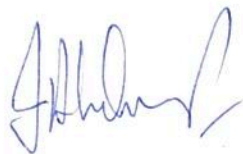
The Company has obtained the concurrence of CBSL and the Securities and Exchange Commission of Sri Lanka for the extension of the Warrants' exercise period as described above.

Given that the exercise of the Warrants is a right vested in the holder thereof and not an obligation, the extension of the exercise period will ensure the warrant holder is able to continue to support the Company in a financially viable manner, with capital, as required. The Company does not expect the extension of the exercise period to result in any change or adverse impact to the future prospects of the Company.

The extension of the exercise period is subject to the shareholders of the Company approving such extension by way of a special resolution at a general meeting.

Yours faithfully,

UNION BANK OF COLOMBO PLC

A handwritten signature in blue ink, appearing to read 'Indrajit Wickramasinghe'.

Indrajit Wickramasinghe

Director/Chief Executive Officer