

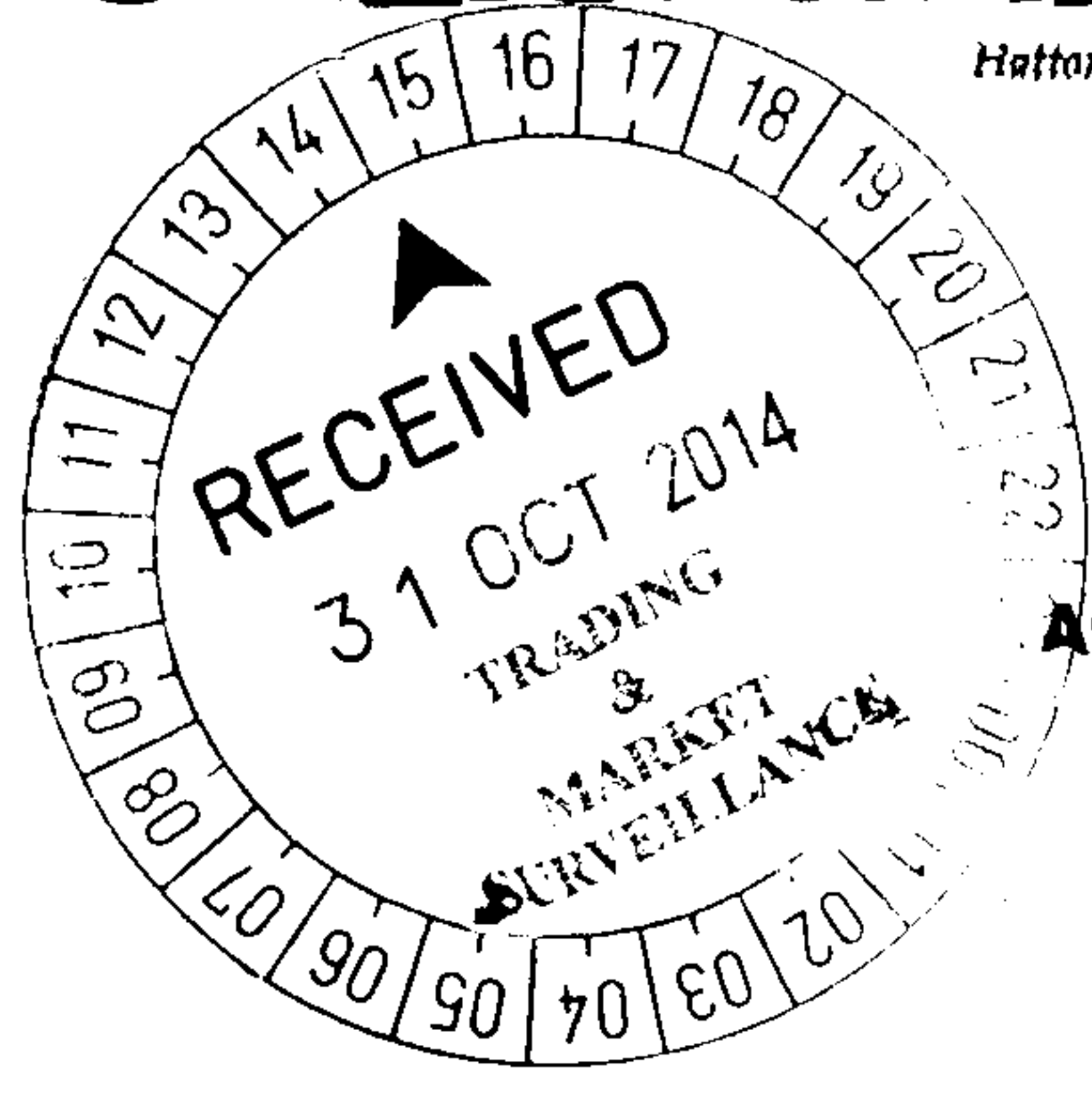


Hatton National Bank

Hatton National Bank PLC (PQ82)

30th October 2014

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



Attn: **Mr Renuke Wijayawardhane**
Chief Operating Officer

Dear Sirs,

ANNOUNCEMENT – Acquisition of a 51% holding in Prime Grameen Micro Finance Limited

We write further to the announcement made by the Bank on 4th August 2014 and our letter dated 30th September 2014, on the subject matter.

By letter dated 8th August 2014, the Director of Bank Supervision of the Central Bank of Sri Lanka has granted approval in principle for the Hatton National Bank PLC (HNB) to invest in a stake of 51% of voting shares in Prime Grameen Micro Finance Ltd (PGMFL). Pursuant to this approval and having been satisfied with the financials submitted to HNB by PGMFL, the parties entered into a Shareholders' Agreement on the 30th of September 2014.

The transfer of the 51% stake by Prime Lands (Private) Limited in the name of HNB was to take place on or before the 31st of October 2014, upon receipt of the respective approvals of the regulator/s. Since certain formal regulatory clearances are yet to be received, the parties have agreed to conclude the transaction on or before the 30th of November 2014.

This announcement is made in terms of the Disclosure Requirements of the Colombo Stock Exchange.

Yours faithfully

K A L Thushari Ranaweera (Mrs)
DEPUTY GENERAL MANAGER (LEGAL)/BOARD SECRETARY

CC: **Managing Director/CEO**
Hatton National Bank PLC

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