



**මර්චන්ට් බැංකු ඔෆ් ශ්‍රී ලංකා ඇන්ඩ් ෆිනෑන්ස් පීඑල්සී**  
**2021 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා**  
**මූල්‍ය ප්‍රකාශනය**

ICRA Rating [SL] BBB (Stable)  
 Co. Reg. No. PQ 10

ලාභාලාභ ප්‍රකාශය	2021 රු. 000	2020 රු. 000
<b>ආදායම්</b>	<b>5,971,065</b>	<b>5,188,013</b>
පොලී සහ සමාන ආදායම්	5,525,955	4,950,638
පොලී සහ සමාන වියදම්	(2,675,588)	(3,532,790)
<b>ශුද්ධ පොලී ආදායම්</b>	<b>2,850,367</b>	<b>1,417,848</b>
ගාස්තු සහ කොමිස් ආදායම්	185,602	116,893
ගාස්තු සහ කොමිස් වියදම්	(38,587)	(22,071)
<b>ශුද්ධ ගාස්තු සහ කොමිස් ආදායම්</b>	<b>147,015</b>	<b>94,822</b>
ශුද්ධ වෙළඳ ආදායම්	44,281	10,312
ලාභ අලාභ මගින් සාධාරණ අගයට නම්කල මූල්‍ය උපකරණ මත ශුද්ධ ලාභ/(අලාභ)	(23,435)	63,629
වෙනත් මෙහෙයුම් ආදායම්	238,662	46,541
<b>මුළු මෙහෙයුම් ආදායම</b>	<b>3,256,890</b>	<b>1,633,152</b>
ණය නානිකරණය සහ වෙනත් අලාභයන්	(74,450)	(563,431)
<b>ශුද්ධ මෙහෙයුම් ආදායම</b>	<b>3,182,440</b>	<b>1,069,721</b>
සේවක මණ්ඩල පිරිවැය	(1,200,450)	(1,091,985)
ක්ෂයවීම් හා ක්‍රමක්ෂය	(245,115)	(291,273)
අනෙකුත් මෙහෙයුම් වියදම්	(613,860)	(571,882)
<b>මුළු මෙහෙයුම් වියදම්</b>	<b>(2,059,425)</b>	<b>(1,955,140)</b>
<b>මූල්‍ය සේවා මත ඒ.අ. මත බඳු සහ සමූහයේ සමාගම් වල ආයෝජන නානිකරණයට පෙර මෙහෙයුම් ලාභය/(අලාභය)</b>	<b>1,123,015</b>	<b>(885,419)</b>
පරිපාලන සමාගම් ආයෝජන නානිකරණය	(16,019)	(462,544)
ආශ්‍රිත සමාගම් ආයෝජන නානිකරණය	-	5,058
<b>සමූහයේ සමාගම් වල ආයෝජන නානිකරණයට පසු මෙහෙයුම් ලාභය/(අලාභය)</b>	<b>1,106,996</b>	<b>(1,342,905)</b>
මූල්‍ය සේවා සඳහා වකු කල අගය මත බදු	(294,268)	-
<b>ආදායම් බදු වලට පෙර ලාභය/(අලාභය)</b>	<b>812,728</b>	<b>(1,342,905)</b>
ආදායම් බදු (වියදම්)/ආපසු හැරවීම්	(283,684)	234,600
<b>වර්ෂයට අදාළ ලාභය/(අලාභය)</b>	<b>529,044</b>	<b>(1,108,305)</b>
<b>කොටසක ඉපැයීම</b>		
කොටසක මූලික/තනුක (අලාභ)/ඉපැයුම (රු)	2.04	(6.68)

විස්තීර්ණ ආදායම ප්‍රකාශය	2021 රු. 000	2020 රු. 000
<b>වර්ෂයට අදාළ ලාභය/(අලාභය)</b>	<b>529,044</b>	<b>(1,108,305)</b>
<b>අනෙකුත් විස්තීර්ණ ආදායම්/(වියදම්)</b>		
ඉදිරි කාලසීමාවන්හි ලාභඅලාභ වලට නැවත වර්ග කරනු ලබන අනෙකුත් විස්තීර්ණ ආදායම්/(වියදම්) (බදු වලට ශුද්ධ)		
සාධාරණ අගයට නම් කල මූල්‍ය වත්කම් මත ප්‍රත්‍යාගණන ලාභය/(අලාභය)	(22,217)	6,737
<b>ඉදිරි කාල සීමාවන්හි ලාභ අලාභ වලට නැවත වර්ග කරනු ලබන අනෙකුත් ශුද්ධ විස්තීර්ණ ආදායම්/(වියදම්)</b>	<b>(22,217)</b>	<b>6,737</b>
<b>ඉදිරි කාල සීමාවන්හි ලාභ අලාභ වලට නැවත වර්ග නොකරනු ලබන අනෙකුත් විස්තීර්ණ ආදායම්/(වියදම්) (බදු වලට ශුද්ධ)</b>		
නිර්ණය කරන ලද ප්‍රතිලාභ සැලසුම් මත පීඩ ගණන ලාභ/(අලාභ)	59,658	(53,290)
අනෙකුත් විස්තීර්ණ ආදායම් සංරචක වලට අදාළ විලම්භිත බදු	(16,449)	14,921
<b>ඉදිරි කාල සීමාවන්හි ලාභ අලාභ වලට නැවත වර්ග නොකරනු ලබන අනෙකුත් ශුද්ධ විස්තීර්ණ ආදායම්/(වියදම්)</b>	<b>43,209</b>	<b>(38,369)</b>
වර්ෂය සඳහා වන වෙනත් විස්තීර්ණ ආදායම්/(වියදම්), බදු ගෙවූ පසු	20,992	(31,632)
<b>වර්ෂය සඳහා වන මුළු විස්තීර්ණ ආදායම්/(වියදම්), බදු ගෙවූ පසු</b>	<b>550,036</b>	<b>(1,139,937)</b>

මූල්‍ය තත්ත්වය ප්‍රකාශනය	2021 රු. 000	2020 රු. 000
<b>වත්කම්</b>		
මුදල් සහ මුදල් සමාන දෑ	1,191,374	683,924
බැංකු සහ මූල්‍ය ආයතනවල තැන්පතු	246,166	357,928
ලාභ අලාභ මගින් සාධාරණ අගයට නම් කල මූල්‍ය වත්කම්	341,547	950,012
ණය සහ අන්තිකාරම් ක්‍රමක්ෂය පිරිවැය යටතේ	28,184,638	26,785,517
අනෙකුත් විස්තීර්ණ ආදායම් හරහා සාධාරණ අගයට නම් කල මූල්‍ය වත්කම්	1,989,169	1,292,616
මූල්‍ය ආයෝජන ක්‍රමක්ෂය පිරිවැය යටතේ	-	1,519
දේපල වෙළඳාම් තොගය	175,816	330,188
ආශ්‍රිතයන් හි ආයෝජන	81,084	81,084
පරිපාලන යන්ත්‍රණ ආයෝජන	371,404	387,424
දේපල උපකරණ හා භාවිතයට ආයිතිය ඇති වත්කම්	107,703	114,370
දේපල උපකරණ හා භාවිතයට ආයිතිය ඇති වත්කම්	607,185	758,690
අස්පෘශ්‍ය වත්කම්	128,578	146,493
විලම්භිත බදු වත්කම්	-	52,760
වෙනත් වත්කම්	852,795	463,670
<b>මුළු වත්කම්</b>	<b>34,277,459</b>	<b>32,406,195</b>
<b>වගකීම්</b>		
බැංකුවලට ගෙවිය යුතු	4,116,812	5,436,682
ගනුදෙනුකරුවන්ට ගෙවිය යුතු ක්‍රමක්ෂය පිරිවැය යටතේ	22,267,862	21,725,261
නිකුත් කල ණය හා අනෙකුත් ණය ගැනීම් ක්‍රමක්ෂය පිරිවැය යටතේ	2,381,579	2,568,828
වර්තමාන බදු වගකීම්	178,898	14,831
විලම්භිත බදු වගකීම්	78,301	-
අනෙකුත් වගකීම්	764,118	840,836
විශ්‍රාමික ප්‍රතිලාභ බැඳීම්	320,934	351,906
<b>මුළු වගකීම්</b>	<b>30,108,504</b>	<b>30,938,344</b>
<b>හිමිකම්</b>		
ප්‍රකාශිත ප්‍රාග්ධන	4,276,448	2,124,457
ව්‍යවස්ථාපිත සංචිත අරමුදල	339,996	234,613
රඳවා ගත් ඉපැයුම්	(427,847)	(893,794)
අලෙවිකල හැකි සංචිත	(19,642)	2,575
<b>මුළු හිමිකම්</b>	<b>4,168,955</b>	<b>1,467,851</b>
<b>මුළු හිමිකම් සහ වගකීම්</b>	<b>34,277,459</b>	<b>32,406,195</b>
අසම්භාව්‍ය වගකීම් සහ බැඳීම්	102,400	107,800
කොටසකට ශුද්ධ වත්කම් අගය (රු.)	16.08	8.85

තෝරාගත් කාර්ය සාධක දර්ශක	2021/12/31 දිනට (විගණනය නොකල)	2020/12/31 දිනට (විගණනය නොකල)
<b>නියාමන ප්‍රාග්ධන ප්‍රමාණාත්මතාව</b>		
මූලික ප්‍රාග්ධනය (පළමු පෙල ප්‍රාග්ධනය), රු.000	3,492,691	1,300,793
මුළු ප්‍රාග්ධනය, රු.000	3,681,259	1,649,456
අවදානම මත බර තැබූ වත්කම් මත මූලික ප්‍රාග්ධන ප්‍රමාණාත්මතා අනුපාතය% (අවම අවශ්‍යතාව, 7%)	10.75%	4.41%
අවදානම මත බර තැබූ සමස්ථ ප්‍රාග්ධන ප්‍රමාණාත්මතා අනුපාතය% (අවම අවශ්‍යතාව, 11%)	11.33%	5.59%
ප්‍රාග්ධන අරමුදලට තැන්පත් වගකීම් අනුපාතය (අවම අවශ්‍යතාව, 10%)	20.50%	10.46%
<b>වත්කම්වල ගුණත්වය (ණය කළමි තත්වය)</b>		
දළ අක්‍රීය ණය, රු.000	5,352,157	5,383,243
දළ අක්‍රීය ණය අනුපාතය %	15.92%	17.05%
ශුද්ධ අක්‍රීය ණය අනුපාතය %	6.01%	7.49%
<b>ලාභදායීත්වය (%)</b>		
පොලී ආන්තිකය	9.42%	4.50%
වත්කම් මත ප්‍රතිලාභය (බදු පෙර)	1.59%	(3.19%)
හිමිකම් මත ප්‍රතිලාභය (බදු පසු)	18.77%	(54.39%)
<b>නියාමන ද්‍රවශීලතාවය (රු. 000)</b>		
අවශ්‍ය අවම ද්‍රවශීල වත්කම් ප්‍රමාණය	2,563,952	1,531,136
පවත්නා ද්‍රවශීල වත්කම් ප්‍රමාණය	3,252,670	2,087,485
අවශ්‍ය අවම රජයේ සුරැකුම්පත් ප්‍රමාණය	1,991,713	1,492,242
පවත්නා රජයේ සුරැකුම්පත් ප්‍රමාණය	2,599,103	1,517,503
<b>නාමික තොරතුරු</b>		
සේවක සංඛ්‍යාව	982	976
ශාඛා සංඛ්‍යාව	39	40
අනෙකුත් මධ්‍යස්ථාන ගණන	9	9

**සහතික කිරීම**  
 මර්චන්ට් බැංකු ඔෆ් ශ්‍රී ලංකා ඇන්ඩ් ෆිනෑන්ස් පීඑල්සී හි ප්‍රධාන මූල්‍ය කළමණාකරු සහ ප්‍රධාන විධායක නිලධාරී වශයෙන් පහත අත්සන් තබන අපි:

(අ) ඉහත මූල්‍ය ප්‍රකාශන ශ්‍රී ලංකා මහ බැංකුව විසින් නිර්දේශ කරන ලද ආකෘතීන් හා නිර්වචන වලට අනුව පිළියෙල කර ඇති බවත්,  
 (ආ) මෙම ප්‍රකාශනයන් හි අඩංගු තොරතුරු උපුටාගෙන ඇත්තේ ලියාපදිංචි කල මූල්‍ය සමාගම් විගණනය කරන ලද වාර්ෂික මූල්‍ය ප්‍රකාශන වලිනි. නො වියේ නම් "විගණනය නොකළ" බව සඳහන් කර ඇත.

(අත්සන් කළේ) (අත්සන් කළේ)  
**පී අයි කන්දනාරච්චි** (අත්සන් කළේ)  
 මූල්‍ය ප්‍රධානී ඉදිරි විධායක නිලධාරී  
 30 මාර්තු 2022 30 මාර්තු 2022



Chairman  
 Merchant Bank of Sri Lanka and Finance PLC  
 Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Merchant Bank of Sri Lanka and Finance PLC and its subsidiary for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

**1. Financial Statements**  
**1.1 Opinion**  
 The audit of the Financial Statements of the Merchant Bank of Sri Lanka and Finance PLC (the "Company") and the Consolidated Financial Statements of the Company and its subsidiary (the "Group") for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course. To carry out this audit I was assisted by a firm of Chartered Accountants in public practice.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2021 and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**1.2 Basis for Opinion**  
 I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**1.3 Key Audit Matters**  
 Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

Key audit matter	How my audit addressed the key audit matter
Allowance for Impairment Losses on Loans & Receivables at amortised cost Allowance for impairment losses on loans & receivable at amortised cost as stated in Note 12 & 23 is determined by management in accordance with the accounting policies described in Note 3.5.	I assessed the alignment of the Company's expected credit loss model computations and underlying methodology including consideration of COVID-19 impacts and related industry responses with its accounting policies based on the best available information up to the date of my report. My audit procedures included amongst others the following: • I evaluated the design, implementation and operating effectiveness of controls over estimation of impairment, which included assessing the level of oversight, review and approval of provision for impairment policies and procedures by the Board and management. • I checked the completeness and accuracy of the underlying data used in the impairment computation by agreeing details to relevant source documents and accounting records of the Company. I also checked the underlying calculations. • In addition to the above, the following procedures were performed: • <b>For loans &amp; receivables assessed on an individual basis for impairment:</b> - I assessed the reasonableness and timeliness of Management's internal assessments of credit quality based on the borrower's particular circumstances. - I evaluated the reasonableness of key inputs used in the allowance for impairment made with particular focus on the ongoing impact of COVID-19. Such evaluations were carried out considering value and timing of cash flow forecasts, elevated risk industries, status of recovery action and collateral values. • <b>For loans &amp; receivables assessed on a collective basis for impairment:</b> - I tested the key calculations used in the allowance for impairment. - I assessed whether judgments, estimates and assumptions used by the Management in the underlying methodology and the management overlays were reasonable. My testing included evaluating the reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each of those scenarios.
This was a key audit matter due to: • materiality of the reported allowance for impairment losses which involved complex calculations; and • degree of management judgement, significance of assumptions and level of estimation uncertainty associated with its measurement. Key areas of significant judgements, estimates and assumptions used by management in the assessment of the allowance for impairment losses included the following: • management overlays to incorporate the probable ongoing impacts of COVID-19 and related industry responses such as government stimulus packages and debt moratorium relief measures granted by the Company; • the incorporation of forward-looking information to reflect current and anticipated future external factors, including judgments related to the ongoing impact of COVID-19, both in the multiple economic scenarios and the probability weighting determined for each of these scenarios.	
IT systems and controls relevant to financial reporting	I assessed the adequacy of the related financial statement disclosures as set out in Notes 3.5.11, 12, 23 and 49.2. My audit procedures included the following, - I obtained an understanding of the internal control environment of the processes relating to financial reporting and related disclosures. - I identified and test checked relevant controls of key IT systems related to the Company's financial reporting process. - I involved my internal specialized resources to evaluate the design and operating effectiveness of IT controls, including those related to user access and change management. - I also obtained an understanding, primarily through inquiry, of the cyber security risks affecting the Company and the actions taken to address these risks. Further, I checked changes if any have been made to security monitoring procedures, given the increase use of remote working access including the Company's monitoring on remote working activities.

**1.4 Other information included in the Group's 2021 Annual Report**  
 The other information comprises the information included in the Group's 2021 Annual Report, but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Company's 2021 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are identified those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

**1.5 Responsibilities of Management and Those Charged with Governance for the Financial Statements**  
 Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Group is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic Financial Statements to be prepared of the Group.

**1.6 Auditor's Responsibilities for the Audit of the Financial Statements**  
 My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**2. Report on Other Legal and Regulatory Requirements**

- National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.
  - I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) (d) of the Companies Act, No. 7 of 2007 and the section 12 (a) of National Audit Act, No. 19 of 2018.
  - The financial statements of the Company comply with the requirement of section 151 of the Companies Act, No. 07 of 2007.
  - The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
  - The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
- Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;
  - to state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal course of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
  - to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of the section 12 (f) of the National Audit Act, No. 19 of 2018 except for non-compliances that are material are given below,
  - to state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.
  - to state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

W.P.C. Wickramaratne  
 Auditor General

**මර්චන්ට් බැංකු ඔෆ් ශ්‍රී ලංකා ඇන්ඩ් ෆිනෑන්ස් පීඑල්සී**  
 (ලංකා බැංකුවට අනුබද්ධිත ආයතනයකි)  
 ලංකා බැංකු මර්චන්ට් කුළුණ,  
 28, ආන්තික මයිකල් පාර, කොළඹ 03, ශ්‍රී ලංකාව.  
 දුරකථන: 0114 711 711, ෆැක්ස් : 0114 711 765  
 විද්‍යුත් තැපෑල : mbslbank@mbslbank.com  
 වෙබ් අඩවිය : www.mbslbank.com