



Merchant Bank of Sri Lanka & Finance PLC

Unaudited key financial information for the period ended 30th June 2023

Co. Reg. No. PQ 10

Income Statement

	01/01/2023 To 30/06/2023 (Rs. Mn.)	01/01/2022 To 30/06/2022 (Rs. Mn.)
Interest Income	3,230	3,004
Interest Expenses	2,532	1,786
Net Interest Income	698	1,218
Gains/(Losses) from Trading Activities	7	(15)
Other Income	200	(70)
Operating Expenses	(1,175)	(1,215)
Impairment	(97)	(300)
Profit/(Loss) Before Tax	(367)	(382)
Income Tax Reversal/(Expense)	95	(2)
Profit/(Loss) After Tax	(272)	(384)

Statement of Financial Position

	As at 30/06/2023 (Rs.Mn.)	As at 30/06/2022 (Rs.Mn.)
Assets		
Cash and Bank Balance	1,078	662
Government Securities	6,056	4,407
Due from Related Parties	-	116
Loans and advances	20,293	28,554
Investments in Equity	659	598
Investment Properties and Real Estate	171	238
Property, Equipment and Right-of-use Assets	643	563
Intangible Assets	84	110
Other Assets	334	298
Total Assets	29,318	35,546
Liabilities		
Due to Banks	1,474	3,736
Due to Related Parties	1	353
Deposits from Customers	22,320	25,715
Other Borrowings	768	446
Other Liabilities	1,331	1,413
Total Liabilities	25,894	31,663
Equity		
Stated Capital	4,276	4,276
Statutory Reserve Fund	340	340
Retained Earnings	(1,310)	(705)
RLA Reserve	148	-
Other Reserves	(30)	(28)
Total Equity	3,424	3,883
Total Liabilities and Equity	29,318	35,546
Net Assets Value Per Share (Rs.)	6.53	7.40

Selected Key Performance Indicators

Description	As at 30/06/2023		As at 30/06/2022	
	Actual	Required	Actual	Required
Regulatory Capital Adequacy (%)				
Tier 1 Capital Adequacy Ratio	12.31%	8.50%	12.64%	7.00%
Total Capital Adequacy Ratio	15.83%	12.50%	12.26%	11.00%
Capital Funds to Deposit Liabilities Ratio	15.23%	10.00%	14.79%	10.00%
Description	As at 30/06/2023		As at 30/06/2022	
Quality of Loan Portfolio (%)				
Gross Non-Performing Loans Ratio		21.80%		21.13%
Net Non-Performing Loans Ratio		8.95%		10.66%
Net Non-Performing Loans to Core Capital Ratio		56.36%		50.34%
Provision Coverage Ratio		42.98%		53.09%
Profitability (%)				
Net Interest Margin		5.03%		7.67%
Return on Assets		-1.80%		-2.20%
Return on Equity		-15.27%		-19.09%
Cost to Income Ratio		123.55%		101.71%
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)		128.21%		119.47%
Liquid Assets to External Funds		13.04%		12.11%
Memorandum Information				
Number of Branches		48		48
External Credit Rating		BBB+ Stable LRA		BBB+Stable Outlook ICRA

CERTIFICATION:

We, the undersigned, being the Chief Executive Officer, the Head of Finance and the Compliance Officer of Merchant Bank of Sri Lanka & Finance PLC certify jointly that:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL);
- The information contained in these statements have been extracted from the unaudited Financial Statements of the Licensed Finance Company unless indicated as audited.

(Sgd.)
P. I. Kandanaarachchi
Head of Finance
14/08/2023

(Sgd.)
H. K. D. W. M. D. K. Hapuhinna
Chief Executive Officer
14/08/2023

(Sgd.)
A. S. Pinnaduwege
Compliance Officer
14/08/2023

Merchant Bank of Sri Lanka & Finance PLC

(Subsidiary of Bank of Ceylon)

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