


INTERIM FINANCIAL STATEMENTS

For the Period ended 31st December 2024

Rating 'A (lka)'

 **Merchant Bank of
Sri Lanka & Finance PLC**

Co.Reg.No. PQ10

Interim Financial Statements

Statement of Profit or Loss

	Company						Group					
	Quarter ended			Twelve months ended			Quarter ended			Twelve months ended		
	12/31/2024	12/31/2023	Change %	12/31/2024	12/31/2023	Change %	12/31/2024	12/31/2023	Change %	12/31/2024	12/31/2023	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
Income	2,369,446	1,834,277	29.2	7,582,723	7,478,049	1.4	2,533,999	2,025,413	25.1	8,284,798	8,356,704	(0.9)
Interest and similar income	1,641,146	1,662,705	(1.3)	6,207,886	6,559,123	(5.4)	1,702,679	1,737,091	(2.0)	6,463,058	6,915,047	(6.5)
Interest and similar expenses	964,786	1,185,874	(18.6)	4,021,096	4,918,658	(18.2)	961,490	1,180,326	(18.5)	4,003,382	4,897,486	(18.3)
Net interest income	676,360	476,831	41.8	2,186,790	1,640,465	33.3	741,189	556,765	33.1	2,459,676	2,017,561	21.9
Fee and commission income	59,886	35,513	68.6	211,881	123,292	71.9	65,455	44,010	48.7	236,802	157,295	50.5
Fee and commission expenses	21,909	5,943	268.6	43,332	16,757	158.6	20,028	2,176	820.3	31,964	3,774	746.9
Net fee and commission income	37,977	29,570	28.4	168,549	106,535	58.2	45,427	41,834	8.6	204,838	153,521	33.4
Insurance premium income	-	-	-	-	-	-	91,532	130,406	(29.8)	408,020	494,462	(17.5)
Net claims and benefits	-	-	-	-	-	-	(129,982)	(137,020)	5.1	(304,996)	(503,761)	39.5
Net gain/(loss) on financial instruments at fair value through profit or loss	397,978	50,599	686.5	257,327	559,224	(54.0)	400,577	50,194	698.1	261,789	561,446	(53.4)
Other operating income	270,436	85,460	216.4	905,629	236,410	283.1	273,756	63,712	329.7	915,130	228,454	300.6
Total operating income	1,382,751	642,460	115.2	3,518,295	2,542,634	38.4	1,422,499	705,891	101.5	3,944,456	2,951,684	33.6
Impairment charge/(reversal) from loans and other losses	(84,895)	(43,599)	(94.7)	(101,111)	(25,094)	(302.9)	(84,896)	(43,599)	(94.7)	(101,111)	(25,094)	(302.9)
Net operating income	1,467,646	686,059	113.9	3,619,407	2,567,728	41.0	1,507,395	749,490	101.1	4,045,568	2,976,778	35.9
Personnel expenses	362,637	360,762	0.5	1,400,615	1,289,690	8.6	406,109	403,880	0.6	1,579,465	1,491,147	5.9
Depreciation and amortisation	70,780	72,926	(2.9)	291,078	272,869	6.7	79,981	82,114	(2.6)	327,724	309,308	6.0
Other operating expenses	427,676	185,329	130.8	1,082,320	739,416	46.4	485,682	237,339	104.6	1,278,322	943,349	35.5
Total operating expense	861,093	619,017	39.1	2,774,013	2,301,975	20.5	971,772	723,333	34.3	3,185,511	2,743,804	16.1
Profit(loss) from operations	606,553	67,042	804.7	845,393	265,753	218.1	535,623	26,157	1,947.8	860,057	232,974	269.2
Impairment charge/(reversal) from investment in Subsidiary companies	52,007	(95,065)	154.7	4,435	(95,065)	104.7	-	-	-	-	-	-
Profit(loss) from operations after impairment from subsidiary investments	554,546	162,107	242.1	840,958	360,818	133.1	535,623	26,157	1,947.8	860,057	232,974	269.2
Value added tax (VAT) on financial services	139,851	80,026	74.8	342,971	256,312	33.8	139,851	80,027	74.8	342,971	256,312	33.8
Social Security Contribution Levy (SSCL)	19,971	11,314	76.5	50,194	36,599	37.1	19,971	11,313	76.5	50,194	36,599	37.1
Share of associate companies profit/(loss) before tax	-	-	-	-	-	-	22,187	(5,422)	509.2	13,232	29,182	(54.7)
Profit(loss) before income tax	394,724	70,767	457.8	447,792	67,907	559.4	397,988	(70,605)	663.7	480,123	(30,755)	1,661.1
Income tax expense/(reversal)	129,993	(4,737)	2,844.2	204,228	47,019	334.4	143,365	(7,544)	2,000.3	217,599	55,106	294.9
Profit(loss) for the period	264,731	75,504	250.6	243,564	20,888	1,066.0	254,623	(63,061)	503.8	262,524	(85,861)	405.8
Profit(loss) for the period attributable to:												
Equity holders of the parent	264,731	75,504	250.6	243,564	20,888	1,066.0	291,728	(55,554)	625.1	260,093	(82,098)	416.8
Non controlling interests	-	-	-	-	-	-	(37,105)	(7,507)	(394.3)	2,431	(3,763)	164.6
Profit(loss) for the period	264,731	75,504	250.6	243,564	20,888	1,066.0	254,623	(63,061)	503.8	262,524	(85,861)	405.8
Earnings per share:												
Basic/Diluted earnings/(loss) per share (LKR)	0.50	0.14	250.6	0.46	0.04	1,066.0	0.56	(0.11)	625.1	0.50	(0.16)	416.8

Interim Financial Statements

Statement of Comprehensive Income

	Company						Group					
	Quarter ended			Twelve months ended			Quarter ended			Twelve months ended		
	12/31/2024	12/31/2023	Change %	12/31/2024	12/31/2023	Change %	12/31/2024	12/31/2023	Change %	12/31/2024	12/31/2023	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
Profit/(loss) for the period	264,731	75,504	250.6	243,564	20,888	1,066.0	254,623	(63,061)	503.8	262,524	(85,861)	405.8
Other comprehensive income/(expense) for the period												
Actuarial gains/(losses) on defined benefit plans	(45,492)	(63,207)	28.0	(45,492)	(63,207)	28.0	(45,594)	(63,551)	28.3	(45,594)	(63,551)	28.3
Fair value reserves (Financial investments at fair value through other comprehensive income):												
Gains/(Losses) on re-measuring financial investments at fair value through other comprehensive income	3,750	(1,483)	352.8	2,750	(1,515)	281.5	1,813	(842)	315.2	2,750	2,965	(7.3)
Share of associates companies' other comprehensive income	-	-	-	-	-	-	-	(60)	100.0	-	(60)	100.0
Other comprehensive income/(expense) before tax	(41,742)	(64,690)	35.5	(42,742)	(64,722)	34.0	(43,781)	(64,453)	32.1	(42,844)	(60,646)	29.4
Deferred tax (charge)/credit relating to components of other comprehensive income	13,648	18,962	(28.0)	13,648	18,962	(28.0)	13,648	18,962	(28.0)	13,648	18,962	(28.0)
Other comprehensive income/(expense) for the period, net of tax	(28,094)	(45,728)	38.6	(29,094)	(45,760)	36.4	(30,134)	(45,491)	33.8	(29,196)	(41,684)	30.0
Total comprehensive income/(expense) for the period, net of tax	236,637	29,776	694.7	214,470	(24,872)	962.3	224,489	(108,552)	306.8	233,328	(127,545)	282.9
Total comprehensive income/(expense) attributable to:												
Equity holders of the parent	236,637	29,776	694.7	214,470	(24,872)	962.3	262,537	(101,182)	359.5	230,945	(125,693)	283.7
Non controlling interests	-	-	-	-	-	-	(38,048)	(7,370)	(416.3)	2,383	(1,852)	228.7
	236,637	29,776	694.7	214,470	(24,872)	962.3	224,489	(108,552)	306.8	233,328	(127,545)	282.9

Interim Financial Statements

Statement of Financial Position

as at	Company			Group		
	12/31/2024	12/31/2023 (Audited)	Change %	12/31/2024	12/31/2023 (Audited)	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
Assets						
Cash and cash equivalents	752,190	720,397	4.4	850,920	871,126	(2.3)
Placements with banks & financial institutions	203,332	574,588	(64.6)	653,154	645,823	1.1
Financial investments at fair value through profit or loss	8,534,914	8,161,368	4.6	8,547,974	8,169,927	4.6
Loans & receivables at amortised cost	25,942,008	19,054,715	36.1	25,946,502	19,059,962	36.1
Financial investments at fair value through other comprehensive income	16,554	14,348	15.4	135,058	119,221	13.3
Financial investments at amortised cost	3,473,969	3,727,940	(6.8)	4,498,689	5,304,189	(15.2)
Real Estate Stock	40,446	58,158	(30.5)	40,446	58,158	(30.5)
Investment in associate company	81,084	81,084	-	178,169	168,908	5.5
Investment in subsidiary	348,260	352,696	(1.3)	-	-	-
Investment properties	-	95,446	(100.0)	-	95,446	(100.0)
Property, equipment and right-of-use assets	467,355	585,436	(20.2)	545,001	695,697	(21.7)
Intangible assets	61,329	67,117	(8.6)	61,329	69,491	(11.7)
Deferred tax Assets	91,893	54,951	67.2	91,893	64,355	42.8
Other assets	186,674	150,878	23.7	532,217	490,547	8.5
Total assets	40,200,008	33,699,122	19.3	42,081,352	35,812,850	17.5
Liabilities						
Due to banks	8,145,085	2,599,970	213.3	8,146,477	2,603,003	213.0
Due to customers at amortised cost	25,956,175	25,444,119	2.0	25,748,867	25,245,868	2.0
Debt issued and borrowed funds at amortised cost	729,036	741,030	(1.6)	729,036	741,030	(1.6)
Insurance provision - life	-	-	-	456,013	393,030	16.0
Insurance provision - non life	-	-	-	397,423	671,728	(40.8)
Current tax liabilities	208,210	30,055	592.8	208,210	30,055	592.8
Other liabilities	893,187	858,908	4.0	1,447,890	1,406,010	3.0
Retirement benefits obligations	383,173	354,368	8.1	394,128	366,703	7.5
Total liabilities	36,314,866	30,028,450	20.9	37,528,044	31,457,427	19.3
Equity						
Stated capital	4,276,448	4,276,448	-	4,276,448	4,276,448	-
Retained earnings	(1,186,715)	(1,289,648)	8.0	(941,644)	(1,042,034)	9.6
OCI reserve	(22,100)	(31,892)	30.7	(23,870)	(33,607)	29.0
RLA Reserve	424,622	371,590	14.3	424,622	371,590	14.3
Statutory reserves	392,887	344,174	14.2	392,887	344,174	14.2
Total equity attributable to the parent	3,885,142	3,670,672	5.8	4,128,443	3,916,571	5.4
Non controlling interests	-	-	-	424,865	438,852	(3.2)
Total equity	3,885,142	3,670,672	5.8	4,553,308	4,355,423	4.5
Total liabilities and equity	40,200,008	33,699,122	19.3	42,081,352	35,812,850	17.5
Commitments and contingencies	48,858	42,093	16.1	56,665	69,532	(18.5)
Net assets value per share (LKR)	7.41	7.00	5.8	7.87	7.47	5.4

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007
Information contained in these statements have been extracted from the unaudited Financial Statements of the Company unless indicated as "Audited".

(sgd.)
W. K. C. S. Vithana
Chief Financial Officer

(sgd.)
H. K. D. W. M. D. K. Hapuhinna
Chief Executive Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board by,

(sgd.)
Y. A. Jayathilaka
Director

(sgd.)
R. D. Fernando
Director

Colombo, Sri Lanka
21/Feb/2025

Interim Financial Statements

Statement of Changes in Equity

Company	Stated capital LKR ' 000	Statutory reserves LKR ' 000	OCI reserve LKR ' 000	RLA reserve LKR ' 000	Retained profits LKR ' 000	Total equity LKR ' 000
Balance as at 01st January 2023	4,276,448	339,996	(30,377)	54,441	(944,964)	3,695,544
Net profit/(loss) for the period	-	-	-	-	20,888	20,888
Other comprehensive income	-	-	(1,515)	-	(44,245)	(45,760)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	317,149	(317,149)	-
Transfers to statutory reserve fund	-	4,178	-	-	(4,178)	-
Balance as at 31st December 2023	4,276,448	344,174	(31,892)	371,590	(1,289,648)	3,670,672
Balance as at 01st January 2024	4,276,448	344,174	(31,892)	371,590	(1,289,648)	3,670,672
Net profit/(loss) for the period	-	-	-	-	243,564	243,564
Other comprehensive income	-	-	2,750	-	(31,844)	(29,094)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	53,032	(53,032)	-
Transfer to retain earnings	-	-	7,042	-	(7,042)	-
Transfers to statutory reserve fund	-	48,713	-	-	(48,713)	-
Balance as at 31st December 2024	4,276,448	392,887	(22,100)	424,622	(1,186,715)	3,885,142

Group	Stated Capital LKR ' 000	Statutory reserves LKR ' 000	OCI reserve LKR ' 000	RLA reserve LKR ' 000	Retained profits LKR ' 000	Non controlling interest LKR ' 000	Total equity LKR ' 000
Balance as at 01st January 2023	4,276,448	339,996	(34,502)	54,441	(594,119)	440,705	4,482,969
Net profit/(loss) for the period	-	-	-	-	(82,098)	(3,763)	(85,861)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	317,149	(317,149)	-	-
Other comprehensive income	-	-	895	-	(44,490)	1,910	(41,685)
Transfers to statutory reserve fund	-	4,178	-	-	(4,178)	-	-
Balance as at 31st December 2023	4,276,448	344,174	(33,607)	371,590	(1,042,034)	438,852	4,355,423
Balance as at 01st January 2024	4,276,448	344,174	(33,607)	371,590	(1,042,034)	438,852	4,355,423
Net profit/(loss) for the period	-	-	-	-	260,093	2,431	262,524
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	53,032	(53,032)	-	-
Other comprehensive income	-	-	2,695	-	(31,844)	(47)	(29,196)
Transfer to retain earnings	-	-	7,042	-	(7,042)	-	-
Transferred to Policy holder fund on one off surplus	-	-	-	-	(19,072)	(16,371)	(35,443)
Transfers to statutory reserve fund	-	48,713	-	-	(48,713)	-	-
Balance as at 31st December 2024	4,276,448	392,887	(23,870)	424,622	(941,644)	424,865	4,553,308

Interim Financial Statements

Statement of Cash Flows

For the period ended 31st December

	Company		Group	
	2024	2023	2024	2023
	LKR '000	(Audited) LKR '000	LKR '000	(Audited) LKR '000
Cash flows from operating activities				
Profit before income tax	447,792	67,907	480,123	(30,755)
Adjustments for :				
Net Interest Income	(2,186,790)	(1,640,465)	(2,459,676)	(2,017,561)
WHT movement for the year	(6,673)	(1,258)	(6,673)	(1,258)
Impairment charges for loans and other losses	(101,111)	(25,094)	(101,111)	(25,094)
Impairment (reversal)/charge of investment in subsidiary	4,435	(95,065)	-	-
Share of associate company's profit/(loss) before tax	-	-	(13,232)	(29,182)
Depreciation and amortisation	291,078	272,869	327,724	309,308
Profit from sales of real estate	(5,126)	(19,577)	(5,126)	(19,577)
Profit from sales of property & equipment and investment property	(7,893)	(1,558)	(7,893)	(1,558)
Dividend income from associates	-	(24,633)	-	-
Dividend income from financial assets	(10,914)	(8,805)	(10,951)	(9,287)
Contribution to defined benefit plans	73,878	72,052	76,932	75,604
Fair value change of financial assets	(257,327)	(559,224)	(257,429)	(557,310)
	(1,758,652)	(1,962,851)	(1,977,313)	(2,306,670)
Interest paid to customers at amortised cost	(3,587,723)	(4,398,503)	(3,587,723)	(4,398,503)
Interest paid on other borrowings	(627,693)	(457,648)	(639,310)	(474,524)
Interest received on loans & receivables at amortised cost	4,417,787	5,196,452	4,417,787	5,196,452
Interest received on other investment	2,055,740	1,217,138	2,340,243	1,611,110
Gratuity paid	(90,564)	(62,094)	(95,000)	(64,778)
Change in operating assets				
Loans & receivables at amortised cost	(6,760,705)	5,125,038	(6,759,952)	5,122,769
Other operating assets	(122,399)	(276,856)	(128,272)	(225,809)
Change in operating liabilities				
Due to customers at amortised cost	758,762	1,956,127	758,762	1,956,127
Payments made under operating leases	(217,667)	(204,952)	(251,905)	(238,460)
Insurance provision	-	-	(246,764)	66,339
Other liabilities	206,453	318,488	248,293	370,617
Net cash generated from/(used in) operating activities before tax	(5,726,661)	6,450,339	(5,921,154)	6,614,670
Income tax paid	(42,693)	(66,900)	(42,693)	(66,900)
Net cash generated from/(used in) operating activities	(5,769,354)	6,383,439	(5,963,847)	6,547,770
Cash flows from investing activities				
Net increase/(decrease) in financial investments at amortised cost	160,245	662,107	698,144	619,873
Net (increase)/decrease in placements with banks & financial institutions	350,000	(403,000)	(37,645)	(468,889)
Net (increase)/decrease in investment of government securities at FVTPL	(401,113)	(6,968,774)	(401,113)	(6,968,774)
Net (increase)/decrease in other financial investments at FVTPL	205,020	(73,544)	200,520	(73,544)
Proceeds from real estate stock	22,839	58,356	22,839	58,356
Purchase of property & equipment	(48,759)	(27,437)	(50,414)	(43,212)
Purchase of intangible assets	(35,407)	(2,041)	(35,407)	(2,041)
Proceeds from sale of property & equipment and investment property	11,179	3,276	11,179	3,276
Dividends received	10,914	33,438	10,951	9,287
Net cash generated from/(used in) investing activities	274,918	(6,717,619)	419,054	(6,865,668)
Cash flows from financing activities				
Net increase/(decrease) reverse repo agreements	2,400,000	(250,000)	2,400,000	(250,000)
Net increase/(decrease) in other borrowings at amortised cost	2,965,000	671,018	2,965,000	615,589
Net cash generated from/(used in) financing activities	5,365,000	421,018	5,365,000	365,589
Net increase / (decrease) in cash and cash equivalents during the period	(129,436)	86,838	(179,793)	47,691
Cash and cash equivalents at the beginning of the period	683,502	596,664	831,197	783,507
Cash and cash equivalents at the end of the period	554,066	683,502	651,404	831,198
Note				
Analysis of Cash and Cash Equivalents				
Cash and short term funds	752,190	720,397	850,920	871,126
Dues to banks	(198,124)	(36,895)	(199,516)	(39,928)
	554,066	683,502	651,404	831,198

Reporting entity

Merchant Bank of Sri Lanka & Finance PLC is a public quoted company incorporated and domiciled in Sri Lanka on 04 March 1982. The registered office and principal place of business of the Company is located at the Bank of Ceylon Merchant Tower, No. 28, St Michael's Road, Colombo 03. The shares of the Company are listed in the Colombo Stock Exchange.

In the opinion of the Directors, the Company's parent enterprise and its ultimate parent enterprise is Bank of Ceylon.

The consolidated Financial Statements comprises of the Company, it's subsidiary: MBSL Insurance Company Ltd and it's interest in associate; Lanka Securities Ltd.

The consolidated Financial Statements for the period ended were authorized for issue on 21st February 2025, in accordance with the resolution of the Directors passed on 21st February 2025.

Basis of preparation and accounting policies

The interim condensed Financial Statements for the period ended 31st December 2024 have been prepared in accordance with LKAS 34 - 'Interim Financial Reporting'. The interim condensed consolidated Financial Statements do not include all the information and disclosures required in the annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements.

There were no changes to the Accounting Policies and methods of computation since the publication of the last Annual Audited Financials except the Group changes its business model for managing its financial assets and financial liabilities.

All known expenses including fees and similar expenses have been provided in this Financial Statements.

Measurement of Financial Instruments

Company	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
As at								
Financial assets								
Cash and cash equivalents	-	-	752,190	720,397	-	-	752,190	720,397
Placements with banks & financial institutions	-	-	203,332	574,588	-	-	203,332	574,588
Financial investments at fair value through profit or loss	8,534,914	8,161,368	-	-	-	-	8,534,914	8,161,368
Loans & receivables at amortised cost	-	-	25,942,008	19,054,715	-	-	25,942,008	19,054,715
Financial investments at fair value through other comprehensive income	-	-	-	-	16,554	14,348	16,554	14,348
Financial investments at amortised cost	-	-	3,473,969	3,727,940	-	-	3,473,969	3,727,940
Other assets	-	-	78,232	70,068	-	-	78,232	70,068
Total	8,534,914	8,161,368	30,449,731	24,147,708	16,554	14,348	39,001,199	32,323,424

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Other Financial liabilities				
Due to banks	8,145,085	2,599,970	8,145,085	2,599,970
Due to customers at amortised cost	25,956,175	25,444,119	25,956,175	25,444,119
Debt issued and borrowed funds at amortised cost	729,036	741,030	729,036	741,030
Other liabilities	132,820	151,273	132,820	151,273
Total	34,963,116	28,936,392	34,963,116	28,936,392

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
As at								
Financial assets								
Cash and cash equivalents	-	-	850,920	871,126	-	-	850,920	871,126
Placements with banks & financial institutions	-	-	653,154	645,823	-	-	653,154	645,823
Financial investments at fair value through profit or loss	8,547,974	8,169,927	-	-	-	-	8,547,974	8,169,927
Loans & receivables at amortised cost	-	-	25,946,502	19,059,962	-	-	25,946,502	19,059,962
Financial investments at fair value through other comprehensive income	-	-	-	-	135,058	119,221	135,058	119,221
Financial investments at amortised cost	-	-	4,498,689	5,304,189	-	-	4,498,689	5,304,189
Other assets	-	-	78,231	70,068	-	-	78,231	70,068
Total	8,547,974	8,169,927	32,027,496	25,951,168	135,058	119,221	40,710,528	34,240,316

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Other Financial liabilities				
Due to banks	8,146,477	2,603,003	8,146,477	2,603,003
Due to customers at amortised cost	25,748,867	25,245,868	25,748,867	25,245,868
Debt issued and borrowed funds at amortised cost	729,036	741,030	729,036	741,030
Other liabilities	132,820	151,273	132,820	151,273
Total	34,757,200	28,741,174	34,757,200	28,741,175

Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2024	2023	2024	2023
Impairment charge/(reversal) from loans and other losses				
Impairment from Loans and advances-individual impairment	839,108	(756,994)	839,108	(756,994)
Impairment from Loans and advances-collective impairment	(1,090,261)	674,261	(1,090,261)	674,261
Write off	53,845	48,973	53,845	48,973
Cash and cash equivalent	(25)	28	(25)	28
Placements with banks & financial institutions	(66)	(35)	(66)	(35)
Other losses	96,288	8,673	96,288	8,673
	(101,111)	(25,094)	(101,111)	(25,094)
Individual impairment charge/(reversal)				
As at 01 January	898,181	1,655,176	1,655,176	1,902,229
Charge/(reversal) to income statement from loans and advances	785,263	(756,994)	785,263	(756,994)
Write off	53,845	-	53,845	-
As at 31st December	1,737,289	898,182	2,494,284	1,145,235
Collective impairment charge/(reversal)				
As at 01 January	1,761,303	1,087,042	1,087,042	1,575,108
Charge/(reversal) to income statement from loans and advances	(1,090,261)	674,261	(1,090,261)	674,261
Write off	-	-	-	-
As at 31st December	671,042	1,761,303	(3,219)	2,249,369
Loans and advances impairment	2,408,331	2,659,485	2,491,065	3,394,604

Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- The Leasing segment includes providing Finance Leases and Hire Purchase facilities.
- The Loan segment includes providing personal loans, pawning, term loans, bill discounting, cheque discounting, micro finance and bank guarantees.
- Corporate advisory includes corporate advisory services and capital market activities.
- The insurance includes general and life insurance.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects.

The following table presents income, profit and asset information regarding the Group's operating segments for the period ended 31st December 2024 and comparative figures for the period ended 31st December 2023.

Group	Leasing		Loans		Corporate Advisory & Capital Markets		Insurance		Eliminations / Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000
For the Period ended 31st December												
Revenue from external customers												
Interest and similar income	2,007,987	1,703,257	2,051,088	2,589,853	287,991	626,036	284,503	393,972	1,831,489	1,601,929	6,463,058	6,915,047
Interest and similar expenses	983,808	1,291,634	1,239,115	1,639,601	221,893	336,843	11,617	16,876	1,546,949	1,612,532	4,003,382	4,897,486
Net interest income	1,024,179	411,623	811,973	950,252	66,098	289,193	272,886	377,096	284,540	(10,603)	2,459,676	2,017,561
Net fee and commission income	95,499	55,379	54,792	38,723	-	300	36,290	46,986	18,257	12,133	204,838	153,521
Insurance premium income	-	-	-	-	-	-	408,020	494,462	-	-	408,020	494,462
Net claims and benefits	-	-	-	-	-	-	(304,996)	(503,761)	-	-	(304,996)	(503,761)
Real estate profit	-	-	5,126	19,576	-	-	-	-	-	-	5,126	19,576
Trading and other income	28,936	17,972	31,414	13,411	175,586	16,438	13,962	20,828	921,895	701,674	1,171,792	770,324
Total operating income	1,148,614	484,974	903,305	1,021,962	241,684	305,931	426,162	435,611	1,224,692	703,204	3,944,456	2,951,684
Impairment (charges)/reversal for loans and other losses	21,830	300,324	(23,669)	31,276	156,796	(255,668)	-	-	(53,846)	(50,838)	101,111	25,094
Net operating income	1,170,444	785,298	879,636	1,053,238	398,480	50,263	426,162	435,611	1,170,846	652,366	4,045,567	2,976,778
Personnel expenses	(345,195)	(341,311)	(434,776)	(433,261)	(14,127)	(16,270)	(178,850)	(201,457)	(606,517)	(498,848)	(1,579,465)	(1,491,147)
Depreciation and amortisation	(71,739)	(72,214)	(90,356)	(91,668)	(161)	(1,263)	(36,645)	(36,438)	(128,822)	(107,725)	(327,724)	(309,308)
Other operating expenses	(266,748)	(195,683)	(335,971)	(248,401)	(44,502)	(57,018)	(223,518)	(203,933)	(407,582)	(238,314)	(1,278,321)	(943,349)
Segment result	486,762	176,090	18,533	279,908	339,690	(24,288)	(12,851)	(6,217)	27,925	(192,521)	860,057	232,974
Profit/(loss) from operations after impairment from subsidiary investments											860,057	232,974
Value added tax on financial services											(342,971)	(256,312)
Social Security Contribution Levy (SSCL)											(50,194)	(36,599)
Share of associate company's profit/(loss) before tax											13,232	29,182
Profit/(loss) before income tax											480,123	(30,755)
Income tax expense											(217,599)	(55,106)
Profit/(loss) for the period											262,524	(85,861)
Assets												
Capital expenditures												
Property, equipment and right-of-use assets	12,017	7,039	15,136	9,271	2,710	2,155	1,655	15,775	18,896	8,973	50,414	43,212
Intangible assets	8,726	524	10,991	690	1,968	160	-	-	13,721	667	35,407	2,041
Total segment assets	10,819,006	7,680,022	13,437,446	9,658,898	1,997,934	2,147,794	2,339,829	2,576,853	13,487,137	13,749,282	42,081,352	35,812,850
Total segment liabilities	9,698,040	6,665,379	12,045,182	8,561,851	1,790,926	1,893,140	1,420,485	1,627,228	12,573,411	12,709,831	37,528,044	31,457,429

Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 31/12/2024	Market Values			Interest Rates		Interest rate of comparable Government Security %	Interest yield			Yield to Maturity		
			LKR' 000	Highest LKR.	Lowest LKR.	Period end LKR.	Coupon Rate	Effective Annual Yield		Highest	Lowest	Last traded	Highest	Lowest	Last traded
Fixed Rate															
Nov 2022 - Nov 2027	Listed	Annually	23,990	Not traded during the quarter			24.00%	24.00%	9.88%	Not traded during the quarter			Not traded during the quarter		
Nov 2022 - Nov 2027	Listed	Bi Annually	32,880	Not traded during the quarter			23.50%	24.88%	9.88%	Not traded during the quarter			Not traded during the quarter		
Floating Rate															
Nov 2022 - Nov 2027	Listed	Quarterly	10,830	Not traded during the quarter			One Year Avg T Bill Rate + 300 basis points		9.88%	Not traded during the quarter			Not traded during the quarter		
Fixed Rate															
April 2023 - April 2028	Listed	Annually	276,660	Not traded during the quarter			29.50%	29.50%	10.24%	Not traded during the quarter			Not traded during the quarter		
April 2023 - April 2028	Listed	Bi Annually	255,140	Not traded during the quarter			28.00%	29.96%	10.24%	Not traded during the quarter			Not traded during the quarter		
April 2023 - April 2028	Listed	At maturity	91,030	Not traded during the quarter			30.00%	24.57%	10.24%	Not traded during the quarter			Not traded during the quarter		
Total Debentures			690,530												

All debentures are unsecured. Company has not repurchased any of its own debts and has not had any default of principal, interest or other breaches with regard to all liabilities during the period.

Debenture issue proceeds utilization as at 31st December 2024

No.	Objective as per the prospectus	Amount allocated as per prospectus	Date of Utilization	Amount allocated from proceed LKR (A)	% of Total Proceeds	Amount Utilized in LKR (B)	% of Utilization (B/A)	Clarification if not fully utilized
1	Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 67.7 Mn during the year 2022							
a.	The funds raised through this Debenture Issue utilized to increase the medium term fund base to match the medium to long term lending portfolio.					67,700,000	100%	N/A
b.	To enhance the Total Capital base of the Company, for which the Company has obtained approval from the Central Bank of Sri Lanka (CBSL).	67,700,000	16-Nov-22	67,700,000	100%	40,620,000	60%	Discounting of the amount counted as capital by 1/5 each year during the four years preceding the maturity.
2	Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 622.83 Mn during the year 2023							
a.	The funds raised through this Debenture Issue utilized to meet the regulatory capital requirements of the company (tier II)	622,830,000	10-Apr-23	622,830,000	100%	498,264,000	80%	Discounting of the amount counted as capital by 1/5 each year during the four years preceding the maturity.
b.	To reduce the maturity mismatch by increasing the medium term fund base to					622,830,000	100%	N/A

Events after the statement of financial position date

We wish to inform that, Mr. A. J. Ismail appointed as a Non-Independent, Non-Executive Directors to the Board with effect from 30th January 2025.

Information on ordinary shares

As at		12/31/2024	12/31/2023
Net asset per share (LKR)	- Company	7.41	7.00
	- Group	7.87	7.47

Market price per share recorded during the quarter ended 31st December (LKR)

		2024	2023
	-High	6.30 (30-12-2024)	6.30 (7-8-2023)
	-Low	5.10 (25-11-2024)	3.30 (4-7-2023)
	-Last Transaction	6.00 (31-12-2024)	5.00 (27-9-2023)

As at		12/31/2024	12/31/2023
Number of shares issued		524,539,637	524,539,637
Stated capital (LKR)		4,276,447,883	4,276,447,883

Ratios as at		12/31/2024	12/31/2023
Debt/Equity Ratio*		2.3	0.9
Statutory Liquid Asset Ratio		31.19%	13.41%

*Debt to Equity Ratio has been computed without considering Due to Customers balances.

Ratios for the period ended		12/31/2024	12/31/2023
Interest Cover		1.111	1.014

The Float adjusted market capitalization as at 31st December 2024 - Rs. 487,773,432

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (a), of the Listing Rules of the Colombo Stock Exchange and in terms of section 7.14.1 of the listing rule of the Colombo Stock Exchange, upon being transferred to the Diri Savi Borad of the CSE w.e.f. 26th April 2023, the Company is now compliant with the minimum public holding requirement.

Upgrading of Rating

On 24th January 2025, Fitch Ratings has upgraded the National Long-Term Ratings of the Company to 'A(Ika)' from 'BBB+(Ika)'; Outlook Stable.

Twenty largest share holders as at 31st December 2024

	Name of the share holder	No. of Shares	Holding %
01	Bank of Ceylon No. 1 Account	401,577,367	76.56%
02	BOC Property Development & Management (Pvt) Ltd	41,666,682	7.94%
03	Bank of Ceylon A/C Ceybank Unit Trust	11,798,960	2.25%
04	Hatton National Bank PLC/Dinesh Nagendra Sellamuttu	5,320,722	1.01%
05	Mr. J A S M Jayawickrama	5,043,278	0.96%
06	Mr. A.M. Weerasinghe	3,227,403	0.62%
07	Thread Capital (Private) Limited	1,905,000	0.36%
08	Hatton National Bank PLC/Ravindra Erle Rambukwelle	1,325,000	0.25%
09	Amaliya Private Limited	1,317,656	0.25%
10	Mr. B.T. Prathapasinghe	1,121,250	0.21%
11	Mr. A.S.A.Fernando	1,000,000	0.19%
12	People's Leasing & Finance PLC/Mr.R.R.S.Ananda	960,200	0.18%
13	Mrs. S.M.D.R. Samarasinghe	779,171	0.15%
14	Seylan Bank PLC/A.C.Senanka	772,835	0.15%
15	People's Leasing & Finance PLC/L.P.Hapangama	715,627	0.14%
16	Mr. L.H.L.M.P.Haradasa	625,010	0.12%
17	Mr. V. K. A. M. Karunaratne	607,480	0.12%
18	Seylan Bank PLC/ Ms.L.A.M.Gunasekera	600,000	0.11%
19	Dr. P.M.C.B.Digana	595,005	0.11%
20	Dialog Finance PLC/K.W.J.P.L. Perera	593,725	0.11%

The percentage of shares held by the public as at 31st December 2024 was 15.50% and the number of public shareholders as at 31st December 2024 were 10,864

Directors' shareholding as at 31st December 2024

Name of the Director	No. of Shares
Mr. A. M. A. Perera	Nil
Prof. N. S. Punchihewa	Nil
Mr. G. A. Jayashantha	Nil
Mr. J. D. V. N. Jayasinghe	Nil
Mr. R. M. N. Jeewantha	Nil
Mr. H. P. K. Silva	Nil
Mr. Y. A. Jayathilaka	Nil
Ms. R. D. Fernando	Nil

CEO's shareholding as at 31st December 2024

Mr. H. K. D. W. M. D. K. Hapuhinna	Nil
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