

INTERIM FINANCIAL STATEMENTS

For the Period ended 30th September 2025

Rating 'A (lka)'



Co.Reg.No. PQ10

Interim Financial Statements

Statement of Profit or Loss

	Company						Group					
	Quarter ended			Nine months ended			Quarter ended			Nine months ended		
	9/30/2025	9/30/2024	Change %	9/30/2025	9/30/2024	Change %	9/30/2025	9/30/2024	Change %	9/30/2025	9/30/2024	Change %
	LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000	
Income	2,140,298	1,514,203	41.3	5,747,408	5,213,275	10.2	2,210,768	1,671,990	32.2	6,093,681	5,750,799	6.0
Interest and similar income	1,905,697	1,552,363	22.8	5,179,325	4,566,739	13.4	1,951,310	1,606,474	21.5	5,332,481	4,760,379	12.0
Interest and similar expenses	1,114,985	945,805	17.9	3,030,216	3,056,309	(0.9)	1,113,499	942,226	18.2	3,022,601	3,041,892	(0.6)
Net interest income	790,712	606,558	30.4	2,149,109	1,510,430	42.3	837,811	664,248	26.1	2,309,880	1,718,487	34.4
Fee and commission income	66,746	81,074	(17.7)	179,146	151,994	17.9	73,168	88,175	(17.0)	197,754	171,347	15.4
Fee and commission expenses	24,367	3,925	520.8	68,362	21,423	219.1	23,199	2,006	1,056.5	63,682	11,935	433.6
Net fee and commission income	42,379	77,149	(45.1)	110,784	130,571	(15.2)	49,969	86,169	(42.0)	134,072	159,412	(15.9)
Insurance premium income	-	-	-	-	-	-	66,776	92,745	(28.0)	217,209	316,488	(31.4)
Net claims and benefits	-	-	-	-	-	-	(127,007)	(75,903)	(67.3)	(331,979)	(175,014)	(89.7)
Net gain/(loss) on financial instruments at fair value through profit or loss	39,237	(158,788)	124.7	211,277	410,002	(48.5)	44,295	(159,470)	127.8	216,705	411,864	(47.4)
Other operating income	128,618	39,554	225.2	177,660	84,540	110.2	75,219	44,066	70.7	129,532	90,721	42.8
Total operating income	1,000,946	564,473	77.3	2,648,830	2,135,543	24.0	947,062	651,855	45.3	2,675,419	2,521,958	6.1
Impairment charge/(reversal) from loans and other losses	(11,242)	54,759	(120.5)	(22,374)	5,047	(543.3)	(11,242)	54,759	(120.5)	(22,374)	5,047	(543.3)
Net operating income	1,012,188	509,714	98.6	2,671,204	2,130,496	25.4	958,305	597,096	60.5	2,697,793	2,516,911	7.2
Personnel expenses	381,955	344,106	11.0	1,125,110	1,037,978	8.4	417,270	390,526	6.8	1,242,173	1,173,356	5.9
Depreciation and amortisation	76,593	71,661	6.9	216,328	220,298	(1.8)	85,271	80,839	5.5	243,038	247,743	(1.9)
Other operating expenses	251,383	209,299	20.1	657,963	633,381	3.9	265,405	254,204	4.4	745,115	771,377	(3.4)
Total operating expense	709,931	625,066	13.6	1,999,401	1,891,657	5.7	767,946	725,569	5.8	2,230,326	2,192,476	1.7
Profit/(loss) from operations	302,257	(115,352)	362.0	671,803	238,839	181.3	190,358	(128,473)	248.2	467,467	324,435	44.1
Impairment charge/(reversal) from investment in Subsidiary companies	-	(47,571)	100.0	-	(47,572)	100.0	-	-	-	-	-	-
Profit/(loss) from operations after impairment from subsidiary investments	302,257	(67,781)	545.9	671,803	286,411	134.6	190,358	(128,473)	248.2	467,467	324,435	44.1
Value added tax (VAT) on financial services	91,667	42,351	116.4	261,406	203,120	28.7	91,667	42,351	116.4	261,406	203,120	28.7
Social Security Contribution Levy (SSCL)	13,438	6,903	94.7	38,428	30,223	27.1	13,438	6,903	94.7	38,428	30,223	27.1
Share of associate companies profit/(loss) before tax	-	-	-	-	-	-	45,541	(5,512)	926.3	78,749	(8,955)	979.4
Profit/(loss) before income tax	197,152	(117,035)	268.5	371,969	53,068	600.9	130,795	(183,239)	171.4	246,382	82,137	200.0
Income tax expense/(reversal)	66,568	(37,908)	275.6	169,935	74,235	128.9	80,238	(37,908)	311.7	193,567	74,235	160.8
Profit/(loss) for the period	130,584	(79,127)	265.0	202,034	(21,167)	1,054.5	50,557	(145,331)	134.8	52,815	7,902	568.3
Profit/(loss) for the period attributable to:												
Equity holders of the parent	130,584	(79,127)	265.0	202,034	(21,167)	1,054.5	73,784	(139,270)	153.0	118,739	(31,634)	475.4
Non controlling interests	-	-	-	-	-	-	(23,227)	(6,061)	(283.2)	(65,924)	39,536	(266.7)
Profit/(loss) for the period	130,584	(79,127)	265.0	202,034	(21,167)	1,054.5	50,557	(145,331)	134.8	52,815	7,902	568.3
Earnings per share:												
Basic/Diluted earnings/(loss) per share (LKR)	0.25	(0.15)	265.0	0.39	(0.04)	1,054.5	0.14	(0.27)	153.0	0.23	(0.06)	475.4

Interim Financial Statements

Statement of Comprehensive Income

	Company						Group					
	Quarter ended			Nine months ended			Quarter ended			Nine months ended		
	9/30/2025	9/30/2024	Change %	9/30/2025	9/30/2024	Change %	9/30/2025	9/30/2024	Change %	9/30/2025	9/30/2024	Change %
	LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000	
Profit/(loss) for the period	130,584	(79,127)	265.0	202,034	(21,167)	1,054.5	50,557	(145,331)	134.8	52,815	7,902	568.3
Other comprehensive income/(expense) for the period												
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
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	9,254	1,328	597.0	13,004	(1,000)	1,400.4	7,355	1,328	454.0	9,842	937	950.4
Other comprehensive income/(expense) before tax	9,254	1,328	597.0	13,004	(1,000)	1,400.4	7,355	1,328	454.0	9,842	937	950.4
Deferred tax (charge)/credit relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income/(expense) for the period, net of tax	9,254	1,328	597.0	13,004	(1,000)	1,400.4	7,355	1,328	454.0	9,842	937	950.4
Total comprehensive income/(expense) for the period, net of tax	139,838	(77,799)	279.7	215,038	(22,167)	1,070.1	57,912	(144,003)	140.2	62,657	8,839	608.8
Total comprehensive income/(expense) attributable to:												
Equity holders of the parent	139,838	(77,799)	279.7	215,038	(22,167)	1,070.1	143,629	(137,942)	204.1	191,654	(31,592)	706.7
Non controlling interests	-	0	(100.0)	-	-	-	(85,717)	(6,061)	(1,314.3)	(128,997)	40,431	(419.1)
	139,838	(77,799)	279.7	215,038	(22,167)	1,070.1	57,912	(144,003)	140.2	62,657	8,839	608.8

Interim Financial Statements

Statement of Financial Position

as at	Company			Group		
	9/30/2025	12/31/2024 (Audited)	Change %	9/30/2025	12/31/2024 (Audited)	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
Assets						
Cash and cash equivalents	749,559	752,190	(0.3)	1,164,690	854,028	36.4
Placements with banks & financial institutions	-	203,332	(100.0)	441,442	644,044	(31.5)
Financial investments at fair value through profit or loss	8,093,896	8,534,914	(5.2)	8,123,127	8,547,974	(5.0)
Loans & receivables at amortised cost	36,566,791	25,942,008	41.0	36,568,097	25,946,502	40.9
Financial investments at fair value through other comprehensive income	54	16,554	(99.7)	109,295	135,058	(19.1)
Financial investments at amortised cost	2,855,589	3,473,969	(17.8)	3,465,706	4,498,689	(23.0)
Real Estate Stock	30,456	40,446	(24.7)	30,456	40,446	(24.7)
Investment in associate company	81,084	81,084	-	171,673	178,169	(3.6)
Investment in subsidiary	348,261	348,261	(0.0)	-	-	-
Property, equipment and right-of-use assets	1,050,276	467,355	124.7	1,103,097	542,233	103.4
Intangible assets	46,902	61,329	(23.5)	46,902	64,097	(26.8)
Deferred tax Assets	100,155	91,893	9.0	108,734	100,473	8.2
Other assets	347,934	186,673	86.4	788,668	520,495	51.5
Total assets	50,270,957	40,200,008	25.1	52,121,887	42,072,208	23.9
Liabilities						
Due to banks	8,246,641	8,144,088	1.3	8,246,641	8,145,088	1.2
Due to customers at amortised cost	31,989,572	25,956,175	23.2	31,823,978	25,739,758	23.6
Debt issued and borrowed funds at amortised cost	3,794,069	730,033	419.7	3,794,070	729,033	420.4
Insurance provision - life	-	-	-	477,671	454,704	5.1
Insurance provision - non life	-	-	-	524,834	397,423	32.1
Current tax liabilities	126,698	209,437	(39.5)	126,698	209,437	(39.5)
Other liabilities	1,618,346	895,070	80.8	2,058,243	1,407,777	46.2
Retirement benefits obligations	398,562	383,174	4.0	412,234	394,127	4.6
Total liabilities	46,173,888	36,317,977	27.1	47,464,369	37,477,347	26.6
Equity						
Stated capital	4,276,448	4,276,448	-	4,276,448	4,276,448	0.0
Retained earnings	(924,088)	(1,189,204)	22.3	(697,401)	(940,833)	25.9
OCI reserve	(9,096)	(22,100)	58.8	(10,903)	(22,206)	50.9
RLA Reserve	361,540	424,622	(14.9)	361,541	424,622	(14.9)
RR Reserve	-	-	-	35,443	35,443	-
Statutory reserves	392,265	392,265	0.0	392,265	392,265	(0.0)
Total equity attributable to the parent	4,097,069	3,882,031	5.5	4,357,393	4,165,739	4.6
Non controlling interests	-	-	-	300,125	429,122	(30.1)
Total equity	4,097,069	3,882,031	5.5	4,657,518	4,594,861	1.4
	50,270,957	40,200,008	25.1	52,121,887	42,072,208	23.9
Commitments and contingencies	55,336	48,858	13.3	59,986	73,184	(18.0)
Net assets value per share (LKR)	7.81	7.40	5.5	8.31	7.94	4.6

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

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.)

R. M. N. Jeewantha
Director

Colombo, Sri Lanka
14/Nov/2025

(sgd.)

H. K. D. W. M. D. K. Hapuhinna
Chief Executive Officer

(sgd.)

H. P. K. Silva
Director

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 2024	4,276,448	344,174	(31,892)	371,590	(1,289,648)	3,670,672
Net profit/(loss) for the period	-	-	-	-	(21,167)	(21,167)
Other comprehensive income	-	-	(1,000)	-	-	(1,000)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	98,315	(98,315)	-
Balance as at 30th September 2024	4,276,448	344,174	(32,892)	469,905	(1,409,130)	3,648,505
Balance as at 01st January 2025	4,276,448	392,265	(22,100)	424,621	(1,189,203)	3,882,031
Net profit/(loss) for the period	-	-	-	-	202,034	202,034
Other comprehensive income	-	-	13,004	-	-	13,004
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(63,081)	63,081	-
Balance as at 30th September 2025	4,276,448	392,265	(9,096)	361,540	(924,088)	4,097,069

Group	Stated Capital LKR ' 000	Statutory reserves LKR ' 000	OCI reserve LKR ' 000	RLA reserve LKR ' 000	RR reserve LKR ' 000	Retained profits LKR ' 000	Non controlling interest LKR ' 000	Total equity LKR ' 000
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	-	-	-	-	-	(31,634)	39,536	7,902
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	98,315	-	(98,315)	-	-
Other comprehensive income	-	-	43	-	-	0	894	937
Balance as at 30th September 2024	4,276,448	344,174	(33,564)	469,905	-	(1,171,983)	479,282	4,364,262
Balance as at 01st January 2025	4,276,448	392,265	(22,206)	424,622	35,443	(940,833)	429,122	4,594,861
Net profit/(loss) for the period	-	-	-	-	-	118,739	(65,924)	52,815
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(63,081)	-	63,081	-	-
Other comprehensive income	-	-	11,303	-	-	61,612	(63,073)	9,842
Balance as at 30th September 2025	4,276,448	392,265	(10,903)	361,541	35,443	(697,401)	300,125	4,657,518

Interim Financial Statements

Statement of Cash Flows

For the period ended 30th September

Cash flows from operating activities

	Company		Group	
	2025	2024	2025	2024
	LKR '000	LKR '000	LKR '000	LKR '000
Profit before income tax	371,969	53,068	246,382	82,137
Adjustments for :				
Net Interest Income	(2,149,110)	(1,510,430)	(2,309,880)	(1,718,487)
Impairment charges for loans and other losses	(22,374)	5,047	(22,374)	5,047
Impairment (reversal)/charge of investment in subsidiary	-	(47,572)	-	-
Share of associate company's profit/(loss) before tax	-	-	(78,749)	8,955
Depreciation and amortisation	216,328	220,298	243,038	247,743
Profit from sales of real estate	(1,758)	(4,016)	(1,758)	(4,016)
Profit from sales of property & equipment and investment property	(21,357)	(4,331)	(21,357)	(4,331)
Dividend income from investment companies	(73,650)	-	(12,037)	-
Dividend income from financial assets	(1,486)	(8,792)	(1,529)	(8,792)
Contribution to defined benefit plans	63,000	54,000	67,500	58,920
Fair value change of financial assets	545,211	140,651	542,050	142,588
	(1,073,227)	(1,102,077)	(1,348,714)	(1,190,236)
Interest paid to customers at amortised cost	(2,155,298)	(3,008,673)	(2,155,298)	(3,008,673)
Interest paid on other borrowings	(596,904)	(403,404)	(603,989)	(412,060)
Interest received on loans & receivables at amortised cost	4,278,234	3,246,274	4,278,234	3,246,274
Interest received on other investment	943,360	1,496,417	1,111,215	1,713,129
Gratuity paid	(47,612)	(84,008)	(49,395)	(86,828)
Change in operating assets				
Loans & receivables at amortised cost	(10,554,975)	(3,484,921)	(10,551,788)	(3,484,126)
Other operating assets	(830,298)	(154,381)	(936,142)	(250,047)
Change in operating liabilities				
Due to customers at amortised cost	5,901,268	626,121	5,901,268	626,121
Payments made under operating leases	(173,685)	(163,172)	(198,679)	(188,459)
Insurance provision	-	-	150,378	(137,446)
Other liabilities	845,502	187,903	797,688	289,788
Net cash generated from/(used in) operating activities before tax	(3,463,635)	(2,843,921)	(3,605,222)	(2,882,563)
Income tax paid	(242,731)	(42,694)	(242,731)	(42,694)
Net cash generated from/(used in) operating activities	(3,706,366)	(2,886,615)	(3,847,953)	(2,925,257)
Cash flows from investing activities				
Net increase/(decrease) in financial investments at FVTOCI	20,000	-	20,000	-
Net increase/(decrease) in financial investments at amortised cost	647,796	228,963	1,071,661	631,815
Net (increase)/decrease in placements with banks & financial institutions	150,000	100,000	200,095	(269,037)
Net (increase)/decrease in investment of government securities at FVTPL	(102,547)	(2,279,553)	(102,547)	(2,279,553)
Net (increase)/decrease in other financial investments at FVTPL	(67,439)	25,973	(83,611)	24,110
Proceeds from real estate stock	11,748	17,539	11,748	17,539
Purchase of property & equipment	(114,641)	(8,205)	(117,593)	(9,610)
Purchase of intangible assets	(9,839)	(35,189)	(9,839)	(35,189)
Proceeds from sale of property & equipment and investment property	21,357	4,331	21,357	4,331
Dividends received	75,136	8,792	75,179	8,792
Net cash generated from/(used in) investing activities	631,571	(1,937,349)	1,086,450	(1,906,802)
Cash flows from financing activities				
Net increase/(decrease) reverse repo agreements	(244,468)	2,075,000	(244,468)	2,075,000
Net increase/(decrease) in other borrowings at amortised cost	3,350,000	2,600,000	3,350,000	2,600,000
Net cash generated from/(used in) financing activities	3,105,532	4,675,000	3,105,532	4,675,000
Net increase / (decrease) in cash and cash equivalents during the period	30,737	(148,964)	344,029	(157,059)
Cash and cash equivalents at the beginning of the period	554,066	683,546	655,904	831,241
Cash and cash equivalents at the end of the period	584,803	534,582	999,933	674,182

Note

Analysis of Cash and Cash Equivalents

Cash and short term funds	749,559	720,312	1,164,689	885,979
Dues to banks	(164,756)	(185,730)	(164,756)	(211,797)
	584,803	534,582	999,933	674,182

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 14th November 2025, in accordance with the resolution of the Directors passed on 14th November 2025.

Basis of preparation and accounting policies

The interim condensed Financial Statements for the period ended 30th September 2025 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	
As at	9/30/2025	12/31/2024	9/30/2025	12/31/2024	9/30/2025	12/31/2024	9/30/2025	12/31/2024
Financial assets								
Cash and cash equivalents	-	-	749,559	752,190	-	-	749,559	752,190
Placements with banks & financial institutions	-	-	-	203,332	-	-	-	203,332
Financial investments at fair value through profit or loss	8,093,896	8,534,914	-	-	-	-	8,093,896	8,534,914
Loans & receivables at amortised cost	-	-	36,566,791	25,942,008	-	-	36,566,791	25,942,008
Financial investments at fair value through other comprehensive income	-	-	-	-	54	16,554	54	16,554
Financial investments at amortised cost	-	-	2,855,589	3,473,969	-	-	2,855,589	3,473,969
Other assets	-	-	73,295	78,233	-	-	73,295	78,233
Total	8,093,896	8,534,914	40,245,234	30,449,732	54	16,554	48,339,183	39,001,200

	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	9/30/2025	12/31/2024	9/30/2025	12/31/2024
Other Financial liabilities				
Due to banks	8,246,641	8,144,088	8,246,641	8,144,088
Due to customers at amortised cost	31,989,572	25,956,175	31,989,572	25,956,175
Debt issued and borrowed funds at amortised cost	3,794,069	730,033	3,794,069	730,033
Other liabilities	272,149	132,820	272,149	132,820
Total	44,302,431	34,963,116	44,302,431	34,963,116

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
As at	9/30/2025	12/31/2024	9/30/2025	12/31/2024	9/30/2025	12/31/2024	9/30/2025	12/31/2024
Financial assets								
Cash and cash equivalents	-	-	1,164,690	854,028	-	-	1,164,690	854,028
Placements with banks & financial institutions	-	-	441,442	644,044	-	-	441,442	644,044
Financial investments at fair value through profit or loss	8,123,127	8,547,974	-	-	-	-	8,123,127	8,547,974
Loans & receivables at amortised cost	-	-	36,568,097	25,946,502	-	-	36,568,097	25,946,502
Financial investments at fair value through other comprehensive income	-	-	-	-	109,295	135,058	109,295	135,058
Financial investments at amortised cost	-	-	3,465,706	4,498,689	-	-	3,465,706	4,498,689
Other assets	-	-	73,295	78,233	-	-	73,295	78,233
Total	8,123,127	8,547,974	41,713,230	32,021,496	109,295	135,058	49,945,653	40,704,527

	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	9/30/2025	12/31/2024	9/30/2025	12/31/2024
Other Financial liabilities				
Due to banks	8,246,641	8,145,088	8,246,641	8,145,088
Due to customers at amortised cost	31,823,978	25,739,757	31,823,978	25,739,757
Debt issued and borrowed funds at amortised cost	3,794,070	729,033	3,794,070	729,033
Other liabilities	272,149	132,820	272,149	132,820
Total	44,136,838	34,746,698	44,136,838	34,746,698

Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2025	2024	2025	2024
Impairment charge/(reversal) from loans and other losses				
Impairment from Loans and advances-individual impairment	(379,279)	990,692	(379,279)	990,692
Impairment from Loans and advances-collective impairment	17,599	(1,103,860)	17,599	(1,103,860)
Write off	339,337	22,764	339,337	22,764
Cash and cash equivalent	(9)	(19)	(9)	(19)
Placements with banks & financial institutions	(22)	(44)	(22)	(44)
Other losses	-	95,514	-	95,514
	(22,374)	5,047	(22,374)	5,047
Individual impairment charge/(reversal)				
As at 01 January	1,737,290	898,181	1,655,176	898,181
Charge/(reversal) to income statement from loans and advances	(39,943)	1,013,456	(39,943)	1,013,456
Write off	(339,337)	(22,764)	(339,337)	(22,764)
As at 30th September	1,358,010	1,888,873	1,275,896	1,888,873
Collective impairment charge/(reversal)				
As at 01 January	671,041	1,761,303	1,087,042	1,761,303
Charge/(reversal) to income statement from loans and advances	17,599	(1,103,860)	17,599	(1,103,860)
Write off	-	-	-	-
As at 30th September	688,641	657,443	1,104,641	657,443
Loans and advances impairment	2,046,650	2,546,316	2,380,537	2,546,316

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 30th September 2025 and comparative figures for the period ended 30th September 2024.

Group	Leasing		Loans		Corporate Advisory & Capital Markets		Insurance		Eliminations / Unallocated		Total	
For the Period ended 30th September	2025 LKR.'000	2024 LKR.'000	2025 LKR.'000	2024 LKR.'000	2025 LKR.'000	2024 LKR.'000	2025 LKR.'000	2024 LKR.'000	2025 LKR.'000	2024 LKR.'000	2025 LKR.'000	2024 LKR.'000
Revenue from external customers												
Interest and similar income	1,955,442	1,436,237	2,178,431	1,466,815	191,823	220,122	167,855	216,713	838,930	1,420,492	5,332,481	4,760,379
Interest and similar expenses	770,471	716,683	1,186,286	877,065	133,660	159,361	7,085	8,656	925,099	1,280,127	3,022,601	3,041,892
Net interest income	1,184,971	719,554	992,145	589,750	58,163	60,761	160,770	208,057	(86,169)	140,365	2,309,880	1,718,487
Net fee and commission income	80,746	70,905	47,346	37,284	-	-	23,288	28,840	(17,308)	22,383	134,072	159,412
Insurance premium income	-	-	-	-	-	-	217,209	316,488	-	-	217,209	316,488
Net claims and benefits	-	-	-	-	-	-	(331,979)	(175,014)	-	-	(331,979)	(175,014)
Real estate profit	-	-	1,758	4,015	-	-	-	-	-	-	1,758	4,015
Trading and other income	25,326	21,830	33,891	28,451	35,606	79,718	(42,698)	8,043	292,354	360,528	344,479	498,570
Total operating income	1,291,043	812,289	1,075,140	659,500	93,769	140,479	26,590	386,414	188,877	523,276	2,675,419	2,521,958
Impairment (charges)/reversal for loans and other losses	168,620	56,010	(112,136)	(116,103)	118,405	56,484	-	-	(152,515)	(1,438)	22,374	(5,047)
Net operating income	1,459,663	868,299	963,004	543,397	212,174	196,963	26,590	386,414	36,362	521,838	2,697,793	2,516,911
Personnel expenses	(287,468)	(245,250)	(442,612)	(300,133)	(9,946)	(11,106)	(117,063)	(135,378)	(385,085)	(481,489)	(1,242,174)	(1,173,356)
Depreciation and amortisation	(55,272)	(52,051)	(85,102)	(63,700)	(82)	(121)	(26,710)	(27,445)	(75,871)	(104,427)	(243,037)	(247,744)
Other operating expenses	(168,111)	(149,653)	(258,839)	(183,143)	(6,342)	(11,368)	(87,152)	(137,996)	(224,671)	(289,217)	(745,115)	(771,377)
Segment result	948,812	421,345	176,451	(3,579)	195,804	174,368	(204,335)	85,595	(649,265)	(353,295)	467,467	324,434
Profit/(loss) from operations after impairment from subsidiary investments											467,467	324,434
Value added tax on financial services											(261,406)	(203,120)
Social Security Contribution Levy (SSCL)											(38,428)	(30,223)
Share of associate company's profit/(loss) before tax											78,749	(8,955)
Profit/(loss) before income tax											246,382	82,136
Income tax expense											(193,567)	(74,235)
Profit/(loss) for the period											52,814	7,901
Assets												
Capital expenditures												
Property, equipment and right-of-use assets	29,291	1,939	45,099	2,373	5,081	431	2,952	1,405	35,169	3,463	117,592	9,611
Intangible assets	2,514	8,314	3,871	10,175	436	1,849	-	-	3,018	14,851	9,839	35,189
Total segment assets	12,469,327	9,746,498	22,419,371	11,468,294	2,042,082	1,700,896	2,274,195	2,628,687	12,916,911	15,337,026	52,121,886	40,881,401
Total segment liabilities	11,370,750	8,737,398	20,444,171	10,280,928	1,862,170	1,524,794	1,462,110	1,591,513	12,325,167	14,382,488	47,464,368	36,517,121

Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 30/9/2025	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%	8.70%	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%	8.70%	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		8.70%	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%	8.99%	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%	8.99%	Not traded during the quarter			Not traded during the quarter		
April 2023 - April 2028	Listed	At maturity	91,030	Not traded during the quarter			40.00%	40.00%	8.99%	Not traded during the quarter			Not traded during the quarter		
Fixed Rate															
May 2025 - May 2030	Listed	Annually	972,710	Not traded during the quarter			12.50%	12.50%	9.66%	Not traded during the quarter			Not traded during the quarter		
May 2025 - May 2030	Listed	Bi Annually	27,290	Not traded during the quarter			11.75%	12.10%	9.66%	Not traded during the quarter			Not traded during the quarter		
Total Debentures			1,690,530												

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 30th September 2025

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)					373,698,000	60%	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 mediam term fund base to match the medium to long term lending portfolio of the company.	622,830,000	10-Apr-23	622,830,000	100%	622,830,000	100%	N/A
3	Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 1,000 Mn during the year 2025							
a.	The funds raised through this Debenture Issue utilized to meet the regulatory capital requirements of the company (tier II)					1,000,000,000	100%	Discounting of the amount counted as capital by 1/5 each year during the four years preceding the maturity.
b.	To enhance the Lending Portfolio of the Company	1,000,000,000	30-May-25	1,000,000,000	100%	1,000,000,000	100%	N/A

Events after the statement of financial position date

Following events reported since 30th September 2025 that require disclosure in these Financial Statements.

- Appointed Mr. Herath Mudiyanseelage Priyantha Bandara Herath as a Non-Executive/Independent Director to the Board of MBSL with effect from 14th October 2025.

Information on ordinary shares

As at		9/30/2025	12/31/2024
Net asset per share (LKR)	- Company	7.81	7.40
	- Group	8.31	7.94

Market price per share recorded during the quarter ended 30th September (LKR)

	2025	2024
-High	9.30 (22-8-2025)	5.80 (16-7-2024)
-Low	7.20 (18-7-2025)	4.60 (13-9-2024)
-Last Transaction	8.70 (30-9-2025)	5.30 (30-9-2024)

As at	9/30/2025	12/31/2024
Number of shares issued	524,539,637	524,539,637
Stated capital (LKR)	4,276,447,883	4,276,447,883

Ratios as at	9/30/2025	12/31/2024
Debt/Equity Ratio*	2.9	2.3
Statutory Liquid Asset Ratio	22.61%	31.19%

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

Ratios for the period ended	9/30/2025	9/30/2024
Interest Cover	1.123	1.017

The Float adjusted market capitalization as at 30th September 2025 - Rs. 707,167,076

The Float adjusted market capitalization of the Company falls under Option 5 of Rule 7.13.1 (i) (b), of the Listing Rules of the Colombo Stock Exchange and 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 30th September 2025

	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/ MR. D.N. SELLAMUTTU	5,320,722	1.01%
05	PEOPLE S LEASING AND FINANCE PLC/NAGOYA CEYLON TRADING (PVT) LTD	3,352,668	0.64%
06	MR. A.M. WEERASINGHE	3,227,403	0.62%
07	PEOPLE S LEASING AND FINANCE PLC/E-TECH CORPORATION (PVT) LTD	1,239,814	0.24%
08	MR. B.T. PRATHAPASINGHE	1,121,250	0.21%
09	MR. M.M.M. SHAMIL	1,027,876	0.20%
10	MR. H.G.D.R.D.K. JAYAWARDANA	1,000,292	0.19%
11	MR. A.H. MUNASINGHE	1,000,000	0.19%
12	SENKADAGALA FINANCE PLC/NAGOYA CEYLON TRADING (PVT) LTD	897,270	0.17%
13	MRS. M. NADARAJAH	750,000	0.14%
14	PMF FINANCE PLC/Y.P.S.M. YAPA	712,164	0.14%
15	PEOPLE'S LEASING & FINANCE PLC/MR. F.B.R.D. SILVA	700,000	0.13%
16	MS. M.I. THANUDARA	670,000	0.13%
17	MR. D.C. PUNCHIHEWA	650,000	0.12%
18	MR. M.A.R. COORAY	645,000	0.12%
19	DIALOG FINANCE PLC/ MR. K.W.J.P.L. PERERA	593,725	0.11%
20	HETTIGODA CITY (PVT) LTD	550,000	0.10%

The percentage of shares held by the public as at 30th September 2025 was 15.50% and the number of public shareholders as at 30th September 2025 were 11,031

Directors' shareholding as at 30th September 2025

Name of the Director	No. of Shares
Mr. A. M. A. Perera	Nil
Mr. G. A. Jayashantha	Nil
Mr. R. M. N. Jeewantha	Nil
Mr. H. P. K. Silva	Nil
Ms. R. Dulani Fernando	Nil
Mr. A. J. Ismail	12,000
Mr. R. L. S. A. Rajapakse	Nil

CEO's shareholding as at 30th September 2025

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