


# INTERIM FINANCIAL STATEMENTS

For the Period ended 30th June 2025

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			Six months ended			Quarter ended			Six months ended		
	6/30/2025	6/30/2024	Change %	6/30/2025	6/30/2024	Change %	6/30/2025	6/30/2024	Change %	6/30/2025	6/30/2024	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
<b>Income</b>	<b>1,908,007</b>	<b>1,694,458</b>	<b>12.6</b>	<b>3,607,109</b>	<b>3,699,071</b>	<b>(2.5)</b>	<b>2,034,402</b>	<b>1,871,765</b>	<b>8.7</b>	<b>3,882,912</b>	<b>4,078,809</b>	<b>(4.8)</b>
Interest and similar income	1,655,835	1,464,884	13.0	3,273,629	3,014,376	8.6	1,709,128	1,533,088	11.5	3,381,171	3,153,905	7.2
Interest and similar expenses	957,604	1,007,441	(4.9)	1,915,231	2,110,504	(9.3)	955,364	1,002,024	(4.7)	1,909,103	2,099,666	(9.1)
<b>Net interest income</b>	<b>698,231</b>	<b>457,443</b>	<b>52.6</b>	<b>1,358,398</b>	<b>903,872</b>	<b>50.3</b>	<b>753,764</b>	<b>531,064</b>	<b>41.9</b>	<b>1,472,068</b>	<b>1,054,239</b>	<b>39.6</b>
Fee and commission income	59,614	37,368	59.5	112,399	70,920	58.5	65,567	43,207	51.8	124,587	83,172	49.8
Fee and commission expenses	23,072	10,741	114.8	43,994	17,498	151.4	21,136	7,638	176.7	40,483	9,929	307.7
<b>Net fee and commission income</b>	<b>36,542</b>	<b>26,627</b>	<b>37.2</b>	<b>68,405</b>	<b>53,422</b>	<b>28.0</b>	<b>44,431</b>	<b>35,569</b>	<b>24.9</b>	<b>84,104</b>	<b>73,243</b>	<b>14.8</b>
Insurance premium income	-	-	-	-	-	-	65,049	100,533	(35.3)	150,433	223,742	(32.8)
Net claims and benefits	-	-	-	-	-	-	(99,574)	(3,151)	(3,059.9)	(204,972)	(99,111)	(106.8)
Net trading income	292,596	379,931	(23.0)	674,032	550,004	22.6	292,596	379,931	(23.0)	674,032	550,004	22.6
Net gain/(loss) on financial instruments at fair value through profit or loss	(123,982)	(217,429)	43.0	(501,992)	18,785	(2,772.3)	(123,450)	(215,638)	42.8	(501,622)	21,329	(2,451.8)
Other operating income	23,944	29,704	(19.4)	49,041	44,986	9.0	25,512	30,644	(16.7)	54,313	46,656	16.4
<b>Total operating income</b>	<b>927,331</b>	<b>676,276</b>	<b>37.1</b>	<b>1,647,884</b>	<b>1,571,069</b>	<b>4.9</b>	<b>958,328</b>	<b>858,952</b>	<b>11.6</b>	<b>1,728,356</b>	<b>1,870,102</b>	<b>(7.6)</b>
Impairment charge/(reversal) from loans and other losses	(133,521)	(116,723)	(14.4)	(92,778)	(68,399)	(35.6)	(133,521)	(116,723)	(14.4)	(92,778)	(68,399)	(35.6)
<b>Net operating income</b>	<b>1,060,852</b>	<b>792,999</b>	<b>33.8</b>	<b>1,740,662</b>	<b>1,639,468</b>	<b>6.2</b>	<b>1,091,849</b>	<b>975,675</b>	<b>11.9</b>	<b>1,821,134</b>	<b>1,938,501</b>	<b>(6.1)</b>
Personnel expenses	373,587	348,933	7.1	743,155	693,871	7.1	413,107	394,865	4.6	824,903	782,830	5.4
Depreciation and amortisation	71,795	74,545	(3.7)	139,735	148,637	(6.0)	80,843	83,648	(3.4)	157,767	166,903	(5.5)
Other operating expenses	275,221	239,854	14.7	488,226	442,769	10.3	317,451	284,499	11.6	561,355	535,860	4.8
<b>Total operating expense</b>	<b>720,603</b>	<b>663,332</b>	<b>8.6</b>	<b>1,371,116</b>	<b>1,285,277</b>	<b>6.7</b>	<b>811,401</b>	<b>763,012</b>	<b>6.3</b>	<b>1,544,025</b>	<b>1,485,593</b>	<b>3.9</b>
<b>Profit/(loss) from operations</b>	<b>340,249</b>	<b>129,667</b>	<b>162.4</b>	<b>369,546</b>	<b>354,191</b>	<b>4.3</b>	<b>280,448</b>	<b>212,663</b>	<b>31.9</b>	<b>277,109</b>	<b>452,908</b>	<b>(38.8)</b>
Impairment charge/(reversal) from investment in Subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit/(loss) from operations after impairment from subsidiary investments</b>	<b>340,249</b>	<b>129,667</b>	<b>162.4</b>	<b>369,546</b>	<b>354,191</b>	<b>4.3</b>	<b>280,448</b>	<b>212,663</b>	<b>31.9</b>	<b>277,109</b>	<b>452,908</b>	<b>(38.8)</b>
Value added tax (VAT) on financial services	107,798	72,764	48.1	169,739	160,769	5.6	107,798	72,764	48.1	169,739	160,769	5.6
Social Security Contribution Levy (SSCL)	15,652	10,702	46.2	24,990	23,321	7.2	15,652	10,702	46.2	24,990	23,321	7.2
Share of associate companies profit/(loss) before tax	-	-	-	-	-	-	17,745	(1,526)	1,262.5	33,207	(3,443)	1,064.5
<b>Profit/(loss) before income tax</b>	<b>216,799</b>	<b>46,201</b>	<b>369.3</b>	<b>174,817</b>	<b>170,101</b>	<b>2.8</b>	<b>174,743</b>	<b>127,671</b>	<b>36.9</b>	<b>115,587</b>	<b>265,375</b>	<b>(56.4)</b>
Income tax expense/(reversal)	97,379	31,455	209.6	103,367	112,143	(7.8)	102,322	31,455	225.3	113,329	112,143	1.1
<b>Profit/(loss) for the period</b>	<b>119,420</b>	<b>14,746</b>	<b>709.8</b>	<b>71,450</b>	<b>57,958</b>	<b>23.3</b>	<b>72,421</b>	<b>96,216</b>	<b>(24.7)</b>	<b>2,258</b>	<b>153,232</b>	<b>(98.5)</b>
<b>Profit/(loss) for the period attributable to:</b>												
Equity holders of the parent	119,420	14,746	709.8	71,450	57,958	23.3	100,043	57,880	72.8	44,954	107,635	(58.2)
Non controlling interests	-	-	-	-	-	-	(27,622)	38,336	(172.1)	(42,696)	45,597	(193.6)
<b>Profit/(loss) for the period</b>	<b>119,420</b>	<b>14,746</b>	<b>709.8</b>	<b>71,450</b>	<b>57,958</b>	<b>23.3</b>	<b>72,421</b>	<b>96,216</b>	<b>(24.7)</b>	<b>2,258</b>	<b>153,232</b>	<b>(98.5)</b>
<b>Earnings per share:</b>												
Basic/Diluted earnings/(loss) per share (LKR)	0.23	0.03	709.8	0.14	0.11	23.3	0.19	0.11	72.8	0.09	0.21	(58.2)

## Interim Financial Statements

### Statement of Comprehensive Income

	Company						Group					
	Quarter ended			Six months ended			Quarter ended			Six months ended		
	6/30/2025	6/30/2024	Change %	6/30/2025	6/30/2024	Change %	6/30/2025	6/30/2024	Change %	6/30/2025	6/30/2024	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
<b>Profit/(loss) for the period</b>	119,420	14,746	709.8	71,450	57,958	23.3	72,421	96,216	(24.7)	2,258	153,232	(98.5)
<b>Other comprehensive income/(expense) for the period</b>												
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fair value reserves (Financial investments at fair value through other comprehensive income):</b>												
Gains/(Losses) on re-measuring financial investments at fair value through other comprehensive income	3,750	(2,328)	261.1	3,750	(2,328)	261.1	2,487	(2,093)	218.8	2,487	(390)	737.2
<b>Other comprehensive income/(expense) before tax</b>	3,750	(2,328)	261.1	3,750	(2,328)	261.1	2,487	(2,093)	218.8	2,487	(390)	737.2
Deferred tax (charge)/credit relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other comprehensive income/(expense) for the period, net of tax</b>	3,750	(2,328)	261.1	3,750	(2,328)	261.1	2,487	(2,093)	218.8	2,487	(390)	737.2
<b>Total comprehensive income/(expense) for the period, net of tax</b>	123,170	12,419	891.8	75,200	55,631	35.2	74,908	94,123	(20.4)	4,745	152,842	(96.9)
<b>Total comprehensive income/(expense) attributable to:</b>												
Equity holders of the parent	123,170	12,419	891.8	75,200	55,631	35.2	103,114	55,679	85.2	48,025	106,350	(54.8)
Non controlling interests	-	-	-	-	-	-	(28,206)	38,444	(173.4)	(43,280)	46,492	(193.1)
	123,170	12,419	891.8	75,200	55,631	35.2	74,908	94,123	(20.4)	4,745	152,842	(96.9)

## Interim Financial Statements

### Statement of Financial Position

as at	Company			Group		
	6/30/2025	12/31/2024 (Audited)	Change %	6/30/2025	12/31/2024 (Audited)	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
<b>Assets</b>						
Cash and cash equivalents	868,579	752,190	15.5	946,226	854,028	10.8
Placements with banks & financial institutions	-	203,332	(100.0)	449,838	644,044	(30.2)
Financial investments at fair value through profit or loss	8,636,636	8,534,914	1.2	8,661,544	8,547,974	1.3
Loans & receivables at amortised cost	32,165,865	25,942,008	24.0	32,167,443	25,946,502	24.0
Financial investments at fair value through other comprehensive income	20,304	16,554	22.7	128,713	135,058	(4.7)
Financial investments at amortised cost	1,581,198	3,473,969	(54.5)	2,569,347	4,498,689	(42.9)
Real Estate Stock	35,687	40,446	(11.8)	35,687	40,446	(11.8)
Investment in associate company	81,084	81,084	-	201,414	178,169	13.0
Investment in subsidiary	348,260	348,260	-	-	-	-
Property, equipment and right-of-use assets	1,028,668	467,355	120.1	1,091,133	542,233	101.2
Intangible assets	45,509	61,329	(25.8)	45,509	64,097	(29.0)
Deferred tax Assets	91,893	91,893	-	100,471	100,473	(0.0)
Other assets	297,529	186,674	59.4	765,870	520,495	47.1
<b>Total assets</b>	<b>45,201,212</b>	<b>40,200,008</b>	<b>12.4</b>	<b>47,163,195</b>	<b>42,072,208</b>	<b>12.1</b>
<b>Liabilities</b>						
Due to banks	8,384,561	8,144,088	3.0	8,385,635	8,145,088	3.0
Due to customers at amortised cost	28,937,263	25,956,175	11.5	28,773,660	25,739,758	11.8
Debt issued and borrowed funds at amortised cost	1,706,858	730,033	133.8	1,706,858	729,033	134.1
Insurance provision - life	-	-	-	476,596	454,704	4.8
Insurance provision - non life	-	-	-	527,234	397,423	32.7
Current tax liabilities	117,601	209,437	(43.8)	117,601	209,437	(43.8)
Other liabilities	1,692,878	895,070	89.1	2,158,070	1,407,777	53.3
Retirement benefits obligations	404,819	383,173	5.6	417,937	394,127	6.0
<b>Total liabilities</b>	<b>41,243,980</b>	<b>36,317,976</b>	<b>13.6</b>	<b>42,563,591</b>	<b>37,477,347</b>	<b>13.6</b>
<b>Equity</b>						
Stated capital	4,276,448	4,276,448	0.0	4,276,448	4,276,448	-
Retained earnings	(1,100,279)	(1,189,203)	7.5	(878,405)	(940,833)	6.6
OCI reserve	(18,350)	(22,100)	17.0	(19,136)	(22,206)	13.8
RLA Reserve	407,148	424,622	(4.1)	407,148	424,622	(4.1)
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	3,957,232	3,882,032	1.9	4,213,762	4,165,739	1.2
Non controlling interests	-	-	-	385,842	429,122	(10.1)
<b>Total equity</b>	<b>3,957,232</b>	<b>3,882,032</b>	<b>1.9</b>	<b>4,599,604</b>	<b>4,594,861</b>	<b>0.1</b>
	<b>45,201,212</b>	<b>40,200,008</b>	<b>12.4</b>	<b>47,163,195</b>	<b>42,072,208</b>	<b>12.1</b>
Commitments and contingencies	71,436	48,858	46.2	76,086	75,833	0.3
Net assets value per share (LKR)	7.54	7.40	1.9	8.03	7.94	1.2

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.)  
**A. M. A. Perera**  
Chairman

(sgd.)  
**R. Dulani Fernando**  
Director

Colombo, Sri Lanka  
12/Aug/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 2024	4,276,448	344,174	(31,892)	371,590	(1,289,648)	3,670,672
Net profit/(loss) for the period	-	-	-	-	57,958	57,958
Other comprehensive income	-	-	(2,328)	-	-	(2,328)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	158,323	(158,323)	-
<b>Balance as at 30th June 2024</b>	<b>4,276,448</b>	<b>344,174</b>	<b>(34,220)</b>	<b>529,913</b>	<b>(1,390,013)</b>	<b>3,726,302</b>
Balance as at 01st January 2025	4,276,448	392,265	(22,100)	424,622	(1,189,203)	3,882,032
Net profit/(loss) for the period	-	-	-	-	71,450	71,450
Other comprehensive income	-	-	3,750	-	-	3,750
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(17,474)	17,474	-
<b>Balance as at 30th June 2025</b>	<b>4,276,448</b>	<b>392,265</b>	<b>(18,350)</b>	<b>407,148</b>	<b>(1,100,279)</b>	<b>3,957,232</b>

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	-	-	-	-	-	107,635	45,597	153,232
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	158,323	-	(158,323)	-	-
Other comprehensive income	-	-	(1,285)	-	-	-	895	(390)
<b>Balance as at 30th June 2024</b>	<b>4,276,448</b>	<b>344,174</b>	<b>(34,892)</b>	<b>529,913</b>	<b>-</b>	<b>(1,092,722)</b>	<b>485,344</b>	<b>4,508,265</b>
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	-	-	-	-	-	44,954	(42,696)	2,258
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(17,474)	-	17,474	-	-
Other comprehensive income	-	-	3,070	-	-	-	(584)	2,486
<b>Balance as at 30th June 2025</b>	<b>4,276,448</b>	<b>392,265</b>	<b>(19,136)</b>	<b>407,148</b>	<b>35,443</b>	<b>(878,405)</b>	<b>385,842</b>	<b>4,599,604</b>

# Interim Financial Statements

## Statement of Cash Flows

For the period ended 30th June

	Company		Group	
	2025 LKR '000	2024 LKR '000	2025 LKR '000	2024 LKR '000
<b>Cash flows from operating activities</b>				
Profit before income tax	174,817	170,101	115,587	265,375
<b>Adjustments for :</b>				
Net Interest Income	(1,358,398)	(903,872)	(1,472,068)	(1,054,239)
Impairment charges for loans and other losses	(92,778)	(68,399)	(92,778)	(68,399)
Share of associate company's profit/(loss) before tax	-	-	(33,207)	3,443
Depreciation and amortisation	139,735	148,637	157,767	166,904
Profit from sales of real estate	(1,479)	(2,461)	(1,479)	(2,461)
Profit from sales of property & equipment and investment property	(15,012)	(2,801)	(15,012)	(2,801)
Dividend income from financial assets	(1,017)	(4,962)	(1,060)	(4,962)
Contribution to defined benefit plans	42,000	36,000	45,000	39,420
Fair value change of financial assets	501,992	(18,785)	500,729	(19,392)
	(610,140)	(646,542)	(796,521)	(677,112)
Interest paid to customers at amortised cost	(1,520,944)	(2,244,923)	(1,520,944)	(2,244,923)
Interest paid on other borrowings	(388,822)	(253,313)	(393,773)	(259,263)
Interest received on loans & receivables at amortised cost	2,656,900	2,157,524	2,656,900	2,157,524
Interest received on other investment	678,121	1,035,458	796,742	1,191,775
Gratuity paid	(20,354)	(71,062)	(21,191)	(73,461)
<b>Change in operating assets</b>				
Loans & receivables at amortised cost	(6,093,593)	(1,351,400)	(6,090,677)	(1,350,455)
Other operating assets	(768,091)	(102,775)	(902,610)	(146,002)
<b>Change in operating liabilities</b>				
Due to customers at amortised cost	3,008,183	477,063	3,008,183	477,063
Payments made under operating leases	(114,402)	(108,782)	(131,319)	(117,081)
Insurance provision	-	-	151,703	(117,136)
Other liabilities	882,084	308,293	851,488	358,842
<b>Net cash generated from/(used in) operating activities before tax</b>	<b>(2,291,058)</b>	<b>(800,459)</b>	<b>(2,392,019)</b>	<b>(800,229)</b>
Income tax paid	(188,100)	-	(188,100)	-
<b>Net cash generated from/(used in) operating activities</b>	<b>(2,479,158)</b>	<b>(800,459)</b>	<b>(2,580,119)</b>	<b>(800,229)</b>
<b>Cash flows from investing activities</b>				
Net increase/(decrease) in financial investments at amortised cost	1,891,558	324,568	1,938,225	993,582
Net (increase)/decrease in placements with banks & financial institutions	150,000	-	193,688	(127,592)
Net (increase)/decrease in investment of government securities at FVTPL	(590,107)	(2,247,521)	(590,107)	(2,247,521)
Net (increase)/decrease in other financial investments at FVTPL	(57,950)	44,991	(69,799)	44,991
Proceeds from real estate stock	6,237	11,572	6,237	11,572
Purchase of property & equipment	(35,093)	(1,734)	(37,945)	(3,139)
Purchase of intangible assets	-	(35,189)	-	(35,189)
Proceeds from sale of property & equipment and investment property	15,012	2,801	15,012	2,801
Dividends received	1,017	4,962	1,060	4,962
<b>Net cash generated from/(used in) investing activities</b>	<b>1,380,674</b>	<b>(1,895,550)</b>	<b>1,456,371</b>	<b>(1,355,533)</b>
<b>Cash flows from financing activities</b>				
Net increase/(decrease) reverse repo agreements	2,253,058	1,101,050	2,253,058	1,101,050
Net increase/(decrease) in other borrowings at amortised cost	(940,000)	1,185,000	(940,000)	1,185,000
<b>Net cash generated from/(used in) financing activities</b>	<b>1,313,058</b>	<b>2,286,050</b>	<b>1,313,058</b>	<b>2,286,050</b>
Net increase / (decrease) in cash and cash equivalents during the period	214,574	(409,959)	189,310	130,288
Cash and cash equivalents at the beginning of the period	554,066	683,545	655,904	831,241
<b>Cash and cash equivalents at the end of the period</b>	<b>768,640</b>	<b>273,586</b>	<b>845,214</b>	<b>961,529</b>
Note				
<b>Analysis of Cash and Cash Equivalents</b>				
Cash and short term funds	868,579	523,728	946,226	1,224,751
Dues to banks	(99,939)	(250,142)	(101,012)	(263,222)
	<b>768,640</b>	<b>273,586</b>	<b>845,214</b>	<b>961,529</b>

**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 12th August 2025, in accordance with the resolution of the Directors passed on 12th August 2025.

**Basis of preparation and accounting policies**

The interim condensed Financial Statements for the period ended 30th June 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	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024
<b>As at</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	868,579	752,190	-	-	868,579	752,190
Placements with banks & financial institutions	-	-	-	203,332	-	-	-	203,332
Financial investments at fair value through profit or loss	8,636,636	8,534,914	-	-	-	-	8,636,636	8,534,914
Loans & receivables at amortised cost	-	-	32,165,865	25,942,008	-	-	32,165,865	25,942,008
Financial investments at fair value through other comprehensive income	-	-	-	-	20,304	16,554	20,304	16,554
Financial investments at amortised cost	-	-	1,581,198	3,473,969	-	-	1,581,198	3,473,969
Other assets	-	-	84,857	78,232	-	-	84,857	78,232
<b>Total</b>	<b>8,636,636</b>	<b>8,534,914</b>	<b>34,700,499</b>	<b>30,449,732</b>	<b>20,304</b>	<b>16,554</b>	<b>43,357,440</b>	<b>39,001,200</b>

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024
<b>Due to banks</b>	8,384,561	8,144,088	8,384,561	8,144,088
<b>Due to customers at amortised cost</b>	28,937,263	25,956,175	28,937,263	25,956,175
<b>Debt issued and borrowed funds at amortised cost</b>	1,706,858	730,033	1,706,858	730,033
<b>Other liabilities</b>	276,169	132,820	276,169	132,820
<b>Total</b>	<b>39,304,852</b>	<b>34,963,116</b>	<b>39,304,852</b>	<b>34,963,116</b>

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024	6/30/2025	12/31/2024
<b>As at</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	946,226	854,028	-	-	946,226	854,028
Placements with banks & financial institutions	-	-	449,838	644,044	-	-	449,838	644,044
Financial investments at fair value through profit or loss	8,661,544	8,547,974	-	-	-	-	8,661,544	8,547,974
Loans & receivables at amortised cost	-	-	32,167,443	25,946,502	-	-	32,167,443	25,946,502
Financial investments at fair value through other comprehensive income	-	-	-	-	128,713	135,058	128,713	135,058
Financial investments at amortised cost	-	-	2,569,347	4,498,689	-	-	2,569,347	4,498,689
Other assets	-	-	84,857	78,232	-	-	84,857	78,232
<b>Total</b>	<b>8,661,544</b>	<b>8,547,974</b>	<b>36,217,711</b>	<b>32,021,495</b>	<b>128,713</b>	<b>135,058</b>	<b>45,007,968</b>	<b>40,704,527</b>

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	6/30/2025	12/31/2024	6/30/2025	12/31/2024
<b>Due to banks</b>	8,385,635	8,145,088	8,385,635	8,145,088
<b>Due to customers at amortised cost</b>	28,773,660	25,739,758	28,773,660	25,739,758
<b>Debt issued and borrowed funds at amortised cost</b>	1,706,858	729,033	1,706,858	729,033
<b>Other liabilities</b>	276,169	132,820	276,169	132,820
<b>Total</b>	<b>39,142,322</b>	<b>34,746,698</b>	<b>39,142,322</b>	<b>34,746,698</b>

**Movement in individual and collective impairment during the period**

	LKR. '000			
	Company		Group	
	2025	2024	2025	2024
<b>Impairment charge/(reversal) from loans and other losses</b>				
Impairment from Loans and advances-individual impairment	(218,142)	987,858	(218,142)	987,858
Impairment from Loans and advances-collective impairment	(27,120)	(1,153,189)	(27,120)	(1,153,189)
Write off	152,515	1,501	152,515	1,501
Cash and cash equivalent	(9)	(32)	(9)	(32)
Placements with banks & financial institutions	(22)	(50)	(22)	(50)
Other losses	-	95,514	-	95,514
	<b>(92,778)</b>	<b>(68,399)</b>	<b>(92,778)</b>	<b>(68,399)</b>
<b>Individual impairment charge/(reversal)</b>				
As at 01 January	1,737,290	898,181	1,655,176	898,181
Charge/(reversal) to income statement from loans and advances	(370,658)	986,357	(370,658)	986,357
Write off	152,515	1,501	152,515	1,501
<b>As at 30th June</b>	<b>1,519,147</b>	<b>1,886,039</b>	<b>1,437,033</b>	<b>1,886,039</b>
<b>Collective impairment charge/(reversal)</b>				
As at 01 January	671,041	1,761,303	1,087,042	1,761,303
Charge/(reversal) to income statement from loans and advances	(27,120)	(1,153,189)	(27,120)	(1,153,189)
Write off	-	-	-	-
<b>As at 30th June</b>	<b>643,921</b>	<b>608,114</b>	<b>1,059,921</b>	<b>608,114</b>
<b>Loans and advances impairment</b>	<b>2,163,068</b>	<b>2,494,153</b>	<b>2,496,955</b>	<b>2,494,153</b>

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

Group	Leasing		Loans		Corporate Advisory & Capital Markets		Insurance		Eliminations / Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000	LKR.'000
<b>For the Period ended 30th June</b>												
<b>Revenue from external customers</b>												
Interest and similar income	1,259,551	901,110	1,308,814	961,927	126,052	162,087	118,621	156,317	568,132	972,464	3,381,171	3,153,905
Interest and similar expenses	511,453	485,934	703,231	583,096	85,627	117,049	4,951	5,950	603,841	907,637	1,909,103	2,099,666
<b>Net interest income</b>	<b>748,098</b>	<b>415,176</b>	<b>605,583</b>	<b>378,831</b>	<b>40,425</b>	<b>45,038</b>	<b>113,670</b>	<b>150,367</b>	<b>(35,708)</b>	<b>64,827</b>	<b>1,472,068</b>	<b>1,054,239</b>
<b>Net fee and commission income</b>	<b>52,811</b>	<b>46,038</b>	<b>27,134</b>	<b>10,603</b>	<b>-</b>	<b>-</b>	<b>15,699</b>	<b>19,820</b>	<b>(11,541)</b>	<b>(3,219)</b>	<b>84,103</b>	<b>73,243</b>
Insurance premium income	-	-	-	-	-	-	150,432	223,742	-	-	150,432	223,742
Net claims and benefits	-	-	-	-	-	-	(204,972)	(99,111)	-	-	(204,972)	(99,111)
Real estate profit	-	-	1,479	2,461	-	-	-	-	-	-	1,479	2,461
Trading and other income	14,901	16,124	3,446	5,037	(9,936)	75,144	5,642	4,214	211,191	515,010	225,244	615,528
<b>Total operating income</b>	<b>815,810</b>	<b>477,338</b>	<b>637,642</b>	<b>396,932</b>	<b>30,489</b>	<b>120,182</b>	<b>80,471</b>	<b>299,032</b>	<b>163,942</b>	<b>576,618</b>	<b>1,728,354</b>	<b>1,870,102</b>
Impairment (charges)/reversal for loans and other losses	188,886	65,427	47,536	(66,553)	8,871	70,943	-	-	(152,515)	(1,419)	92,778	68,398
<b>Net operating income</b>	<b>1,004,696</b>	<b>542,765</b>	<b>685,178</b>	<b>330,379</b>	<b>39,360</b>	<b>191,125</b>	<b>80,471</b>	<b>299,032</b>	<b>11,427</b>	<b>575,199</b>	<b>1,821,132</b>	<b>1,938,500</b>
Personnel expenses	(199,611)	(161,042)	(274,458)	(193,242)	(5,983)	(7,780)	(81,748)	(88,958)	(263,104)	(331,807)	(824,904)	(782,829)
Depreciation and amortisation	(37,533)	(34,497)	(51,606)	(41,395)	(60)	(80)	(18,032)	(18,267)	(50,536)	(72,664)	(157,767)	(166,903)
Other operating expenses	(131,137)	(102,763)	(180,309)	(123,311)	(53,880)	(9,238)	(73,129)	(93,090)	(122,900)	(207,458)	(561,355)	(535,860)
<b>Segment result</b>	<b>636,415</b>	<b>244,463</b>	<b>178,805</b>	<b>(27,569)</b>	<b>(20,563)</b>	<b>174,027</b>	<b>(92,438)</b>	<b>98,717</b>	<b>(425,113)</b>	<b>(36,730)</b>	<b>277,106</b>	<b>452,908</b>
<b>Profit/(loss) from operations after impairment from subsidiary investments</b>											<b>277,106</b>	452,908
Value added tax on financial services											(169,739)	(160,769)
Social Security Contribution Levy (SSCL)											(24,990)	(23,321)
Share of associate company's profit/(loss) before tax											33,207	(3,443)
<b>Profit/(loss) before income tax</b>											<b>115,584</b>	<b>265,375</b>
Income tax expense											(113,329)	(112,143)
<b>Profit/(loss) for the period</b>											<b>2,255</b>	<b>153,232</b>
<b>Assets</b>												
<b>Capital expenditures</b>												
Property, equipment and right-of-use assets	9,426	402	12,960	483	1,578	97	2,852	1,405	11,129	752	37,945	3,139
Intangible assets	-	8,167	-	9,800	-	1,967	-	-	-	15,255	-	35,189
<b>Total segment assets</b>	<b>12,298,425</b>	<b>8,927,852</b>	<b>18,348,260</b>	<b>10,073,413</b>	<b>1,872,359</b>	<b>1,824,169</b>	<b>2,353,518</b>	<b>2,613,690</b>	<b>12,290,633</b>	<b>15,304,168</b>	<b>47,163,195</b>	<b>38,743,292</b>
<b>Total segment liabilities</b>	<b>11,134,734</b>	<b>7,934,617</b>	<b>16,612,126</b>	<b>8,952,732</b>	<b>1,695,195</b>	<b>1,621,228</b>	<b>1,491,148</b>	<b>1,563,410</b>	<b>11,630,389</b>	<b>14,163,040</b>	<b>42,563,591</b>	<b>34,235,026</b>

## Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 30/6/2025 LKR' 000	Market Values			Interest Rates		Interest rate of comparable Government Security %	Interest yield			Yield to Maturity		
				Highest LKR.	Lowest LKR.	Period end LKR.	Coupon Rate	Effective Annual Yield		Highest	Lowest	Last traded	Highest	Lowest	Last traded
<b>Fixed Rate</b>															
Nov 2022 - Nov 2027	Listed	Annually	23,990	Not traded during the quarter			24.00%	24.00%	8.64%	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%	8.64%	Not traded during the quarter			Not traded during the quarter		
<b>Floating Rate</b>															
Nov 2022 - Nov 2027	Listed	Quarterly	10,830	Not traded during the quarter			One Year Avg T Bill Rate + 300 basis points		8.64%	Not traded during the quarter			Not traded during the quarter		
<b>Fixed Rate</b>															
April 2023 - April 2028	Listed	Annually	276,660	Not traded during the quarter			29.50%	29.50%	8.96%	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%	8.96%	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%	30.00%	8.96%	Not traded during the quarter			Not traded during the quarter		
<b>Fixed Rate</b>															
May 2025 - May 2030	Listed	Annually	972,710	Not traded during the quarter			12.50%	12.50%	9.84%	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%	9.84%	Not traded during the quarter			Not traded during the quarter		
<b>Total Debentures</b>			<b>1,690,530</b>												

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 June 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
<b>1</b>	<b>Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 67.7 Mn during the year 2022</b>							
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.
<b>2</b>	<b>Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 622.83 Mn during the year 2023</b>							
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 medium 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
<b>3</b>	<b>Issue of listed, unsecured, subordinated redeemable Debentures amounting LKR 1,000 Mn during the year 2025</b>							
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

There were no material events reported since 30th June 2025 that require disclosure in these Financial Statements.

### Information on ordinary shares

As at		6/30/2025	12/31/2024
Net asset per share (LKR)	- Company	7.54	7.40
	- Group	8.03	7.94

Market price per share recorded during the quarter ended 30th June (LKR)		2025	2024
	-High	8.30 (27-6-2025)	6.60 (7-5-2024)
	-Low	5.40 (7-4-2025)	5.00 (24-4-2024)
	-Last Transaction	7.70 (30-6-2025)	5.30 (28-6-2024)

As at		6/30/2025	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		6/30/2025	12/31/2024
Debt/Equity Ratio*		2.6	2.3
Statutory Liquid Asset Ratio		14.73%	31.19%

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

Ratios for the period ended		6/30/2025	6/30/2024
Interest Cover		1.091	1.081

### The Float adjusted market capitalization as at 30th June 2025 - Rs. 625,883,504

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 June 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	MR. A.M. WEERASINGHE	3,227,403	0.62%
06	PEOPLE S LEASING AND FINANCE PLC/ MR. W.JINADASA	2,890,146	0.55%
07	HATTON NATIONAL BANK PLC/ MR. R.E.RAMBUKWELLE	1,936,500	0.37%
08	SAMPATH BANK PLC/ ANDARADENIYA ESTATE (PVT) LTD	1,880,302	0.36%
09	MR. D.S.R. DARANAKUMBURA	1,477,339	0.28%
10	SEYLAN BANK PLC/ MR. W. JINADASA	1,460,816	0.28%
11	MR. B.T. PRATHAPASINGHE	1,121,250	0.21%
12	SEYLAN BANK PLC/ANDARADENIYA ESTATE (PVT) LTD	1,003,277	0.19%
13	THREAD CAPITAL (PVT) LTD	1,000,000	0.19%
14	AMALIYA (PVT) LTD	1,000,000	0.19%
15	DR. P.M.C.B. DIGANA	850,005	0.16%
16	PMF FINANCE PLC/ MR. Y.P.S.M. YAPA	800,018	0.15%
17	SEYLAN BANK PLC/ MR. A.C.SENANKA	612,130	0.12%
18	DIALOG FINANCE PLC/ MR. K.W.J.P.L. PERERA	593,725	0.11%
19	FIRST CAPITAL ASSETMANAGEMENT/ MR. M.J. FERNANDO	526,165	0.10%
20	CITIZENS DEVELOPMENT BUSINESS PLC/ MR H.M.I. JAYASINGHE	500,000	0.10%

The percentage of shares held by the public as at 30th June 2025 was 15.50% and the number of public shareholders as at 30th June 2025 were 10,973

**Directors' shareholding as at 30th June 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. W. C. Rodrigo	Nil
Mr. R. L. S. A. Rajapakse	Nil

**CEO's shareholding as at 30th June 2025**

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