

# INTERIM FINANCIAL STATEMENTS

For the Period ended 31st December 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			Twelve months ended			Quarter ended			Twelve months ended		
	12/31/2025	12/31/2024	Change %	12/31/2025	12/31/2024 (Audited)	Change %	12/31/2025	12/31/2024	Change %	12/31/2025	12/31/2024 (Audited)	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
Income	2,157,471	2,369,447	(8.9)	7,904,878	7,582,723	4.2	2,218,599	2,538,422	(12.6)	8,373,893	8,289,221	1.0
Interest and similar income	2,064,207	1,641,146	25.8	7,243,533	6,207,886	16.7	2,109,622	1,707,101	23.6	7,442,103	6,467,481	15.1
Interest and similar expenses	1,243,767	964,786	28.9	4,273,983	4,021,096	6.3	1,242,418	961,334	29.2	4,265,019	4,003,227	6.5
<b>Net interest income</b>	820,440	676,360	21.3	2,969,550	2,186,790	35.8	867,204	745,767	16.3	3,177,084	2,464,254	28.9
Fee and commission income	54,707	59,886	(8.6)	233,854	211,880	10.4	59,766	65,455	(8.7)	257,520	236,802	8.7
Fee and commission expenses	25,693	21,909	17.3	94,055	43,332	117.1	24,274	37,568	(35.4)	87,956	49,503	77.7
<b>Net fee and commission income</b>	29,014	37,977	(23.6)	139,799	168,548	(17.1)	35,492	27,888	27.3	169,565	187,299	(9.5)
Insurance premium income	-	-	-	-	-	-	69,292	91,532	(24.3)	286,500	408,020	(29.8)
Net claims and benefits	-	-	-	-	-	-	(112,870)	(152,427)	26.0	(444,849)	(327,442)	(35.9)
Net gain/(loss) on financial instruments at fair value through profit or loss	(17,628)	641,136	(102.7)	193,648	1,051,138	(81.6)	(17,191)	643,735	(102.7)	199,515	1,055,600	(81.1)
Other operating income	56,184	27,278	106.0	233,843	111,819	109.1	(2,890)	30,598	(109.4)	188,255	121,319	55.2
<b>Total operating income</b>	888,011	1,382,751	(35.8)	3,536,841	3,518,295	0.5	839,037	1,387,093	(39.5)	3,576,070	3,909,050	(8.5)
Impairment charge/(reversal) from loans and other losses	(77,443)	(51,241)	(51.1)	(99,817)	(46,194)	(116.1)	(77,443)	(51,241)	(51.1)	(99,817)	(46,194)	(116.1)
<b>Net operating income</b>	965,454	1,433,992	(32.7)	3,636,658	3,564,489	2.0	916,480	1,438,334	(36.3)	3,675,887	3,955,244	(7.1)
Personnel expenses	375,255	362,637	3.5	1,500,365	1,400,614	7.1	406,192	406,109	0.0	1,648,365	1,579,464	4.4
Depreciation and amortisation	79,300	70,780	12.0	295,628	291,078	1.6	88,112	79,981	10.2	331,150	327,722	1.0
Other operating expenses	247,365	396,284	(37.6)	905,328	1,029,666	(12.1)	321,482	421,233	(23.7)	1,066,597	1,192,609	(10.6)
<b>Total operating expense</b>	701,920	829,701	(15.4)	2,701,321	2,721,358	(0.7)	815,786	907,322	(10.1)	3,046,112	3,099,796	(1.7)
<b>Profit/(loss) from operations</b>	263,533	604,291	(56.4)	935,337	843,131	10.9	100,694	531,011	(81.0)	629,775	855,449	(26.4)
Impairment charge/(reversal) from investment in Subsidiary companies	-	52,007	(100.0)	-	4,435	(100.0)	-	-	-	-	-	-
<b>Profit/(loss) from operations after impairment from subsidiary investments</b>	263,533	552,284	(52.3)	935,337	838,696	11.5	100,694	531,011	(81.0)	629,775	855,449	(26.4)
Value added tax (VAT) on financial services	94,625	139,518	(32.2)	356,031	342,638	3.9	94,625	139,518	(32.2)	356,031	342,638	3.9
Social Security Contribution Levy (SSCL)	14,596	19,925	(26.7)	53,024	50,149	5.7	14,596	19,925	(26.7)	53,024	50,149	5.7
Share of associate companies profit/(loss) before tax	-	-	-	-	-	-	29,908	22,187	34.8	108,657	13,232	721.2
<b>Profit/(loss) before income tax</b>	154,313	392,841	(60.7)	526,282	445,909	18.0	21,382	393,755	(94.6)	329,377	475,894	(30.8)
Income tax expense/(reversal)	74,681	131,220	(43.1)	244,616	205,455	19.1	83,654	136,013	(38.5)	277,221	210,248	31.9
<b>Profit/(loss) for the period</b>	79,632	261,621	(69.6)	281,666	240,454	17.1	(62,272)	257,741	(124.2)	52,156	265,646	(80.4)
<b>Profit/(loss) for the period attributable to:</b>												
Equity holders of the parent	79,632	261,621	(69.6)	281,666	240,454	17.1	(15,516)	291,969	(105.3)	164,836	260,337	(36.7)
Non controlling interests	-	-	-	-	-	-	(46,756)	(34,228)	(36.6)	(112,680)	5,309	(2,222.6)
<b>Profit/(loss) for the period</b>	79,632	261,621	(69.6)	281,666	240,454	17.1	(62,272)	257,741	(124.2)	52,156	265,646	(80.4)
<b>Earnings per share:</b>												
Basic/Diluted earnings/(loss) per share (LKR)	0.15	0.50	(69.6)	0.54	0.46	17.1	(0.03)	0.56	(105.3)	0.31	0.50	(36.7)

## Interim Financial Statements

### Statement of Comprehensive Income

	Company						Group					
	Quarter ended			Twelve months ended			Quarter ended			Twelve months ended		
	12/31/2025	12/31/2024	Change %	12/31/2025	12/31/2024 (Audited)	Change %	12/31/2025	12/31/2024	Change %	12/31/2025	12/31/2024 (Audited)	Change %
LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		LKR '000	LKR '000		
<b>Profit/(loss) for the period</b>	79,632	261,621	(69.6)	281,666	240,454	17.1	(62,272)	257,741	(124.2)	52,156	265,646	(80.4)
<b>Other comprehensive income/(expense) for the period</b>												
Actuarial gains/(losses) on defined benefit plans	(37,644)	(45,492)	17.3	(37,644)	(45,492)	17.3	5,437	(45,594)	111.9	5,437	(45,594)	111.9
<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	(100.0)	13,004	2,750	372.9	5,861	4,801	22.1	15,704	5,738	173.7
<b>Other comprehensive income/(expense) before tax</b>	(37,644)	(41,742)	9.8	(24,641)	(42,742)	42.4	11,298	(40,793)	127.7	21,141	(39,855)	153.0
Deferred tax (charge)/credit relating to components of other comprehensive income	-	13,648	(100.0)	-	13,648	(100.0)	-	13,648	(100.0)	-	13,648	(100.0)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	(37,644)	(28,094)	(34.0)	(24,641)	(29,094)	15.3	11,298	(27,145)	141.6	21,141	(26,208)	180.7
<b>Total comprehensive income/(expense) for the period, net of tax</b>	<b>41,987</b>	<b>233,526</b>	<b>(82.0)</b>	<b>257,025</b>	<b>211,360</b>	<b>21.6</b>	<b>(50,974)</b>	<b>230,596</b>	<b>(122.1)</b>	<b>73,296</b>	<b>239,438</b>	<b>(69.4)</b>
<b>Total comprehensive income/(expense) attributable to:</b>												
Equity holders of the parent	41,987	233,526	(82.0)	257,025	211,360	21.6	34,789	264,005	(86.8)	226,443	232,796	(2.7)
Non controlling interests	-	-	-	-	-	-	(85,763)	(33,409)	(156.7)	(153,147)	6,642	(2,405.8)
	<b>41,987</b>	<b>233,526</b>	<b>(82.0)</b>	<b>257,025</b>	<b>211,360</b>	<b>21.6</b>	<b>(50,974)</b>	<b>230,596</b>	<b>(122.1)</b>	<b>73,296</b>	<b>239,438</b>	<b>(69.4)</b>

# Interim Financial Statements

## Statement of Financial Position

as at	Company			Group		
	12/31/2025	12/31/2024 (Audited)	Change %	12/31/2025	12/31/2024 (Audited)	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
<b>Assets</b>						
Cash and cash equivalents	618,674	752,190	(17.8)	891,525	854,028	4.4
Placements with banks & financial institutions	-	203,332	(100.0)	452,254	644,044	(29.8)
Financial investments at fair value through profit or loss	7,634,038	8,534,914	(10.6)	7,664,916	8,547,974	(10.3)
Loans & receivables at amortised cost	39,573,885	25,942,008	52.5	39,575,140	25,946,502	52.5
Financial investments at fair value through other comprehensive income	54	16,554	(99.7)	114,882	135,058	(14.9)
Financial investments at amortised cost	4,425,177	3,473,969	27.4	5,051,559	4,498,689	12.3
Real Estate Stock	26,029	40,446	(35.6)	26,029	40,446	(35.6)
Investment in associate company	81,084	81,084	-	181,743	178,169	2.0
Investment in subsidiary	348,261	348,261	-	-	-	-
Property, equipment and right-of-use assets	1,066,706	467,355	128.2	1,127,375	542,233	107.9
Intangible assets	38,374	61,329	(37.4)	38,374	64,097	(40.1)
Deferred tax Assets	100,155	91,893	9.0	108,734	100,473	8.2
Other assets	449,351	186,673	140.7	885,758	520,495	70.2
<b>Total assets</b>	<b>54,361,788</b>	<b>40,200,008</b>	<b>35.2</b>	<b>56,118,289</b>	<b>42,072,208</b>	<b>33.4</b>
<b>Liabilities</b>						
Due to banks	12,882,236	8,144,088	58.2	12,886,819	8,144,088	58.2
Due to customers at amortised cost	31,792,758	25,956,175	22.5	31,620,482	25,739,758	22.8
Debt issued and borrowed funds at amortised cost	3,829,062	730,033	424.5	3,829,062	730,033	424.5
Insurance provision - life	-	-	-	487,696	454,704	7.3
Insurance provision - non life	-	-	-	558,400	397,423	40.5
Current tax liabilities	146,682	209,437	(30.0)	146,682	209,437	(30.0)
Other liabilities	1,147,902	895,071	28.2	1,486,324	1,407,777	5.6
Retirement benefits obligations	424,091	383,173	10.7	434,667	394,127	10.3
<b>Total liabilities</b>	<b>50,222,731</b>	<b>36,317,977</b>	<b>38.3</b>	<b>51,450,132</b>	<b>37,477,347</b>	<b>37.3</b>
<b>Equity</b>						
Stated capital	4,276,448	4,276,448	-	4,276,448	4,276,448	-
Retained earnings	(992,653)	(1,189,204)	16.5	(780,429)	(940,833)	17.0
OCI reserve	-	(22,100)	100.0	24,529	(22,206)	210.5
RLA Reserve	406,664	424,622	(4.2)	406,663	424,622	(4.2)
RR Reserve	-	-	-	-	35,443	(100.0)
Statutory reserves	448,598	392,265	14.4	448,598	392,265	14.4
Total equity attributable to the parent	4,139,057	3,882,031	6.6	4,375,810	4,165,739	5.0
Non controlling interests	-	-	-	292,347	429,122	(31.9)
<b>Total equity</b>	<b>4,139,057</b>	<b>3,882,031</b>	<b>6.6</b>	<b>4,668,157</b>	<b>4,594,861</b>	<b>1.6</b>
	<b>54,361,788</b>	<b>40,200,008</b>	<b>35.2</b>	<b>56,118,289</b>	<b>42,072,208</b>	<b>33.4</b>
Commitments and contingencies	61,624	48,858	26.1	102,634	56,665	81.1
Net assets value per share (LKR)	7.89	7.40	6.6	8.34	7.94	5.0

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.)  
**A. C. P. Ekanayake**  
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.)  
**A. J. Ismail**  
Director

Colombo, Sri Lanka  
27/Feb/2026

## 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	-	-	-	-	240,454	240,454
Other comprehensive income	-	-	2,750	-	(31,845)	(29,095)
Transfer to retain earnings	-	-	7,042	-	(7,042)	-
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	53,032	(53,032)	-
Transfers to statutory reserve fund	-	48,091	-	-	(48,091)	-
<b>Balance as at 31st December 2024</b>	<b>4,276,448</b>	<b>392,265</b>	<b>(22,100)</b>	<b>424,622</b>	<b>(1,189,204)</b>	<b>3,882,031</b>
Balance as at 01st January 2025	4,276,448	392,265	(22,100)	424,622	(1,189,204)	3,882,031
Net profit/(loss) for the period	-	-	-	-	281,666	281,666
Other comprehensive income	-	-	13,004	-	(37,644)	(24,640)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(17,958)	17,958	-
Transfer to retain earnings	-	-	9,096	-	(9,096)	-
Transfers to statutory reserve fund	-	56,333	-	-	(56,333)	-
<b>Balance as at 31st December 2025</b>	<b>4,276,448</b>	<b>448,598</b>	<b>-</b>	<b>406,664</b>	<b>(992,653)</b>	<b>4,139,057</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	-	-	-	-	-	260,337	5,309	265,646
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	53,032	-	(53,032)	-	-
Other comprehensive income	-	-	4,359	-	-	(31,899)	1,332	(26,208)
Transfer to retain earnings	-	-	7,042	-	-	(7,042)	-	-
Transferred to restricted regulatory reserve (RRR)	-	-	-	-	35,443	(19,072)	(16,371)	-
Transfers to statutory reserve fund	-	48,091	-	-	-	(48,091)	-	-
<b>Balance as at 31st December 2024</b>	<b>4,276,448</b>	<b>392,265</b>	<b>(22,206)</b>	<b>424,622</b>	<b>35,443</b>	<b>(940,833)</b>	<b>429,122</b>	<b>4,594,861</b>
Balance as at 01st January 2025	4,276,448	392,264	(22,206)	424,621	35,443	(940,833)	429,122	4,594,861
Net profit/(loss) for the period	-	-	-	-	-	164,836	(112,680)	52,156
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(17,958)	-	17,958	-	-
Other comprehensive income	-	-	37,639	-	-	23,968	(40,466)	21,140
Transfer to retain earnings	-	-	9,096	-	-	(9,096)	-	-
Transferred restricted regulatory reserve (RRR) to liability	-	-	-	-	(35,443)	19,072	16,371	-
Transfers to statutory reserve fund	-	56,333	-	-	-	(56,333)	-	-
<b>Balance as at 31st December 2025</b>	<b>4,276,448</b>	<b>448,598</b>	<b>24,529</b>	<b>406,663</b>	<b>-</b>	<b>(780,429)</b>	<b>292,347</b>	<b>4,668,157</b>

# Interim Financial Statements

## Statement of Cash Flows

For the period ended 31st December

	Company		Group	
	2025	2024	2025	2024
	LKR '000	(Audited) LKR '000	LKR '000	(Audited) LKR '000
<b>Cash flows from operating activities</b>				
Profit before income tax	526,282	445,909	329,377	475,894
<b>Adjustments for :</b>				
Net Interest Income	(2,969,550)	(2,186,790)	(3,177,084)	(2,464,254)
WHT movement for the year	-	(6,673)	-	(6,673)
Impairment charges for loans and other losses	(99,817)	(46,194)	(99,817)	(46,194)
Impairment (reversal)/charge of investment in subsidiary	-	4,435	-	-
Share of associate company's profit/(loss) before tax	-	-	(108,657)	(13,232)
Depreciation and amortisation	295,628	291,078	331,150	327,722
Profit from sales of real estate	(3,163)	(5,126)	(3,163)	(5,126)
Profit from sales of property & equipment and investment property	(50,784)	(7,893)	(50,784)	(7,893)
Dividend income from investment companies	(73,650)	-	(73,650)	-
Dividend income from financial assets	(1,734)	(10,914)	(1,798)	(10,951)
Contribution to defined benefit plans	72,622	73,878	74,921	76,931
Fair value change of financial assets	563,401	(257,327)	609,182	(258,939)
	(1,740,765)	(1,705,617)	(2,170,323)	(1,932,715)
Interest paid to customers at amortised cost	(2,728,225)	(3,587,723)	(2,728,225)	(3,587,723)
Interest paid on other borrowings	(1,004,179)	(627,693)	(1,013,556)	(639,310)
Interest received on loans & receivables at amortised cost	5,951,168	4,417,787	5,951,168	4,417,787
Interest received on other investment	1,166,572	2,055,740	1,383,482	2,344,821
Gratuity paid	(69,349)	(90,564)	(72,026)	(95,102)
<b>Change in operating assets</b>				
Loans & receivables at amortised cost	(13,399,283)	(6,815,622)	(13,396,044)	(6,814,869)
Other operating assets	(974,755)	(122,941)	(1,092,932)	(117,092)
<b>Change in operating liabilities</b>				
Due to customers at amortised cost	5,459,410	758,762	5,459,410	758,762
Payments made under operating leases	(235,035)	(225,602)	(269,272)	(260,218)
Insurance provision	-	-	193,969	(212,631)
Other liabilities	415,244	219,811	347,674	220,135
<b>Net cash generated from/(used in) operating activities before tax</b>	<b>(7,159,197)</b>	<b>(5,723,662)</b>	<b>(7,406,675)</b>	<b>(5,918,155)</b>
Income tax paid	(297,361)	(42,693)	(297,361)	(42,693)
<b>Net cash generated from/(used in) operating activities</b>	<b>(7,456,558)</b>	<b>(5,766,355)</b>	<b>(7,704,036)</b>	<b>(5,960,848)</b>
<b>Cash flows from investing activities</b>				
Net increase/(decrease) in financial investments at FVTOCI	20,000	-	20,000	-
Net increase/(decrease) in financial investments at amortised cost	(846,479)	160,245	(444,466)	698,144
Net (increase)/decrease in placements with banks & financial institutions	150,000	350,000	182,600	(37,645)
Net (increase)/decrease in investment of government securities at FVTPL	327,173	(401,113)	327,173	(401,113)
Net (increase)/decrease in other financial investments at FVTPL	(46,745)	205,020	(64,562)	205,020
Proceeds from real estate stock	17,581	22,839	17,581	22,839
Purchase of property & equipment	(160,265)	(48,759)	(163,217)	(49,009)
Purchase of intangible assets	(9,839)	(35,407)	(9,839)	(36,812)
Proceeds from sale of property & equipment and investment property	50,837	8,180	50,837	8,180
Dividends received	75,384	10,914	75,448	10,951
<b>Net cash generated from/(used in) investing activities</b>	<b>(422,353)</b>	<b>271,919</b>	<b>(8,445)</b>	<b>420,555</b>
<b>Cash flows from financing activities</b>				
Net increase/(decrease) reverse repo agreements	4,152,795	2,400,000	4,152,795	2,400,000
Net increase/(decrease) in other borrowings at amortised cost	2,961,000	2,965,000	2,961,000	2,965,000
<b>Net cash generated from/(used in) financing activities</b>	<b>7,113,795</b>	<b>5,365,000</b>	<b>7,113,795</b>	<b>5,365,000</b>
Net increase / (decrease) in cash and cash equivalents during the period	(765,116)	(129,436)	(598,686)	(175,293)
Cash and cash equivalents at the beginning of the period	554,066	683,502	655,904	831,197
<b>Cash and cash equivalents at the end of the period</b>	<b>(211,050)</b>	<b>554,066</b>	<b>57,218</b>	<b>655,904</b>
Note				
<b>Analysis of Cash and Cash Equivalents</b>				
Cash and short term funds	618,674	752,190	891,525	854,028
Dues to banks	(829,724)	(198,124)	(834,307)	(198,124)
	<b>(211,050)</b>	<b>554,066</b>	<b>57,218</b>	<b>655,904</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 27th February 2026, in accordance with the resolution of the Directors passed on 27th February 2026.

**Basis of preparation and accounting policies**

The interim condensed Financial Statements for the period ended 31st December 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	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
<b>As at</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	618,674	752,190	-	-	618,674	752,190
Placements with banks & financial institutions	-	-	-	203,332	-	-	-	203,332
Financial investments at fair value through profit or loss	7,634,038	8,534,914	-	-	-	-	7,634,038	8,534,914
Loans & receivables at amortised cost	-	-	39,573,885	25,942,008	-	-	39,573,885	25,942,008
Financial investments at fair value through other comprehensive income	-	-	-	-	54	16,554	54	16,554
Financial investments at amortised cost	-	-	4,425,177	3,473,969	-	-	4,425,177	3,473,969
Other assets	-	-	160,310	78,232	-	-	160,310	78,232
<b>Total</b>	<b>7,634,038</b>	<b>8,534,914</b>	<b>44,778,046</b>	<b>30,449,731</b>	<b>54</b>	<b>16,554</b>	<b>52,412,138</b>	<b>39,001,200</b>

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
<b>Due to banks</b>	12,882,236	8,144,088	12,882,236	8,144,088
<b>Due to customers at amortised cost</b>	31,792,758	25,956,175	31,792,758	25,956,175
<b>Debt issued and borrowed funds at amortised cost</b>	3,829,062	730,033	3,829,062	730,033
<b>Other liabilities</b>	77,908	132,820	77,908	132,820
<b>Total</b>	<b>48,581,964</b>	<b>34,963,116</b>	<b>48,581,964</b>	<b>34,963,116</b>

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
<b>As at</b>								
<b>Financial assets</b>								
Cash and cash equivalents	-	-	891,525	854,028	-	-	891,525	854,028
Placements with banks & financial institutions	-	-	452,254	644,044	-	-	452,254	644,044
Financial investments at fair value through profit or loss	7,664,916	8,547,974	-	-	-	-	7,664,916	8,547,974
Loans & receivables at amortised cost	-	-	39,575,140	25,946,502	-	-	39,575,140	25,946,502
Financial investments at fair value through other comprehensive income	-	-	-	-	114,882	135,058	114,882	135,058
Financial investments at amortised cost	-	-	5,051,559	4,498,689	-	-	5,051,559	4,498,689
Other assets	-	-	160,310	78,232	-	-	160,310	78,232
<b>Total</b>	<b>7,664,916</b>	<b>8,547,974</b>	<b>46,130,788</b>	<b>32,021,495</b>	<b>114,882</b>	<b>135,058</b>	<b>53,910,586</b>	<b>40,704,527</b>

Other Financial liabilities	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024
<b>Due to banks</b>	12,886,819	8,144,088	12,886,819	8,144,088
<b>Due to customers at amortised cost</b>	31,620,482	25,739,758	31,620,482	25,739,758
<b>Debt issued and borrowed funds at amortised cost</b>	3,829,062	730,033	3,829,062	730,033
<b>Other liabilities</b>	77,908	132,820	77,908	132,820
<b>Total</b>	<b>48,414,271</b>	<b>34,746,699</b>	<b>48,414,271</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	(608,193)	839,109	(608,193)	839,109
Impairment from Loans and advances-collective impairment	(58,263)	(1,090,262)	(58,263)	(1,090,263)
Write off	565,327	108,763	565,327	108,763
Cash and cash equivalent	(13)	(25)	(13)	(25)
Placements with banks & financial institutions	(22)	(66)	(22)	(66)
Other losses	1,347	96,288	1,347	96,288
	<b>(99,817)</b>	<b>(46,194)</b>	<b>(99,817)</b>	<b>(46,193)</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	(42,867)	947,872	(42,867)	947,872
Write off	(565,327)	(108,763)	(565,327)	(108,763)
<b>As at 31st December</b>	<b>1,129,097</b>	<b>1,737,290</b>	<b>1,046,982</b>	<b>1,737,290</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	(58,263)	(1,090,262)	(58,263)	(1,090,262)
Write off	-	-	-	-
<b>As at 31st December</b>	<b>612,778</b>	<b>671,041</b>	<b>1,028,778</b>	<b>671,041</b>
<b>Loans and advances impairment</b>	<b>1,741,875</b>	<b>2,408,331</b>	<b>2,075,761</b>	<b>2,408,331</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 31st December 2025 and comparative figures for the period ended 31st December 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 31st December</b>												
<b>Revenue from external customers</b>												
Interest and similar income	2,636,220	2,007,987	3,188,472	2,051,088	257,941	287,991	216,910	289,081	1,142,560	1,831,334	7,442,103	6,467,481
Interest and similar expenses	1,036,346	983,770	1,740,568	1,239,067	180,473	221,884	9,377	11,617	1,298,255	1,546,889	4,265,019	4,003,227
<b>Net interest income</b>	<b>1,599,874</b>	<b>1,024,217</b>	<b>1,447,904</b>	<b>812,021</b>	<b>77,468</b>	<b>66,107</b>	<b>207,533</b>	<b>277,464</b>	<b>(155,695)</b>	<b>284,445</b>	<b>3,177,084</b>	<b>2,464,254</b>
<b>Net fee and commission income</b>	<b>109,590</b>	<b>95,499</b>	<b>51,583</b>	<b>54,792</b>	<b>364</b>	<b>-</b>	<b>29,766</b>	<b>18,751</b>	<b>(21,738)</b>	<b>18,257</b>	<b>169,565</b>	<b>187,299</b>
Insurance premium income	-	-	-	-	-	-	286,500	408,020	-	-	286,500	408,020
Net claims and benefits	-	-	-	-	-	-	(444,849)	(327,441)	-	-	(444,849)	(327,441)
Real estate profit	-	-	3,163	5,126	-	-	-	-	-	-	3,163	5,126
Trading and other income	39,534	28,936	35,916	31,414	22,315	175,586	(39,722)	13,962	326,564	921,895	384,607	1,171,793
<b>Total operating income</b>	<b>1,748,998</b>	<b>1,148,652</b>	<b>1,538,566</b>	<b>903,353</b>	<b>100,147</b>	<b>241,693</b>	<b>39,228</b>	<b>390,756</b>	<b>149,131</b>	<b>1,224,597</b>	<b>3,576,070</b>	<b>3,909,050</b>
Impairment (charges)/reversal for loans and other losses	206,011	7,934	(257,412)	(64,781)	303,733	156,796	-	-	(152,515)	(53,755)	99,817	46,194
<b>Net operating income</b>	<b>1,955,009</b>	<b>1,156,586</b>	<b>1,281,154</b>	<b>838,572</b>	<b>403,880</b>	<b>398,489</b>	<b>39,228</b>	<b>390,756</b>	<b>(3,384)</b>	<b>1,170,842</b>	<b>3,675,887</b>	<b>3,955,244</b>
Personnel expenses	(365,373)	(345,195)	(613,653)	(434,776)	(9,946)	(14,127)	(148,001)	(178,850)	(511,392)	(606,517)	(1,648,365)	(1,579,465)
Depreciation and amortisation	(71,992)	(71,739)	(120,913)	(90,356)	(82)	(161)	(35,522)	(36,645)	(102,641)	(128,822)	(331,150)	(327,722)
Other operating expenses	(220,468)	(253,771)	(370,281)	(319,627)	(6,342)	(44,502)	(161,269)	(162,944)	(308,236)	(411,766)	(1,066,596)	(1,192,609)
<b>Segment result</b>	<b>1,297,176</b>	<b>485,881</b>	<b>176,307</b>	<b>(6,187)</b>	<b>387,510</b>	<b>339,699</b>	<b>(305,564)</b>	<b>12,317</b>	<b>(925,653)</b>	<b>23,737</b>	<b>629,775</b>	<b>855,448</b>
<b>Profit/(loss) from operations after impairment from subsidiary investments</b>											<b>629,775</b>	<b>855,448</b>
Value added tax on financial services											(356,031)	(342,638)
Social Security Contribution Levy (SSCL)											(53,024)	(50,149)
Share of associate company's profit/(loss) before tax											108,657	13,232
<b>Profit/(loss) before income tax</b>											<b>329,377</b>	<b>475,894</b>
Income tax expense											(277,221)	(210,248)
<b>Profit/(loss) for the period</b>											<b>52,156</b>	<b>265,646</b>
<b>Assets</b>												
<b>Capital expenditures</b>												
Property, equipment and right-of-use assets	39,028	12,017	65,549	15,136	6,797	2,710	2,952	1,655	48,892	18,896	163,218	50,414
Intangible assets	2,396	8,726	4,024	10,991	417	1,968	-	-	3,002	13,721	9,839	35,406
<b>Total segment assets</b>	<b>12,367,224</b>	<b>10,819,006</b>	<b>25,504,384</b>	<b>13,437,446</b>	<b>2,039,808</b>	<b>1,997,934</b>	<b>2,176,378</b>	<b>2,339,792</b>	<b>14,030,495</b>	<b>13,478,030</b>	<b>56,118,289</b>	<b>42,072,208</b>
<b>Total segment liabilities</b>	<b>11,355,091</b>	<b>9,698,871</b>	<b>23,417,107</b>	<b>12,046,214</b>	<b>1,872,870</b>	<b>1,791,080</b>	<b>1,448,674</b>	<b>1,375,787</b>	<b>13,356,389</b>	<b>12,565,395</b>	<b>51,450,132</b>	<b>37,477,347</b>

## Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 31/12/2025 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%	8.77%	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%	8.77%	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		8.77%	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%	9.09%	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%	9.09%	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%	9.09%	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%	9.76%	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%	9.76%	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 31st December 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%	27,080,000	40%	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 31st December 2025 that require disclosure in these Financial Statements.

### Information on ordinary shares

As at		12/31/2025	12/31/2024
Net asset per share (LKR)	- Company	7.89	7.40
	- Group	8.34	7.94

Market price per share recorded during the quarter ended 31st December (LKR)		2025	2024
	-High	17.50 (16-10-2025)	6.30 (30-12-2024)
	-Low	8.50 (1-10-2025)	5.10 (25-11-2024)
	-Last Transaction	12.70 (31-12-2025)	6.00 (31-12-2024)

As at		12/31/2025	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		12/31/2025	12/31/2024
Debt/Equity Ratio*		4.0	2.3
Statutory Liquid Asset Ratio		12.34%	31.19%

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

Ratios for the period ended		12/31/2025	12/31/2024
Interest Cover		1.123	1.111

### The Float adjusted market capitalization as at 31st December 2025 - Rs. 1,032,453,764

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 31st December 2025**

	<b>Name of the share holder</b>	<b>No. of Shares</b>	<b>Holding %</b>
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	MR. A.M. WEERASINGHE	3,227,403	0.62%
05	HATTON NATIONAL BANK PLC/DINESH NAGENDRA SELLAMUTTU	2,907,670	0.55%
06	MR. K.V. HEWAVITARNE	2,035,487	0.39%
07	PEOPLE S LEASING AND FINANCE PLC/B.A.D.H.C.MAHIPALA	1,178,375	0.22%
08	MR. K.D.N.A. KARUNATHILAKE	1,150,000	0.22%
09	MR. B.T. PRATHAPASINGHE	1,121,250	0.21%
10	MR. A.H. MUNASINGHE	1,000,000	0.19%
11	SEYLAN BANK PLC/A.P.JAYASINGHE	1,000,000	0.19%
12	DFCC BANK PLC A/C NO.02	820,000	0.16%
13	PMF FINANCE PLC/R.A. NIRANJANA	785,597	0.15%
14	MR. D. RAMACHANDRAN	725,000	0.14%
15	PEOPLE'S LEASING & FINANCE PLC/MR. F.B.R.D. SILVA	700,000	0.13%
16	MR. H.G.D.R.D.K. JAYAWARDANA	658,285	0.13%
17	MS. C.N.M. ANTHONY	608,847	0.12%
18	PMF FINANCE PLC/Y.P.S.M. YAPA	600,000	0.11%
19	DIALOG FINANCE PLC/K.W.J.P.L. PERERA	593,725	0.11%
20	MR. K.B. ABEYRATNE	526,342	0.10%

The percentage of shares held by the public as at 31st December 2025 was 15.50% and the number of public shareholders as at 31st December 2025 were 11,593

**Directors' shareholding as at 31st December 2025**

<b>Name of the Director</b>	<b>No. of Shares</b>
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	Nil
Mr. R. L. S. A. Rajapakse	Nil
Mr. H. M. P.B. Herath	Nil

**CEO's shareholding as at 31st December 2025**

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