

INTERIM FINANCIAL STATEMENTS

For the Period ended 31st March 2026

Rating 'A (lka)'



Co.Reg.No. PQ10

Interim Financial Statements

Statement of Profit or Loss

	Company			Group		
	Quarter ended			Quarter ended		
	3/31/2026	3/31/2025	Change %	3/31/2026	3/31/2025	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
Income	2,156,221	1,699,102	26.9	2,249,322	1,848,510	21.7
Interest and similar income	2,074,582	1,617,793	28.2	2,116,147	1,672,042	26.6
Interest and similar expenses	1,276,572	957,627	33.3	1,274,781	953,738	33.7
Net interest income	798,010	660,167	20.9	841,366	718,304	17.1
Fee and commission income	54,115	52,786	2.5	65,130	59,019	10.4
Fee and commission expenses	7,881	20,923	(62.3)	6,795	19,346	(64.9)
Net fee and commission income	46,234	31,863	45.1	58,335	39,673	47.0
Insurance premium income	-	-	-	78,756	85,384	(7.8)
Net claims and benefits	-	-	-	(68,926)	(105,398)	34.6
Net trading income	11,123	382,128	(97.1)	11,123	382,128	(97.1)
Net gain/(loss) on financial instruments at fair value through profit or loss	(80,563)	(378,010)	78.7	(81,289)	(378,173)	78.5
Other operating income	96,964	24,406	297.3	59,455	28,110	111.5
Total operating income	871,768	720,553	21.0	898,820	770,028	16.7
Impairment charge/(reversal) from loans and other losses	(6,546)	44,224	(114.8)	(6,545)	44,224	(114.8)
Net operating income	878,314	676,329	29.9	905,365	725,804	24.7
Personnel expenses	403,379	369,568	9.1	439,981	411,795	6.8
Depreciation and amortisation	82,386	67,940	21.3	91,279	76,924	18.7
Other operating expenses	213,657	209,524	2.0	262,326	240,424	9.1
Total operating expense	699,422	647,032	8.1	793,586	729,143	8.8
Profit/(loss) from operations	178,892	29,297	510.6	111,779	(3,339)	3,447.4
Impairment charge/(reversal) from investment in Subsidiary companies	-	-	-	-	-	-
Profit/(loss) from operations after impairment from subsidiary investments	178,892	29,297	510.6	111,779	(3,339)	3,447.4
Value added tax (VAT) on financial services	79,975	61,941	29.1	79,975	61,942	29.1
Social Security Contribution Levy (SSCL)	11,108	9,338	19.0	11,108	9,338	19.0
Share of associate companies profit/(loss) before tax	-	-	-	28,702	15,462	85.6
Profit/(loss) before income tax	87,809	(41,982)	309.2	49,398	(59,157)	183.5
Income tax expense/(reversal)	43,809	5,988	631.7	52,420	11,007	376.2
Profit/(loss) for the period	44,000	(47,970)	191.7	(3,022)	(70,164)	95.7
Profit/(loss) for the period attributable to:						
Equity holders of the parent	44,000	(47,970)	191.7	7,882	(55,089)	114.3
Non controlling interests	-	-	-	(10,904)	(15,075)	27.7
Profit/(loss) for the period	44,000	(47,970)	191.7	(3,022)	(70,164)	95.7
Earnings per share:						
Basic/Diluted earnings/(loss) per share (LKR)	0.08	(0.09)	191.7	0.02	(0.11)	114.3

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Statement of Comprehensive Income

	Company			Group		
	Quarter ended			Quarter ended		
	3/31/2026	3/31/2025	Change %	3/31/2026	3/31/2025	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
Profit/(loss) for the period	44,000	(47,970)	191.7	(3,022)	(70,164)	95.7
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	-	-	-	(12,581)	-	-
Other comprehensive income/(expense) before tax	-	-	-	(12,581)	-	-
Deferred tax (charge)/credit relating to components of other comprehensive income	-	-	-	-	-	-
Other comprehensive income/(expense) for the period, net of tax	-	-	-	(12,581)	-	-
Total comprehensive income/(expense) for the period, net of tax	44,000	(47,970)	191.7	(15,603)	(70,164)	77.8
Total comprehensive income/(expense) attributable to:						
Equity holders of the parent	44,000	(47,970)	191.7	1,113	(55,089)	102.0
Non controlling interests	-	-	-	(16,716)	(15,075)	(10.9)
	44,000	(47,970)	191.7	(15,603)	(70,164)	77.8

Interim Financial Statements

Statement of Financial Position

as at	Company			Group		
	3/31/2026	12/31/2025 (Audited)	Change %	3/31/2026	12/31/2025 (Audited)	Change %
	LKR '000	LKR '000		LKR '000	LKR '000	
Assets						
Cash and cash equivalents	653,111	618,703	5.6	892,096	891,554	0.1
Placements with banks & financial institutions	-	-	-	464,196	452,254	2.6
Financial investments at fair value through profit or loss	6,201,520	7,634,038	(18.8)	6,217,621	7,652,964	(18.8)
Loans & receivables at amortised cost	41,462,292	39,585,583	4.7	41,463,727	39,586,838	4.7
Financial investments at fair value through other comprehensive income	54	54	-	110,094	126,834	(13.2)
Financial investments at amortised cost	4,382,158	4,425,177	(1.0)	4,977,834	5,051,559	(1.5)
Real Estate Stock	13,331	26,029	(48.8)	13,331	26,029	(48.8)
Investment in associate company	81,084	81,084	-	154,551	177,966	(13.2)
Investment in subsidiary	318,567	318,568	(0.0)	-	-	-
Property, equipment and right-of-use assets	821,095	1,080,743	(24.0)	874,200	1,139,639	(23.3)
Intangible assets	324,507	38,374	745.6	324,507	40,147	708.3
Deferred tax Assets	130,134	130,134	0.0	130,829	130,830	(0.0)
Other assets	455,136	449,308	1.3	871,356	884,192	(1.5)
Total assets	54,842,989	54,387,795	0.8	56,494,342	56,160,806	0.6
Liabilities						
Due to banks	13,984,524	14,889,904	(6.1)	13,999,132	14,894,488	(6.0)
Due to customers at amortised cost	32,940,501	31,792,758	3.6	32,774,016	31,620,482	3.6
Debt issued and borrowed funds at amortised cost	1,903,362	1,821,393	4.5	1,903,362	1,821,393	4.5
Insurance provision - life	-	-	-	548,997	539,669	1.7
Insurance provision - non life	-	-	-	503,632	572,437	(12.0)
Current tax liabilities	148,766	166,186	(10.5)	148,766	166,186	(10.5)
Other liabilities	1,259,262	1,159,257	8.6	1,624,453	1,543,426	5.2
Retirement benefits obligations	428,368	424,091	1.0	439,528	434,666	1.1
Total liabilities	50,664,783	50,253,589	0.8	51,941,886	51,592,747	0.7
Equity						
Stated capital	4,276,448	4,276,448	(0.0)	4,276,448	4,276,448	-
Retained earnings	(878,801)	(1,011,105)	13.1	(789,592)	(885,779)	10.9
OCI reserve	-	-	-	(1,034)	5,736	(118.0)
RLA Reserve	330,058	418,362	(21.1)	330,058	418,362	(21.1)
Statutory reserves	450,501	450,501	(0.0)	450,501	450,501	(0.0)
Total equity attributable to the parent	4,178,206	4,134,206	1.1	4,266,381	4,265,268	0.0
Non controlling interests	-	-	-	286,075	302,791	(5.5)
Total equity	4,178,206	4,134,206	1.1	4,552,456	4,568,059	(0.3)
	54,842,989	54,387,795	0.8	56,494,342	56,160,806	0.6
Commitments and contingencies	58,737	61,624	(4.7)	102,904	105,791	(2.7)
Net assets value per share (LKR)	7.97	7.88	1.1	8.13	8.13	0.0

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

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.)

G. A. Jayashantha
Director

Colombo, Sri Lanka
15/May/2026

(sgd.)

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

(sgd.)

A. J. Ismail
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 2025	4,276,448	392,265	(22,100)	424,622	(1,189,204)	3,882,031
Net profit/(loss) for the period	-	-	-	-	(47,970)	(47,970)
Other comprehensive income	-	-	-	-	-	-
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(13,346)	13,346	-
Balance as at 31st March 2025	4,276,448	392,265	(22,100)	411,276	(1,223,828)	3,834,061
Balance as at 01st January 2026	4,276,448	450,501	-	418,362	(1,011,105)	4,134,206
Net profit/(loss) for the period	-	-	-	-	44,000	44,000
Other comprehensive income	-	-	-	-	-	-
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(88,304)	88,304	-
Balance as at 31st March 2026	4,276,448	450,501	-	330,058	(878,801)	4,178,206

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 2025	4,276,448	392,264	(22,206)	424,622	35,443	(940,832)	429,121	4,594,861
Net profit/(loss) for the period	-	-	-	-	-	(55,089)	(15,074)	(70,163)
Other comprehensive income	-	-	-	-	-	-	-	-
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(13,346)	-	13,346	-	-
Balance as at 31st March 2025	4,276,448	392,264	(22,206)	411,276	35,443	(982,575)	414,047	4,524,698
Balance as at 01st January 2026	4,276,448	450,501	5,736	418,362	-	(885,779)	302,791	4,568,059
Net profit/(loss) for the period	-	-	-	-	-	7,883	(10,904)	(3,021)
Transfer to regulatory loss allowance reserve (RLAR)	-	-	-	(88,304)	-	88,304	-	-
Other comprehensive income	-	-	(6,770)	-	-	-	(5,812)	(12,582)
Balance as at 31st March 2026	4,276,448	450,501	(1,034)	330,058	-	(789,592)	286,075	4,552,456

Interim Financial Statements

Statement of Cash Flows

For the period ended 31st March

Cash flows from operating activities

	Company		Group	
	2026	2025	2026	2025
	LKR '000	LKR '000	LKR '000	LKR '000
Profit before income tax	87,809	(41,983)	49,399	(59,157)
Adjustments for :				
Net Interest Income	(798,010)	(660,167)	(841,366)	(718,304)
WHT movement for the year	-	(33)	-	(33)
Impairment charges for loans and other losses	(6,552)	44,224	(6,552)	44,224
Share of associate company's profit/(loss) before tax	-	-	(28,702)	(15,462)
Depreciation and amortisation	82,386	67,940	91,279	76,924
Profit from sales of real estate	(2,284)	-	(2,284)	-
Profit from sales of property & equipment and investment property	(27,352)	(9,068)	(27,352)	(9,068)
Dividend income from investment companies	(43,506)	-	-	-
Dividend income from financial assets	(1,214)	(691)	(1,236)	(734)
Contribution to defined benefit plans	21,000	21,000	22,500	22,499
Fair value change of financial assets	80,563	378,010	67,981	373,511
	(607,160)	(200,768)	(676,333)	(285,600)
Interest paid to customers at amortised cost	(697,987)	(558,861)	(697,987)	(558,861)
Interest paid on other borrowings	(286,444)	(163,033)	(288,256)	(165,275)
Interest received on loans & receivables at amortised cost	1,755,797	1,266,499	1,755,797	1,266,499
Interest received on other investment	335,279	427,063	380,447	487,443
Gratuity paid	(16,721)	(13,594)	(17,639)	(13,828)
Change in operating assets				
Loans & receivables at amortised cost	(1,825,032)	(2,768,526)	(1,825,211)	(2,768,692)
Other operating assets	221,258	(54,465)	238,591	(160,645)
Change in operating liabilities				
Due to customers at amortised cost	1,020,783	2,244,375	1,020,783	2,244,375
Payments made under operating leases	(66,348)	(18,350)	(74,673)	(52,966)
Insurance provision	-	-	(59,478)	103,020
Other liabilities	150,100	149,843	139,455	188,233
Net cash generated from/(used in) operating activities before tax	(16,475)	310,183	(104,504)	283,702
Income tax paid	(61,157)	(94,000)	(61,157)	(94,000)
Net cash generated from/(used in) operating activities	(77,631)	216,183	(165,661)	189,702
Cash flows from investing activities				
Net increase/(decrease) in financial investments at amortised cost	3,933	(69,828)	39,428	(77,680)
Net (increase)/decrease in placements with banks & financial institutions	-	-	(6,152)	(3,595)
Net (increase)/decrease in investment of government securities at FVTPL	1,346,566	2,872,115	1,346,566	2,872,115
Net (increase)/decrease in other financial investments at FVTPL	(17,144)	(45,604)	(2,368)	(52,181)
Proceeds from real estate stock	14,982	-	14,982	-
Purchase of property & equipment	(43,339)	(19,940)	(43,339)	(21,182)
Purchase of intangible assets	(292,690)	-	(292,690)	(1,405)
Proceeds from sale of property & equipment and investment property	27,352	9,068	27,352	9,068
Dividends received	44,720	691	44,741	734
Net cash generated from/(used in) investing activities	1,084,380	2,746,502	1,128,520	2,725,874
Cash flows from financing activities				
Net increase/(decrease) reverse repo agreements	(790,542)	(2,400,000)	(790,542)	(2,400,000)
Net increase/(decrease) in other borrowings at amortised cost	(249,000)	(635,000)	(249,000)	(635,000)
Net cash generated from/(used in) financing activities	(1,039,542)	(3,035,000)	(1,039,542)	(3,035,000)
Net increase / (decrease) in cash and cash equivalents during the period	(32,794)	(72,315)	(76,683)	(119,424)
Cash and cash equivalents at the beginning of the period	(211,020)	554,066	57,247	655,904
Cash and cash equivalents at the end of the period	(243,814)	481,751	(19,436)	536,480

Note

Analysis of Cash and Cash Equivalents

Cash and short term funds	653,111	661,112	892,096	718,517
Dues to banks	(896,925)	(179,361)	(911,532)	(182,037)
	(243,814)	481,751	(19,436)	536,480

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.

The Directors confirm, 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 15th May 2026, in accordance with the resolution of the Directors passed on 15th May 2026.

Basis of preparation and accounting policies

The interim condensed Financial Statements for the period ended 31st March 2026 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	3/31/2026	12/31/2025	3/31/2026	12/31/2025	3/31/2026	12/31/2025	3/31/2026	12/31/2025
Financial assets								
Cash and cash equivalents	-	-	653,111	618,703	-	-	653,111	618,703
Placements with banks & financial institutions	-	-	-	-	-	-	-	-
Financial investments at fair value through profit or loss	6,201,520	7,634,038	-	-	-	-	6,201,520	7,634,038
Loans & receivables at amortised cost	-	-	41,462,292	39,585,583	-	-	41,462,292	39,585,583
Financial investments at fair value through other comprehensive income	-	-	-	-	54	54	54	54
Financial investments at amortised cost	-	-	4,382,158	4,425,177	-	-	4,382,158	4,425,177
Other assets	-	-	87,301	160,310	-	-	87,301	160,310
Total	6,201,520	7,634,038	46,584,862	44,789,773	54	54	52,786,436	52,423,865

	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	3/31/2026	12/31/2025	3/31/2026	12/31/2025
Other Financial liabilities				
Due to banks	13,984,524	14,889,904	13,984,524	14,889,904
Due to customers at amortised cost	32,940,501	31,792,758	32,940,501	31,792,758
Debt issued and borrowed funds at amortised cost	1,903,362	1,821,393	1,903,362	1,821,393
Other liabilities	97,150	77,908	97,150	77,908
Total	48,925,537	48,581,963	48,925,537	48,581,963

Group	LKR.'000							
	Financial instrument at FVTPL		Financial instrument at amortised Cost		Financial instrument at FVTOCI		Total	
As at	3/31/2026	12/31/2025	3/31/2026	12/31/2025	3/31/2026	12/31/2025	3/31/2026	12/31/2025
Financial assets								
Cash and cash equivalents	-	-	892,096	891,554	-	-	892,096	891,554
Placements with banks & financial institutions	-	-	464,196	452,254	-	-	464,196	452,254
Financial investments at fair value through profit or loss	6,217,621	7,652,964	-	-	-	-	6,217,621	7,652,964
Loans & receivables at amortised cost	-	-	41,463,727	39,586,838	-	-	41,463,727	39,586,838
Financial investments at fair value through other comprehensive income	-	-	-	-	110,094	126,834	110,094	126,834
Financial investments at amortised cost	-	-	4,977,834	5,051,559	-	-	4,977,834	5,051,559
Other assets	-	-	87,301	160,310	-	-	87,301	160,310
Total	6,217,621	7,652,964	47,885,154	46,142,515	110,094	126,834	54,212,869	53,922,313

	LKR.'000			
	Other financial liabilities at amortised cost		Total	
	3/31/2026	12/31/2025	3/31/2026	12/31/2025
Other Financial liabilities				
Due to banks	13,999,132	14,894,488	13,999,132	14,894,488
Due to customers at amortised cost	32,774,016	31,620,482	32,774,016	31,620,482
Debt issued and borrowed funds at amortised cost	1,903,362	1,821,393	1,903,362	1,821,393
Other liabilities	97,150	77,908	97,150	77,908
Total	48,773,660	48,414,271	48,773,660	48,414,271

Movement in individual and collective impairment during the period

	LKR. '000			
	Company		Group	
	2026	2025	2026	2025
Impairment charge/(reversal) from loans and other losses				
Impairment from Loans and advances-individual impairment	(89,520)	(124,254)	(89,519)	(124,254)
Impairment from Loans and advances-collective impairment	81,684	12,421	81,684	12,421
Write off	1,284	155,996	1,284	155,996
Cash and cash equivalent	6	9	6	9
Placements with banks & financial institutions	-	51	-	51
	(6,546)	44,224	(6,546)	44,224
Individual impairment charge/(reversal)				
As at 01 January	1,137,888	1,737,290	1,655,176	1,737,290
Charge/(reversal) to income statement from loans and advances	(88,236)	31,742	(88,236)	31,742
Write off	(1,284)	(155,996)	(1,284)	(155,996)
As at 31st March	1,048,368	1,613,036	1,565,656	1,613,036
Collective impairment charge/(reversal)				
As at 01 January	592,289	671,041	1,087,042	671,041
Charge/(reversal) to income statement from loans and advances	81,684	12,421	81,684	12,421
Write off	-	-	-	-
As at 31st March	673,973	683,463	1,168,726	683,463
Loans and advances impairment	1,722,341	2,296,498	2,734,382	2,296,498

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 March 2026 and comparative figures for the period ended 31st March 2025.

Group	Leasing		Loans		Corporate Advisory & Capital Markets		Insurance		Eliminations / Unallocated		Total	
For the Period ended 31st March	2026 LKR.'000	2025 LKR.'000	2026 LKR.'000	2025 LKR.'000	2026 LKR.'000	2025 LKR.'000	2026 LKR.'000	2025 LKR.'000	2026 LKR.'000	2025 LKR.'000	2026 LKR.'000	2025 LKR.'000
Revenue from external customers												
Interest and similar income	647,800	602,389	1,090,790	606,982	62,333	64,954	45,168	60,380	270,056	337,338	2,116,147	1,672,043
Interest and similar expenses	283,264	268,660	618,891	338,126	43,384	46,573	1,813	2,242	327,429	298,137	1,274,781	953,738
Net interest income	364,536	333,729	471,899	268,856	18,949	18,381	43,355	58,138	(57,374)	39,201	841,366	718,305
Net fee and commission income	10,370	26,892	14,484	10,347	75	-	12,102	7,809	21,305	(5,376)	58,335	39,673
Insurance premium income	-	-	-	-	-	-	78,756	85,384	-	-	78,756	85,384
Net claims and benefits	-	-	-	-	-	-	(68,926)	(105,398)	-	-	(68,926)	(105,398)
Trading and other income	9,035	5,243	5,337	2,773	(27,251)	(25,306)	5,270	3,542	(3,101)	45,813	(10,711)	32,066
Total operating income	383,941	365,864	491,720	281,976	(8,227)	(6,925)	70,557	49,475	(39,169)	79,638	898,820	770,028
Impairment (charges)/reversal for loans and other losses	(49,883)	126,603	56,435	16,808	-	(35,060)	-	-	(6)	(152,575)	6,545	(44,224)
Net operating income	334,058	492,467	548,155	298,784	(8,227)	(41,985)	70,557	49,475	(39,175)	(72,937)	905,365	725,804
Personnel expenses	(89,761)	(104,350)	(196,114)	(131,331)	(3,891)	(2,836)	(36,603)	(42,228)	(113,612)	(131,050)	(439,981)	(411,795)
Depreciation and amortisation	(18,333)	(19,183)	(40,054)	(24,143)	(59)	(36)	(8,893)	(8,984)	(23,940)	(24,579)	(91,279)	(76,924)
Other operating expenses	(47,543)	(59,160)	(103,876)	(74,457)	(1,108)	(2,454)	(48,669)	(30,899)	(61,130)	(73,455)	(262,326)	(240,424)
Segment result	178,421	309,774	208,111	68,853	(13,285)	(47,311)	(23,608)	(32,636)	(237,857)	(302,021)	111,779	(3,339)
Profit/(loss) from operations after impairment from subsidiary investments											111,779	(3,339)
Value added tax on financial services											(79,975)	(61,941)
Social Security Contribution Levy (SSCL)											(11,108)	(9,338)
Share of associate company's profit/(loss) before tax											28,702	15,462
Profit/(loss) before income tax											49,398	(59,157)
Income tax expense											(52,420)	(11,007)
Profit/(loss) for the period											(3,022)	(70,164)
Assets												
Capital expenditures												
Property, equipment and right-of-use assets	9,644	5,630	21,071	7,086	1,477	976	-	2,647	11,148	6,248	43,339	22,587
Intangible assets	65,130	-	142,300	-	9,975	-	-	-	75,285	-	292,690	-
Total segment assets	11,997,728	11,901,258	27,770,185	15,157,448	1,694,379	1,940,644	2,062,939	2,417,892	12,969,110	10,177,188	56,494,342	41,594,431
Total segment liabilities	11,083,683	10,662,348	25,654,517	13,579,573	1,565,293	1,738,625	1,439,895	1,486,522	12,198,498	9,602,656	51,941,886	37,069,724

Information on Debentures

Debenture Categories	CSE Listing	Interest Payable Frequency	Face Value as at 31/3/2026	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%	8.77%	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		
Floating Rate															
Nov 2022 - Nov 2027	Listed	Quarterly	10,830	Not traded during the quarter			One Year Avg T Bill Rate + 300 basis points		8.77%	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%	9.34%	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%	9.34%	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%	9.34%	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%	9.73%	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%	9.73%	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 31st March 2026

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%	27,080,000	40%	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 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
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

There were no material events reported since 31st March 2026 that require disclosure in these Financial Statements.

Information on ordinary shares

As at		3/31/2026	12/31/2025
Net asset per share (LKR)	- Company	7.97	7.88
	- Group	8.13	8.13

Market price per share recorded during the quarter ended 31st March (LKR)		2026	2025
	-High	14.90 (25-2-2026)	7.50 (24-1-2025)
	-Low	9.80 (17-3-2026)	5.60 (28-3-2025)
	-Last Transaction	10.80 (31-3-2026)	5.80 (31-3-2025)

As at		3/31/2026	12/31/2025
Number of shares issued		524,539,637	524,539,637
Stated capital (LKR)		4,276,447,883	4,276,447,883

Ratios as at		3/31/2026	12/31/2025
Debt/Equity Ratio*		3.8	4.0
Statutory Liquid Asset Ratio		12.12%	12.34%

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

Ratios for the period ended		3/31/2026	3/31/2025
Interest Cover		1.069	0.956

The Float adjusted market capitalization as at 31st March 2026 - Rs. 877,992,178

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 March 2026

	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	MR. A.M. WEERASINGHE	3,227,403	0.62%
05	HATTON NATIONAL BANK PLC/DINESH NAGENDRA SELLAMUTTU	2,907,670	0.55%
06	CITIZENS DEVELOPMENT BUSINESS FINANCE ACCOUNT NO.02	1,876,057	0.36%
07	MR. K.K. WICKRAMASINGHE	1,546,266	0.29%
08	PMF FINANCE PLC/R.A. NIRANJANA	1,249,493	0.24%
09	PEOPLE S LEASING AND FINANCE PLC/B.A.D.H.C.MAHIPAL	1,178,375	0.22%
10	MR. K.D.N.A. KARUNATHILAKE	1,150,000	0.22%
11	MR. B.T. PRATHAPASINGHE	1,121,250	0.21%
12	MR. A.H. MUNASINGHE	950,000	0.18%
13	MR. R.R.S. ANANDA	784,246	0.15%
14	PEOPLE'S LEASING & FINANCE PLC/MR. F.B.R.D. SILVA	699,591	0.13%
15	MR. H.G.D.R.D.K. JAYAWARDANA	658,285	0.13%
16	MR. K.V. HEWAVITARNE	600,000	0.11%
17	DIALOG FINANCE PLC/K.W.J.P.L. PERERA	593,725	0.11%
18	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC/F.H.T.C.SILVA	574,917	0.11%
19	MR. G. WICKREMASINGHE	532,571	0.10%
20	MR. K.B. ABEYRATNE	526,342	0.10%

The percentage of shares held by the public as at 31st March 2026 was 15.50% and the number of public shareholders as at 31st March 2026 were 11,689

Directors' shareholding as at 31st March 2026

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	Nil
Mr. R. L. S. A. Rajapakse	Nil
Mr. H. M. P.B. Herath	Nil

CEO's shareholding as at 31st March 2026

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