



Merchant Bank of Sri Lanka & Finance PLC

Unaudited key financial information for the period ended 30th June 2024

Co. Reg. No. PQ 10

Income Statement

| | 01/01/2024 To 30/06/2024 (Rs. Mn.) | 01/01/2023 To 30/06/2023 (Rs. Mn.) |
|--|---|---|
| Interest Income | 3,014 | 3,230 |
| Interest Expenses | (2,111) | (2,532) |
| Net Interest Income | 903 | 698 |
| Gains/(Losses) from Trading Activities | 4 | 7 |
| Other Income | 664 | 199 |
| Operating Expenses | (1,469) | (1,175) |
| Impairment | 68 | (97) |
| Profit/(Loss) Before Tax | 170 | (367) |
| Income Tax Reversal/(Expense) | (112) | 95 |
| Profit/(Loss) After Tax | 58 | (272) |

Statement of Financial Position

| | As at 30/06/2024 (Rs.Mn.) | As at 30/06/2023 (Rs.Mn.) |
|---|---------------------------------|---------------------------------|
| Assets | | |
| Cash and Bank Balance | 1,163 | 1,078 |
| Government Securities | 13,299 | 6,056 |
| Loans and advances | 20,438 | 20,293 |
| Investments in Equity | 822 | 659 |
| Investment Properties and Real Estate | 49 | 171 |
| Property, Equipment and Right-of-use Assets | 505 | 643 |
| Intangible Assets | 80 | 84 |
| Other Assets | 237 | 334 |
| Total Assets | 36,593 | 29,318 |
| Liabilities | | |
| Due to Banks | 4,602 | 1,473 |
| Due to Related Parties | - | 1 |
| Deposits from Customers | 25,551 | 22,320 |
| Other Borrowings | 1,196 | 768 |
| Other Liabilities | 1,518 | 1,332 |
| Total Liabilities | 32,867 | 25,894 |
| Equity | | |
| Stated Capital | 4,276 | 4,276 |
| Statutory Reserve Fund | 344 | 340 |
| Retained Earnings | (1,390) | (1,310) |
| RLA Reserve | 530 | 148 |
| Other Reserves | (34) | (30) |
| Total Equity | 3,726 | 3,424 |
| Total Liabilities and Equity | 36,593 | 29,318 |
| Net Assets Value Per Share (Rs.) | 7.10 | 6.53 |

Selected Key Performance Indicators

| Description | As at 30/06/2024 | | As at 30/06/2023 | |
|---|------------------------------|----------|---------------------|----------|
| | Actual | Required | Actual | Required |
| Regulatory Capital Adequacy (%) | | | | |
| Tier 1 Capital Adequacy Ratio | 13.05% | 8.50% | 12.31% | 8.50% |
| Total Capital Adequacy Ratio | 14.56% | 12.50% | 15.83% | 12.50% |
| Capital Funds to Deposit Liabilities Ratio | 15.43% | 10.00% | 16.80% | 10.00% |
| | | | | |
| Description | As at 30/06/2024 | | As at 30/06/2023 | |
| Quality of Loan Portfolio (%) | | | | |
| Gross Non-Performing Loans Ratio | 18.21% | | 21.80% | |
| Net Non-Performing Loans Ratio | 6.08% | | 8.95% | |
| Net Non-Performing Loans to Core Capital Ratio | 41.30% | | 56.36% | |
| Provision Coverage Ratio | 46.27% | | 42.98% | |
| | | | | |
| Profitability (%) | | | | |
| Net Interest Margin | 5.69% | | 5.03% | |
| Return on Assets | 0.33% | | -1.80% | |
| Return on Equity | 3.13% | | -15.27% | |
| Cost to Income Ratio | 81.81% | | 123.55% | |
| | | | | |
| Liquidity (%) | | | | |
| Available Liquid Assets to Required Liquid Assets (Minimum 100%) | 110.02% | | 128.21% | |
| Liquid Assets to External Funds | 11.23% | | 13.04% | |
| | | | | |
| Memorandum Information | | | | |
| Number of Branches | 47 | | 48 | |
| External Credit Rating | BBB+ Stable Fitch Ratings | | BBB+ Stable LRA | |

CERTIFICATION:

We, the undersigned, being the Chief Executive Officer, the Chief Financial Officer and the Compliance Officer of Merchant Bank of Sri Lanka & Finance PLC certify jointly that:

- The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL);
- The information contained in these statements have been extracted from the unaudited Financial Statements of the Licensed Finance Company unless indicated as audited.

(Sgd.)

C. Vithana
Chief Financial Officer
12/08/2024

(Sgd.)

H. K. D. W. M. D. K. Hapuhinna
Chief Executive Officer
12/08/2024

(Sgd.)

P. Bandara
Compliance Officer
12/08/2024