

**INTERIM FINANCIAL STATEMENTS
QUARTER ENDED DECEMBER 31, 2025**



SMB FINANCE PLC
No.282/1, CBS Building, Galle Road, Colombo 3.

SMB Finance PLC
Statement of Profit or Loss and Other Comprehensive Income
For the period ended December 31, 2025 (LKR'000)

	Quarter ended	Quarter ended	Variance	YTD	YTD	Variance
	December 31, 2025 Unaudited	December 31, 2024 Unaudited		December 31, 2025 Unaudited	December 31, 2024 Audited	
Interest income	159,457	113,280	41%	625,643	513,030	22%
Interest expenses	(60,297)	(45,090)	34%	(217,903)	(164,599)	32%
Net interest income	99,160	68,190	45%	407,740	348,431	17%
Fee and commission income	2,011	(2,374)	185%	11,896	6,805	75%
Net interest, fee and commission income	101,171	65,816	54%	419,636	355,236	18%
Other operating income (net)	23,397	13,544	73%	38,975	18,114	115%
Changes in fair value of investment property	116,601	74,170	57%	116,601	74,170	57%
Total operating income	241,170	153,530	57%	575,213	447,520	29%
Allowance for expected credit loss - reversal	13,090	89,787	-85%	92,270	113,668	-19%
Net operating income	254,259	243,317	4%	667,482	561,188	19%
Personnel expenses	(53,166)	(39,120)	36%	(204,561)	(157,316)	30%
Premises, equipment and establishment expenses	(15,783)	(10,634)	48%	(57,852)	(43,493)	33%
Depreciation and amortization	(18,140)	(14,475)	25%	(71,596)	(54,635)	31%
Other expenses	(10,691)	(10,706)	0%	(48,108)	(46,233)	4%
Operating profit before taxes on financial services	156,480	168,382	-7%	285,366	259,512	10%
Taxes on financial services	(21,784)	(25,315)	-14%	(58,315)	(61,633)	-5%
Profit after taxes on financial services	134,696	143,067	-6%	227,051	197,879	15%
Share of (loss) / profit of associate company	-	3,218	-100%	-	1,864	-100%
Profit before income tax	134,696	146,285	-8%	227,051	199,744	14%
Income tax expense	(32,259)	(36,031)	-10%	(56,798)	(48,772)	16%
Profit for the period	102,439	110,254	-7%	170,253	150,971	13%
Basic earnings per share (LKR)	0.011	0.012	-7%	0.018	0.016	13%

	Quarter ended	Quarter ended	Variance	YTD	YTD	Variance
	December 31, 2025 Unaudited	December 31, 2024 Unaudited		December 31, 2025 Unaudited	December 31, 2024 Audited	
Profit for the period	102,439	110,254	-7%	170,253	150,971	13%
Other comprehensive income						
Actuarial gain / (loss) on defined benefit plans	-	(3,968)	100%	-	(3,968)	100%
Equity investments at FVOCI - Net change in fair value	-	-	-	-	3,980	-100%
Tax on other comprehensive income	-	-	-	-	-	-
Other comprehensive (expense) / income for the period (net of tax)	-	(3,968)	100%	-	12	-100%
Total comprehensive income for the period	102,439	106,286	-4%	170,253	150,983	13%

Figures in brackets indicate deductions.

Colombo
February 26, 2026

SMB Finance PLC
Statement of Financial Position
As at December 31, 2025 (LKR' 000)

	December 31, 2025 Unaudited	December 31, 2024 Audited
Assets		
Cash and cash equivalents	42,466	44,437
Placements with banks	3,020,385	2,924,467
Financial assets at amortised cost - Loans and receivables to customers	2,312,971	1,782,535
Financial investments	162,448	120,352
Assets held for sale	-	41,699
Investment properties	996,750	708,050
Property, plant & equipment	67,745	59,655
Right-of-use-assets	58,580	73,151
Intangible assets	264,127	268,246
Other assets	96,239	80,153
Total assets	7,021,710	6,102,745
Liabilities		
Due to financial institutions	2,578,835	1,927,174
Financial liabilities at amortised cost - Deposits due to customers	268,394	166,817
Financial liabilities at amortised cost - Due to other customers	140,318	135,837
Retirement benefit obligations	28,293	21,786
Lease liabilities	55,031	63,548
Other liabilities	142,846	149,842
Total liabilities	3,213,716	2,465,004
Equity		
Stated capital	3,062,682	3,062,682
Statutory reserves	63,796	55,276
Fair value reserves	68,525	68,525
Retained earnings	612,991	451,259
Total Equity	3,807,994	3,637,741
Total equity and liabilities	7,021,710	6,102,745

Figures in brackets indicate deductions.

The Notes form an integral part of these Interim Financial Statements.

These Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

Signed

L. Menaka Silva

Head of Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed on behalf of the Board by,

Signed

A. T. S. Sosa

Director

Signed

W.M. Dayasinghe

Director

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SMB Finance PLC
Statement of Changes in Equity
For the period ended December 31, 2025 (LKR'000)

	Stated Capital		Statutory Reserve Fund	Fair Value Reserve	Retained Earnings	Total Equity
	Ordinary - Voting Shares	Ordinary - Non Voting Shares				
Balance as at January 1, 2024	2,555,959	506,723	47,727	64,545	311,805	3,486,758
Profit for the period	-	-	-	-	150,971	150,971
Other comprehensive income (Net of tax)	-	-	-	3,980	(3,968)	12
Total comprehensive income for the year	-	-	-	3,980	147,003	150,983
Transfers to statutory reserve	-	-	7,549	-	(7,549)	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	7,549	-	(7,549)	-
Balance as at December 31, 2024	2,555,959	506,723	55,276	68,525	451,259	3,637,741
Balance as at January 1, 2025	2,555,959	506,723	55,276	68,525	451,259	3,637,741
Profit for the period	-	-	-	-	170,253	170,253
Other comprehensive expense (Net of tax)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	170,253	170,253
Transfers to statutory reserve	-	-	8,520	-	(8,520)	-
Dividend paid	-	-	-	-	-	-
Total transactions with equity holders	-	-	8,520	-	(8,520)	-
Balance as at December 31, 2025	2,555,959	506,723	63,796	68,525	612,991	3,807,994

Figures in brackets indicate deductions.

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SMB Finance PLC
Statement of Cash Flow
For the period ended December 31, 2025 (LKR'000)

	December 31, 2025 Unaudited	December 31, 2024 Audited
Cash flow from operating activities		
Interest receipts	643,351	537,844
Interest payments	(203,332)	(197,782)
Fees and commission receipts	69,553	12,327
Cash payments to employees and suppliers	(298,753)	(229,715)
Profit before changes in operating assets	210,819	122,674
Loans and receivables	(504,312)	(211,124)
Other assets	(18,550)	(33,256)
Other liabilities	(21,270)	(19,550)
Cash used in operating activities	(333,312)	(141,257)
Tax paid	(106,006)	(65,413)
Gratuity paid	(94)	(963)
Net cash used in operating activities	(439,412)	(207,632)
Cash flow from investing activities		
Net investment in financial investments	7,252	(60,000)
Purchase of property, plant & equipment & intangible assets	(31,927)	(34,343)
Proceeds from disposal of Investment properties	4,500	60,372
Purchase of Investment properties	(175,849)	(63,059)
Dividend received	1,907	739
Proceeds from disposals of subsidiary company	-	2,000
Proceeds from disposals of associate company	10,000	-
Investment in Fixed Deposits	(115,075)	-
Net cash used in investing activities	(299,191)	(94,291)
Cash flow from financing activities		
Borrowings obtained from financial institutions	-	560,000
Repayment of borrowings from financial institutions	(1,222,816)	(608,722)
Net investment in time deposits & savings deposits	96,301	164,249
Net withdrawal in public borrowings	(12)	(20)
Advance payment on lease acquisition	(14,875)	(12,375)
Lease liability payments	(29,363)	(23,028)
Net cash (used in) / generated from financing activities	(1,170,764)	80,105
Net decrease in cash and cash equivalents	(1,909,368)	(221,818)
Cash and cash equivalents at the beginning of the year	(273,906)	(52,088)
Cash and cash equivalents at the end of the year	(2,183,274)	(273,906)
Reconciliation of cash and cash equivalents		
Cash and cash equivalents	42,466	44,437
Repo investment with banks	353,095	384,166
	395,561	428,603
Bank overdraft	(2,578,835)	(702,509)
Cash and cash equivalents at the end of the year	(2,183,274)	(273,906)

Figures in brackets indicate deductions.

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SMB Finance PLC
Segment Reporting

For the period ended December 31, 2025 (LKR'000)

Business segments	Loans		Leasing		Treasury		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
For the period ended December 31,										
Revenue from external customers,										
Interest	283,844	166,233	118,446	100,557	223,353	246,240	-	-	625,643	513,030
Fee & commission income	6,651	4,448	5,245	2,357	-	-	-	-	11,896	6,805
Other operating income	10,592	14,336	2,760	429	-	739	25,624	2,610	38,975	18,114
Changes in fair value of investment property	-	-	-	-	-	-	116,601	74,170	116,601	74,170
Total revenue from external customers	301,086	185,017	126,450	103,343	223,353	246,979	142,225	76,780	793,116	612,119
Segment result	218,233	144,704	91,654	80,825	161,891	193,166	103,087	60,051	574,865	478,746
Depreciation charged for the period	(27,180)	(16,514)	(11,415)	(9,224)	(20,163)	(22,044)	(12,839)	(6,853)	(71,596)	(54,635)
Interest expense	(82,721)	(49,751)	(34,741)	(27,789)	(61,365)	(66,413)	(39,075)	(20,646)	(217,903)	(164,599)
Operating profit	108,332	78,439	45,497	43,813	80,363	104,708	51,173	32,551	285,366	259,512
Tax on financial services	-	-	-	-	-	-	(58,315)	(61,633)	(58,315)	(61,633)
Share of profit of associate company	-	-	-	-	-	-	-	1,864	-	1,864
Income tax expense	(21,562)	(14,742)	(9,056)	(8,234)	(15,995)	(19,679)	(10,185)	(6,118)	(56,798)	(48,772)
Other comprehensive income	-	4	-	2	-	4	-	2	-	12
Total Comprehensive income / (expense)	86,770	63,701	36,442	35,581	64,368	85,033	(17,327)	(33,333)	170,253	150,983
										-
Segment assets (As at December 31),	1,670,380	1,251,566	642,591	530,970	3,225,298	2,968,904	1,483,441	1,351,306	7,021,710	6,102,745
Segment liabilities (As at December 31),	1,220,009	745,066	512,379	416,161	905,032	994,584	576,298	309,194	3,213,716	2,465,004
For the period ended December 31,										
Cash flow from operating activities	(166,812)	(62,758)	(70,058)	(35,054)	(123,745)	(83,776)	(78,797)	(26,044)	(439,412)	(207,632)
Cash flow from investing activities	(113,580)	(28,500)	(47,701)	(15,919)	(84,257)	(38,045)	(53,652)	(11,827)	(299,191)	(94,291)
Cash flow from financing activities	(444,452)	24,212	(186,660)	13,524	(329,706)	32,321	(209,947)	10,048	(1,170,764)	80,105

SMB Finance PLC
Classification of Financial Instruments
As at December 31, 2025 (LKR' 000)

Assets	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Assets				
Cash and cash equivalents	-	42,466	-	42,466
Placements with banks	-	3,020,385	-	3,020,385
Financial assets at amortised cost - Loans and receivables to customers	-	2,312,971	-	2,312,971
Fair value through profit or loss (FVTPL)	92	-	-	92
Fair value through other comprehensive income (FVTOCI)	-	-	162,355	162,355
Total financial assets	92	5,375,820	162,355	5,538,269

As at December 31, 2024 (LKR' 000)

Assets	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Assets				
Cash and cash equivalents	-	44,437	-	44,437
Placements with Banks	-	2,924,467	-	2,924,467
Financial assets at amortised cost - Loans and receivables to customers	-	1,782,535	-	1,782,535
Fair value through profit or loss (FVTPL)	43	-	-	43
Fair value through other comprehensive income (FVTOCI)	-	-	120,309	120,309
Total financial assets	43	4,751,439	120,309	4,871,791

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SMB Finance PLC
Classification of Financial Instruments
As at December 31, 2025 (LKR' 000)

Liabilities	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Liabilities				
Due to financial institutions	-	2,578,835	-	2,578,835
Financial liabilities at amortised cost - Deposits due to customers	-	268,394	-	268,394
Financial liabilities at amortised cost - Due to other customers	-	140,318	-	140,318
Lease liabilities	-	55,031	-	55,031
Total financial liabilities	-	3,042,578	-	3,042,578
Non Financial Liabilities				
Retirement benefit obligations	-	28,293	-	28,293
Other liabilities	-	142,846	-	142,846
Total non financial liabilities	-	171,140	-	171,140
Total liabilities	-	3,213,716	-	3,213,716

As at December 31, 2024 (LKR' 000)

Liabilities	Financial instruments recognised through profit or loss (FVTPL)	Financial instruments at amortised cost (AC)	Financial instruments at fair value through other comprehensive income (FVTOCI)	Total
Financial Liabilities				
Due to financial institutions	-	1,927,174	-	1,927,174
Financial liabilities at amortised cost - Deposits due to customers	-	166,817	-	166,817
Financial liabilities at amortised cost - Due to other customers	-	135,837	-	135,837
Lease liabilities	-	63,548	-	63,548
Total financial liabilities	-	2,293,376	-	2,293,376
Non Financial Liabilities				
Retirement benefit obligations	-	21,786	-	21,786
Other liabilities	-	149,842	-	149,842
Total non financial liabilities	-	171,628	-	171,628
Total liabilities	-	2,465,004	-	2,465,004

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SMB Finance PLC
Notes to the Financial Statements
For the period ended December 31, 2025

1 Basis of Preparation

These Condensed Interim Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These Interim Financial Statements should be read in conjunction with the Audited Annual Financial Statements for the year ended December 31, 2024. The same accounting policies and methods of computations as stated in the Audited Annual Financial Statements for the year ended December 31, 2024 have been followed in preparation of these Condensed Interim Financial Statements.

2 Income Tax

The Company is liable for income tax at the rate of 30% on its taxable profits.

3 Share Price During the Period

	Voting		Non Voting	
	4th Quarter 2025 Rs.	4th Quarter 2024 Rs.	4th Quarter 2025 Rs.	4th Quarter 2024 Rs.
	Highest price per share	1.30	0.90	0.50
Lowest price per share	0.60	0.50	0.20	0.20

	Voting		Non Voting	
	31.12.25 Rs.	31.12.24 Rs.	31.12.25 Rs.	31.12.24 Rs.
	Last traded price	0.80	0.80	0.40
Closing price per share	0.70	0.80	0.40	0.30

4 Stated Capital

	4th Quarter 2025	4th Quarter 2024
4.1 Total Number of Shares		
Stated Capital is represented by Ordinary Shares (Voting)	6,470,375,048	6,470,375,048
Stated Capital is represented by Ordinary Shares (Non Voting)	3,081,603,712	3,081,603,712
4.2 Total Number of Shareholders		
Ordinary Shares (Voting)	12,792	11,387
Ordinary Shares (Non Voting)	7,250	6,547
4.3 Number of Public Shareholders		
Ordinary Shares (Voting)	12,789	11,384
Ordinary Shares (Non Voting)	7,250	6,547
4.4 Public Shareholding %		
Ordinary Shares (Voting)	35.56%	35.56%
Ordinary Shares (Non Voting)	100.00%	100.00%

4.5 Float Adjusted Market Capitalization

The float adjusted market capitalization as at December 31, 2025 is Rs. 1,610,480,708.20

4.6 Minimum Public Holding Requirement

The Company is in compliance with Option 5 of Sectors 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange pertaining to minimum Public Holding.

SMB Finance PLC
Notes to the Financial Statements
For the period ended December 31, 2025

5 Financial Ratios

	December 31, 2025 Unaudited	December 31, 2024 Audited
Net assets per share (LKR)	0.40	0.38
Debt/equity ratio (times)	0.78	0.61
Interest cover ratio (times)	2.31	2.58
Liquid asset ratio (times)	13.34	22.19

6 Commitments and Contingencies

In the ordinary course of business, the Company makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material loss is expected as a result of these transactions. Other than the above there are no material commitments and contingencies as at the reporting date.

7 Events after the Reporting Date

There are no material events after the Balance sheet date that require adjustment or disclosure.

8 Comparative Information

Comparative information has been reclassified wherever necessary to make it comparable with the current financial information.

9 Directors' Shareholding as at December 31, 2025

	No. of Voting Shares	No. of Non Voting Shares
Mr. H.R.S.Wijeratne	4,169,342,304	-
Mr. A.T.S. Sosa	-	-
Mr. L. Abeyasinghe	-	-
Mr. S.C. Wijesinghe	-	-
Mr. W.M. Dayasinghe	-	-
Justice D.P.S. Jayawardena *	-	-
Mr. R.S. Wijeratne	-	-
Dr. Anurudha Gishan Illangakoon	-	-
	4,169,342,304	-

* Justice D.P.S. Jayawardena was resigned from the Board with effect from January 31, 2026.

10 CEO's Shareholding as at December 31, 2025

	No. of Voting Shares	No. of Non Voting Shares
Mr. S.C.Wijesinghe	-	-

11 Key Management Personnel Shareholding as at December 31, 2025

	No. of Voting Shares	No. of Non Voting Shares
Ms. Randulani Claudeen Godage	18	-
Mr. Thurairajah Thavaeaswaran	346,000	-

12 Management Fees and Similar Expenses

All known expenses including management fees and similar expenses have been provided for in these Interim Financial Statements.

13 Material Changes in the Use of Funds Raised

There was no material change during the period in the use of funds raised through an IPO/ Rights/ Debenture issue.

SMB Finance PLC
Notes to the Financial Statements
For the period ended December 31, 2025

14 Top Twenty Five Shareholders

14.1 Ordinary Shares (Voting)

	Name of the Shareholder	December 31, 2025	
		No. of Shares	%
1	Mr. H.R.S. Wijeratne	4,169,342,304	64.44
2	Standard Chartered Bank Singapore S/A HL Bank Singapore Branch	626,055,720	9.68
3	Seylan Bank PLC / Anuja Chamila Jayasinghe	44,482,437	0.69
4	Sampath Bank PLC / Andaradeniya Estate Private Limited	40,713,219	0.63
5	Miss. H.J.K.U. Wijerame	34,002,688	0.53
6	Assetline Finance Limited / P.H Susil Ranatunga	32,500,000	0.50
7	Mr. D.G.M.D. Chandradasa & Mrs. D.G. Sachiki Chandradasa	30,534,784	0.47
8	Mr. D.S.R Daranakumbura	29,350,000	0.45
9	Hatton National Bank PLC/Anuja Chamila Jayasinghe	28,473,690	0.44
10	Commercial Bank of Ceylon PLC / W. Jinadasa	28,181,936	0.44
11	Hatton National Bank PLC / Weththinge Jinadasa	25,790,020	0.40
12	Mr. R. Gautam	25,200,000	0.39
13	Seylan Bank PLC / Andaradeniya Estate (Pvt) Ltd	24,085,677	0.37
14	Mr. H.K. Pushpakumara	22,427,308	0.35
15	Mr. S.S. De Silva	22,362,565	0.35
16	Seylan Bank PLC / Karagoda Loku Gamage Udayananda	22,250,000	0.34
17	Hatton National Bank PLC / Ruwan Prassana Sugathadasa	21,547,625	0.33
18	Dialog Finance PLC / S.A. De Silva and D.R. De Silva	21,087,435	0.33
19	Mr. B.W.R Srikantha	15,000,000	0.23
20	Seylan Bank PLC / A.C Senaka	14,612,434	0.23
21	Dr. S.M.T.B Samarakoon	13,200,000	0.20
22	Sinharaja Hills Plantation (Pvt) Ltd	13,000,000	0.20
23	Mr. P. Poongunaseelan	12,759,625	0.20
24	Mr. J.J Ravindran	12,751,914	0.20
25	Hatton National Bank PLC / Ravindra Erle Rambukwelle	12,000,000	0.19
Total ordinary voting shares held by the top 25 holders		5,341,711,381	82.58
Balance shares held by other ordinary voting shareholders		1,128,663,667	17.42
Total ordinary voting shares		6,470,375,048	100.00

14.2 Ordinary Shares (Non Voting)

	Name of the Shareholder	December 31, 2025	
		No. of Shares	%
1	Mr. S.P.N. Kodituwakku	330,687,248	10.73
2	Hatton National Bank PLC / Weththinge Jinadasa	269,236,355	8.74
3	Mr. R. Gautam	164,808,700	5.35
4	Sampath Bank PLC / Dr. Mayuramana Dewolage	110,463,620	3.58
5	Sampath Bank PLC / Andaradeniya Estate Private Limited	79,127,826	2.57
6	Seylan Bank PLC / Jayantha Dewage	77,186,982	2.50
7	Mr. S.P. Sedara	52,415,216	1.70
8	Mr. K.R. Karunaratne	52,368,108	1.70
9	Seylan Bank PLC / Karagoda Loku Gamage Udayananda	50,000,000	1.62
10	Dialog Finance PLC / S.D.Divakarage	41,228,496	1.34
11	Mr. M.A.M Azlam	36,570,064	1.19
12	Mr. N. Muhunthan	36,200,000	1.17
13	Mr. J.J. Ravindran	34,440,000	1.12
14	Assetline Finance Limited / B.M.A.M.K. Basnayaka	29,019,600	0.94
15	Mr. D.S.D De Lanerolle	25,000,000	0.81
16	Mr. S. Ramanathan	23,280,950	0.76
17	Mr. K.M.S.M. Razik, Mr. K.M.S.M. Rajabudeen & Mr. K.M.S.M.R. Mohommad	22,101,000	0.72
18	Mr. M.W.P.W. Jayawardena	20,400,000	0.66
19	Dialog Finance PLC / C.M.P.P.T.A. Perera	19,000,000	0.62
20	Mr. W.J.D. Benedict	18,000,000	0.58
21	Hatton National Bank PLC / Ruwan Prassana Sugathadasa	17,969,806	0.58
22	Mrs. H.P.G.W Sandarenu	17,873,302	0.58
23	Mr. P. Poongunaseelan	17,820,762	0.58
24	Mr. G.N.R De Silva	17,180,489	0.56
25	Dialog Finance PLC / S.D.M Hemajith & R.A.N Udani	17,000,000	0.55
Total ordinary non voting shares held by the top 25 holders		1,579,378,524	51.25
Balance shares held by other ordinary non voting shareholders		1,502,225,188	48.75
Total ordinary non voting shares		3,081,603,712	100.00