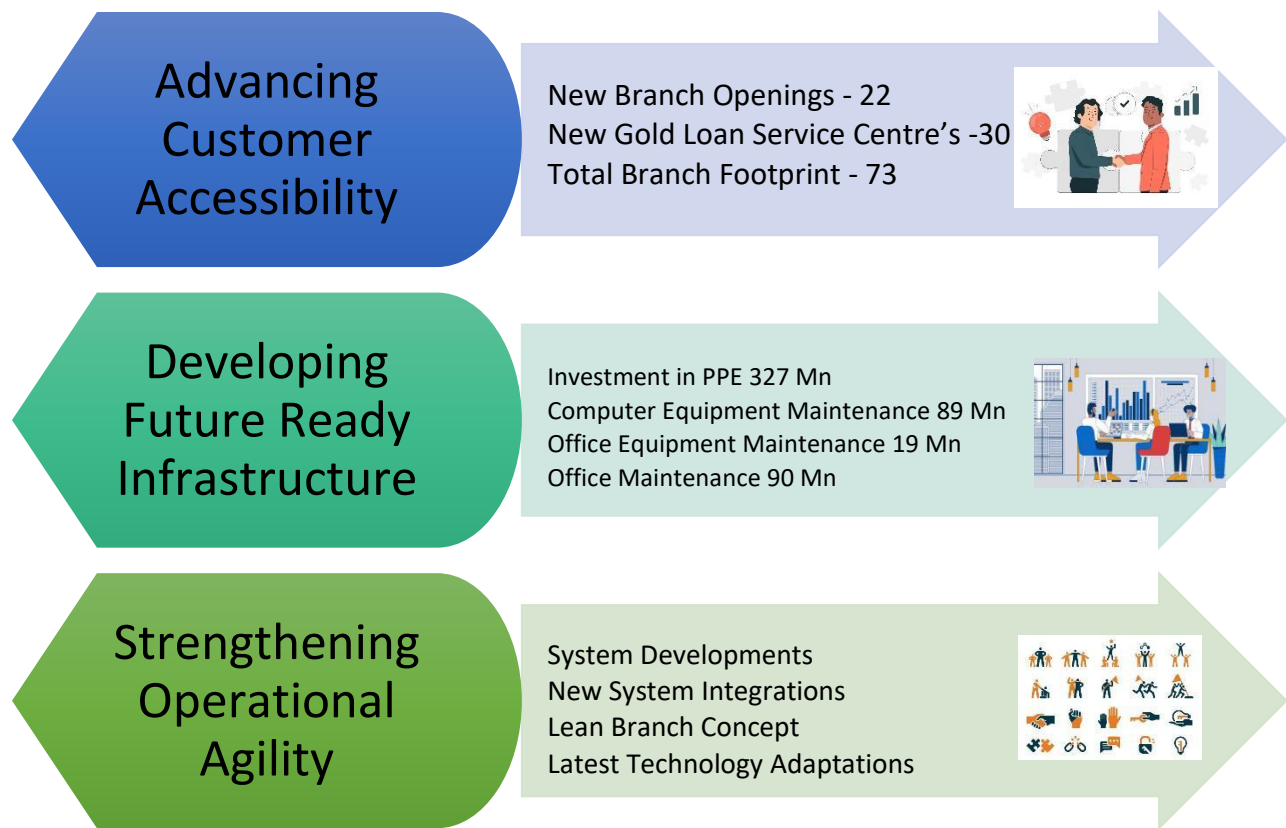


Infrastructure

Our Infrastructure Capital played a pivotal role in strengthening our customer service capabilities, ensuring we remain at the forefront of delivering exceptional client experience and value creation. Our strategic initiatives towards building this capital, centered on optimising operational efficiency and elevating service standards, have established a robust foundation that supports sustained excellence in customer engagement. By strategically aligning infrastructure investments with our overarching business objectives, we have enabled seamless service delivery while fostering a culture of continuous innovation to meet the evolving demands of the marketplace. Guided by a commitment to sustainable growth, we have developed infrastructure that not only supports immediate operational needs but also embeds resilience and adaptability to secure long-term organisational success. Looking ahead, these infrastructure enhancements will remain a key catalyst in reinforcing our competitive market position, ensuring agility and responsiveness in the face of future challenges and industry dynamics.

Complementing our customer-centric strategy, we continued to have significantly expanded our branch network through a lean operational model that prioritises resource efficiency without compromising service quality. This year's strategic network expansion by 43%, underpinned by a focus on scalability, not only broad-based MI's reach phenomenally but also ensured that each branch is optimally designed to meet both current and future customer needs with precision. Through a disciplined approach to asset evaluation and deployment, we established a resilient infrastructure ecosystem capable of supporting long-term sustainability and growth. This framework empowers us to navigate the complexities of an evolving infrastructure landscape, positioning the organisation to capitalise on emerging opportunities while proactively mitigating potential risks. Our prudent resource allocation and strategic foresight ensure we remain responsive to market shifts, enabling us to continue meeting the needs of our stakeholders with confidence and agility.

Noteworthy Accomplishments

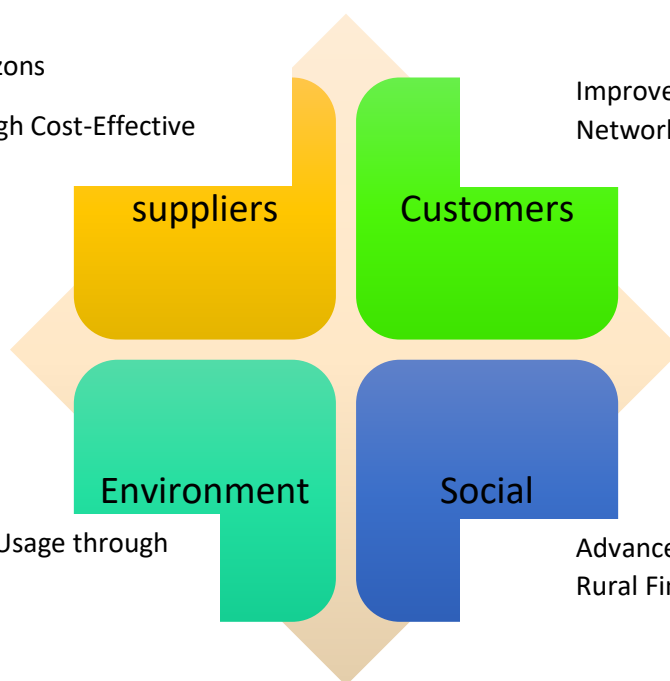


Assessing Value Creation

Broadened Market Horizons

Maximised return through Cost-Effective Expansion

Improved Service Accessibility through Branch Network Expansion and Digital Advancements



Streamlined Resource Usage through Process Optimisation

Advanced Economic Empowerment via Rural Financial Outreach

As part of our commitment to inclusive and sustainable growth, our Impact Assessment Framework continues to evaluate how our strategic initiatives create value for a diverse set of stakeholders. For our supplier network, the past year marked a period of expanded opportunity and shared success. Broadening market horizons through strategic alignment and collaboration, we enabled suppliers to access new business avenues and diversify their offerings. Moreover, our cost-effective expansion model allowed them to maximise returns, as streamlined procurement and resource management practices translated into greater efficiency and profitability across the value chain.

Our customers remained at the centre of our infrastructure and service enhancements. By expanding our branch network and advancing our digital platforms, we significantly improved service accessibility, especially in previously underserved and rural regions. This dual-channel approach not only enhanced customer convenience but also strengthened our engagement, making our financial services more responsive and inclusive. The ability to serve customers through both physical and digital touchpoints has allowed us to deliver consistent, high-quality experiences while ensuring that our growth remains aligned with evolving customer expectations.

In our efforts to address broader environmental and social responsibilities, we have made measurable progress. Internally, we optimised resource usage by streamlining operational processes, which resulted in a more sustainable infrastructure footprint. This initiative focused on resource optimisation whilst targeting reduction of paper usage, energy consumption, and waste, reinforcing our commitment to environmental stewardship. On the social front, our targeted rural financial outreach initiatives played a vital role in advancing economic empowerment. By increasing access to financial services in rural communities, we supported entrepreneurship, improved livelihoods, and contributed to more equitable economic development across the regions we serve. Through this multidimensional impact, we continue to create long-term value while aligning business success with sustainable stakeholder outcomes.

Branch Footprint

Our branch operations constitute the fundamental cornerstone of our business strategy, serving as the primary channel through which we engage and enrich relationships with a diverse clientele. The strategic proliferation of our physical presence remains instrumental in augmenting market penetration and enhancing brand visibility across varied demographic segments. This customer-centric approach has solidified our position as an industry leader committed to accessibility and exceptional service delivery.

During the year, we undertook an ambitious expansion initiative, growing our branch network by 22 new locations, bringing the total to 73 strategically positioned branch sites across the country. Each new branch was carefully located in a high-potential geographic area to enhance operational efficiency and broaden market reach. Furthermore, all newly inaugurated branches have been equipped with state-of-the-art gold loan facilities, integrating cutting-edge technological infrastructure to facilitate expedited processing and enhanced security protocols. Our seamlessly integrated branch network, spanning the entire nation, reflects our unwavering commitment to inclusivity, ensuring every region is represented and every customer is within reach.

As we expanded our reach and operations, we have strategically onboarded top-tier professionals, carefully selected through a meticulous recruitment process that prioritises both skill and alignment with our core values. These individuals are empowered with cutting-edge technology and immersive training programmes, equipping them to provide service that is not only efficient but deeply attuned to the needs of our customers. Our operational framework is underpinned by an unwavering commitment to transactional transparency, implementing robust governance mechanisms that foster trust and accountability in all business interactions. This multifaceted approach to branch management has established a formidable foundation for sustained growth and continued market leadership.

Branch Opening Images

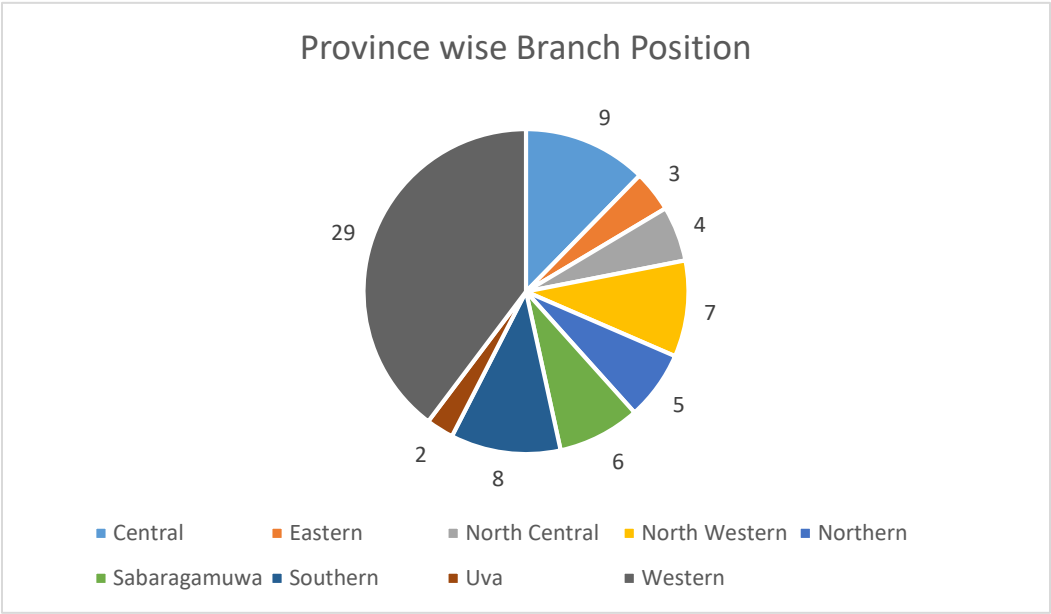
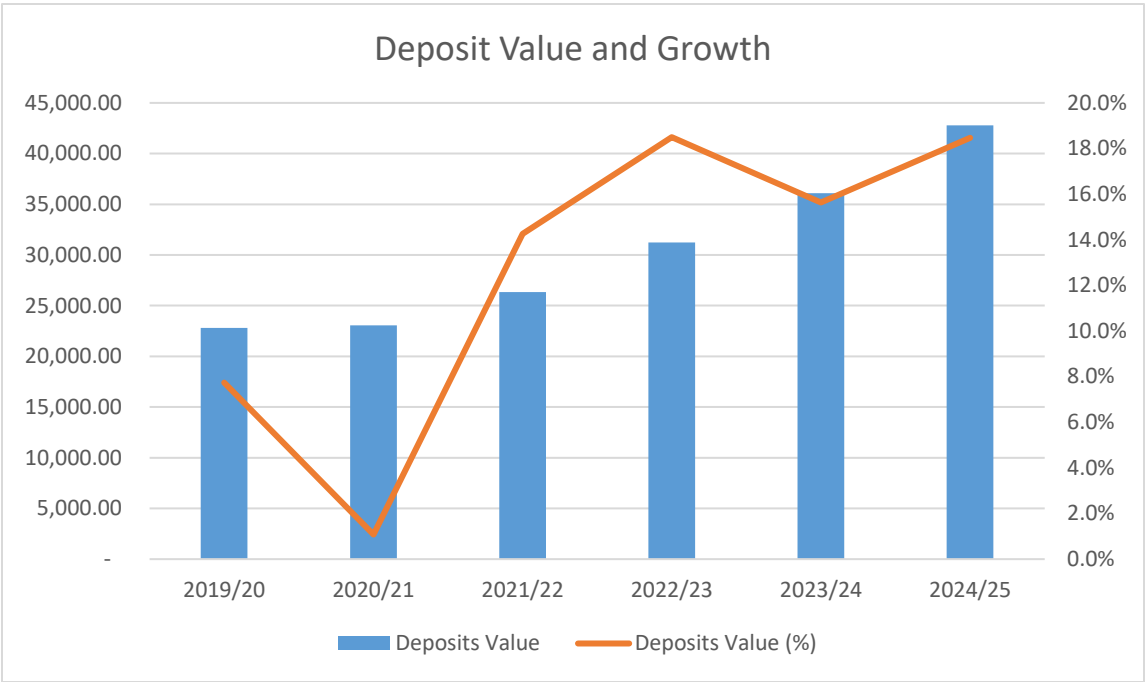


Auctioning Assets for Value Maximisation

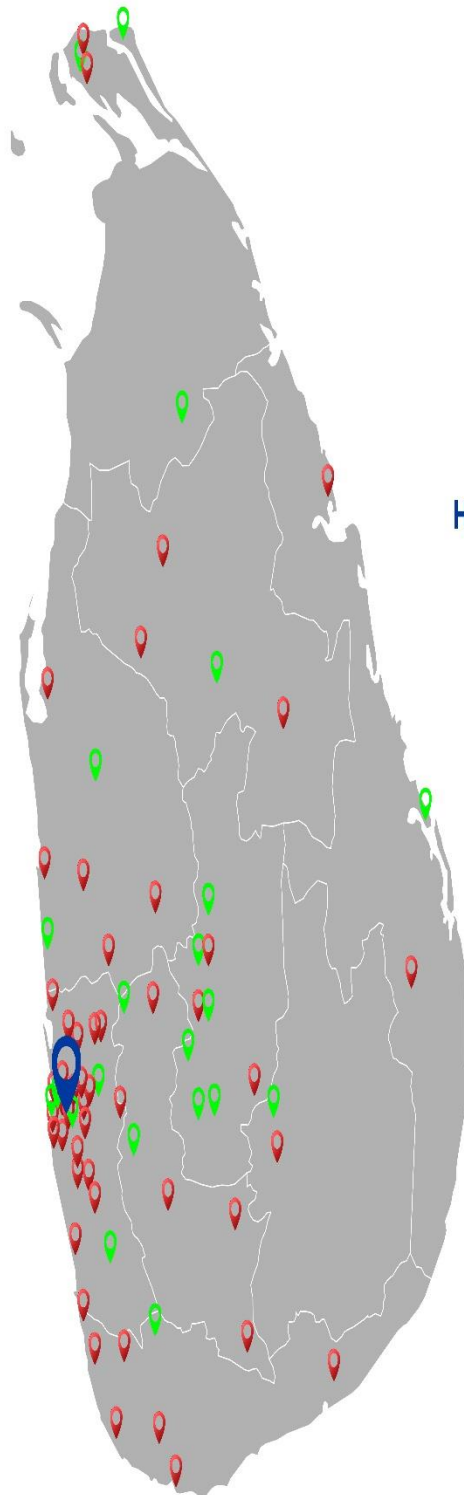
In alignment with our commitment to transparency, stakeholder inclusivity, and operational excellence, we have pioneered the implementation of autotransact.lk, an advanced digital auction platform that represents a transformative evolution in our asset disposition strategy. This proprietary system has been meticulously engineered to facilitate seamless, secure, and efficient transactions while upholding uncompromising standards of procedural integrity, accountability, and market fairness – a hallmark of our management philosophy. The platform’s sophisticated bidding infrastructure integrates real-time monitoring, chronological audit trails, and verifiable timestamp functionalities, thereby establishing an industry-leading benchmark for transparency and transactional accountability. This platform has enabled the aggregation of a diversified bidder community, significantly expanding our buyer base and optimising competitive dynamics.

The strategic deployment of autotransact.lk has yielded demonstrable success, as evidenced by the disposal of over 200 vehicular assets, generating cumulative sales exceeding Rs. 181 million within the reporting period. The platform’s hallmark transparency features empower all stakeholders with comprehensive visibility into ongoing bidding processes, competitive offers, and structured auction timeframes, underpinned by verifiable data integrity. This rigorously governed approach to asset liquidation has materially enhanced value recovery, shortened transaction cycles, and reinforced our unwavering commitment to maximising stakeholder returns through technological innovation, responsible governance, and continuous process optimisation.

Explanatory Graphs



Branch Map (GRI 2-1)



Branches opened before FY 2024/25

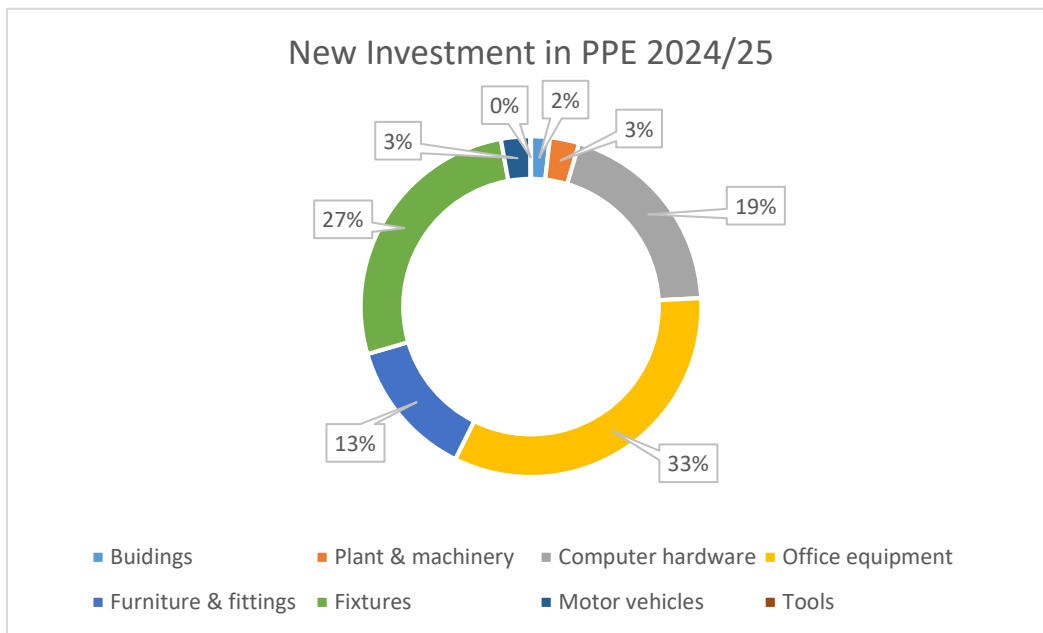
Head Office | Akuressa | Ampara | Ambalangoda | Anuradhapura | Avissawella | Balangoda
 Bentota | Chilaw | Corporate Premier | Elpitiya | Embilipitiya | Galle | Gampaha | Godagama
 Gampola | Giriulla | Head Office Credit | Horana | Horana Town | Ja-Ela | Jaffna | Kaduwela
 Kandy | Kegalle | Kesbawa | Kohuwala | Kotahena | Kottawa | Kuliyaipitiya | Kurunagala
 Mahara | Maharagama | Malabe | Matara | Minuwangoda | Moratuwa | Negombo
 Nittambuwa | Polonnaruwa | Puttalam | Ratnapura | Ragala | Tissamaharama
 Trincomalee | Veyangoda | Wattala | Thambuthegama | Kalutara | Bandarawela
 Chunnakkam | Wellawatta



Branches Opened in the FY 2024/25

Warakapola | Pelawatte | Neluwa | Nawalapitiya | Welimada | Katugastota
 Mattakkuliya | Matale | Matugama | Wennappuwa | Vavuniya | Kekirawa
 Nikaweratiya | Eheliyagoda | Hatton | Pussellawa | Batticaloa | Maradana
 Nelliyadi | Manipay | Thalawakele | Hanwella

PPE Explanatory Graphs (GRI 203-1)



Asset Category	Book Value
Buidings	4,906,230.60
Plant & machinery	12,383,255.74
Computer hardware	86,584,537.61
Office equipment	194,887,369.45
Furniture & fittings	77,861,553.26
Fixtures	120,250,860.73
Motor vehicles	235,435,718.13
Office bicycles	1,343,970.65
Tools	417,513.77
Freehold land	2,615,000,000.58
Buidings	1,163,260,001.03
Leasehold Land	38,397,450.00
Computer software	51,166,862.41

Vehicle Fleet Management

MI manages a well-rounded, diverse, and purposefully optimised vehicle fleet, thoughtfully tailored to meet the dynamic operational needs across our business. This strategic approach not only drives efficiency and cost-effectiveness but also reflects our commitment to smart resource utilisation and operational excellence in every facet of our work. Fleet oversight is entrusted to a dedicated Fleet Manager, who administers an optimal operational methodology incorporating advanced logistics protocols, preventive maintenance schedules, and strategic asset allocation to achieve sustained performance excellence and uninterrupted operational continuity.

In support of our transportation infrastructure, we operate a state-of-the-art vehicle repair and maintenance facility situated in Kohuwala, which caters to both the internal fleet and external clients. This integrated service centre is staffed by a team of 15 highly-skilled technical professionals, each holding advanced certifications and extensive expertise in automotive engineering, diagnostics, and repair. The facility's operations are overseen by a highly-qualified General Manager, whose deep industry knowledge and proven leadership ensure the consistent delivery of superior service quality, technical precision, and operational excellence.

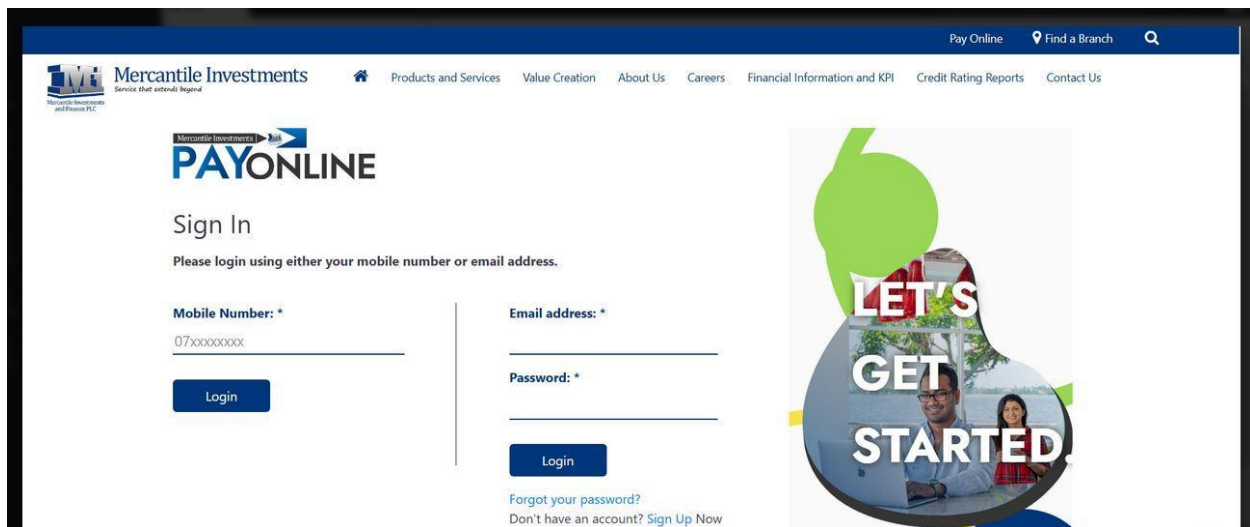
Through this dual approach, combining a strategically managed fleet with an in-house, professionally governed maintenance infrastructure, MI continues to uphold business synergy operational excellence and cost efficiency, in alignment with our broader business objectives and commitment to stakeholder value creation.

Technology-Driven Infrastructure Development

Amid the dynamic transformation of the financial services industry, MI has positioned itself at the forefront, harnessing cutting-edge technologies to expand its digital platforms and modernise IT systems. During the year, we successfully migrated to the Scier Technologies ecosystem, integrating specialised modules across Lending and additional systems of Gold and Micro Finance. This enterprise-wide technological upgrade marks a pivotal enhancement of our operational infrastructure, delivering unparalleled process automation, advanced data analytics capabilities, and superior customer experience outcomes. The platform's sophisticated architecture facilitates seamless end-to-end transaction processing, underpinned by stringent security protocols, ensuring

the consistent delivery of premium service standards while upholding the highest levels of data integrity and transactional transparency.

Our unwavering commitment to payment technology innovation is further demonstrated through the deployment of multiple advanced transaction channels, strategically implemented to enhance operational efficiency and customer convenience. The integration of the Sri Lanka Interbank Payment System (SLIP) for credit disbursements has substantially accelerated fund allocation timelines while mitigating manual intervention and operational risk exposure. Complementing this, we have established an Internet Payment Gateway (IPG) infrastructure that enables real-time settlement capabilities, providing instantaneous transaction processing and streamlined settlement procedures for our customers. Moreover, the incorporation of M-Cash technology into our collections framework has transformed our recovery operations, introducing simplified and efficient repayment channels that simultaneously elevate procedural efficiency and enhance the customer payment experience.



The screenshot displays the 'PAYONLINE' sign-in interface for Mercantile Investments. The header includes the company logo, name, and a navigation menu with links such as 'Pay Online', 'Find a Branch', 'Products and Services', 'Value Creation', 'About Us', 'Careers', 'Financial Information and KPI', 'Credit Rating Reports', and 'Contact Us'. The main section is titled 'Sign In' and instructs users to log in using either their mobile number or email address. It features two input fields: 'Mobile Number: *' (with a sample value '07xxxxxxxx') and 'Email address: *'. Both fields have a 'Login' button below them. A 'Forgot your password?' link and a 'Sign Up Now' link are also present. On the right side, there is a large green circular graphic with the text 'LET'S GET STARTED' overlaid on a photo of a smiling man and woman.

Internet Payment Gateway (IPG)

Our strategic partnership with Seylan Bank PLC has been instrumental in advancing our digital payment ecosystem, most notably through the sophisticated enhancement of our Internet Payment Gateway. This dynamic collaboration continues to deliver exceptional value, empowering customers to conduct seamless, secure transactions via their debit cards, significantly elevating the customer experience across all service touchpoints. Performance analytics as of 31 March 2025 demonstrate a robust growth trajectory, with our integrated Digital Modes platform including M-Cash services, online transfers, website payment solutions, and the advanced payment gateway facilitating over 30,000 transactions, generating an aggregate transaction volume exceeding Rs. 1,678 million.

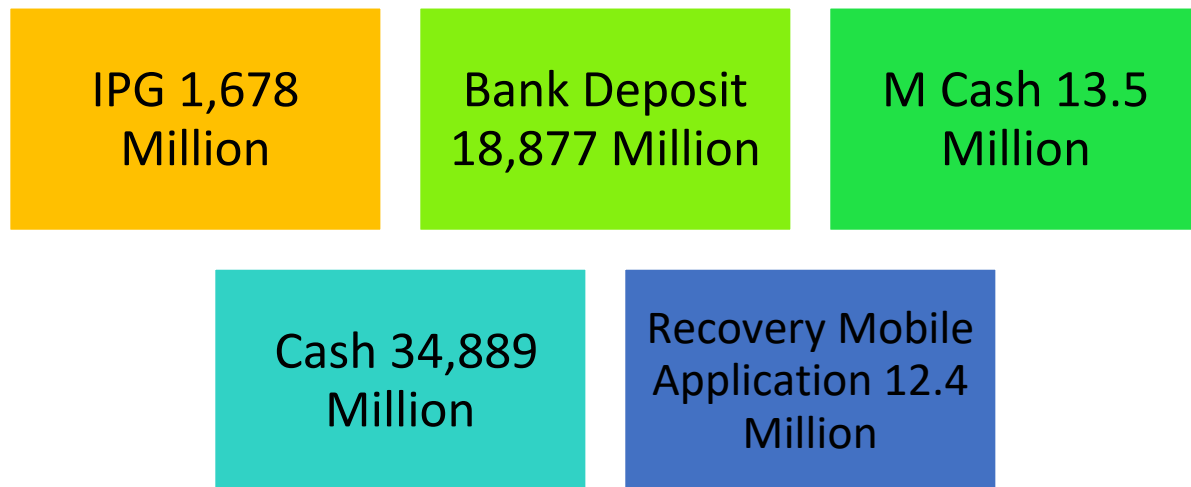
M-Cash Application

MI has recorded outstanding growth in the adoption of our M-Cash application, underscoring our dedication to pioneering digital payment solutions through a strategic alliance with Mobitel (Pvt) Ltd. The platform has firmly established itself as a critical component of our digital payments infrastructure, offering unparalleled transactional convenience and operational efficiency to our customers. For the fiscal year ending 31 March 2025, the M-Cash platform facilitated transaction volumes surpassing 13.5 million, a testament to its robust technological foundation and increasing market acceptance. This remarkable trajectory not only reflects the technical strength of our mobile payment ecosystem but also signals the accelerating shift in consumer preferences toward digital financial services.

SLIPs and CEFTs

In response to the rapidly evolving financial services landscape, MI has strategically invested in real-time transaction capabilities and will deploy this service from the next financial year, through the Centralised Electronic Funds Transfer System (CEFTs), marking a cornerstone initiative in our digital transformation strategy. In parallel, we have secured contractual agreements to deploy the Sri Lanka Interbank Payment System (SLIPs) application, providing our valued customers and supply chain partners with sophisticated electronic funds transfer capabilities. These advanced financial technology platforms have fundamentally strengthened our operational infrastructure, enabling frictionless, highly-secure transactions with enhanced speed, efficiency, and reliability.

Collection Mode



System Integrity and Risk Mitigation

In the fiscal year 2024/25, we successfully completed a partial technological transition to the external Scintera Technology system, a trusted module in the NBFI sector, marking a significant advancement in our cybersecurity infrastructure and operational resilience. This transition is part of our ongoing commitment to fortifying our systems against emerging digital threats, ensuring that we remain at the forefront of security and operational excellence.

To complement this infrastructure upgrade, we initiated an extensive educational programme, featuring 08 specialised awareness sessions for our employees. These sessions were meticulously designed to foster a security-conscious organisational culture and equip our workforce with the knowledge and skills required to identify, mitigate, and respond to evolving cybersecurity challenges. This proactive approach is a testament to our commitment to continuously enhancing our internal capabilities and safeguarding our assets.

Our investment in cutting-edge cybersecurity technologies further underscores our dedication to safeguarding sensitive data and maintaining operational integrity. We have deployed advanced protective equipment and security modules, including intrusion prevention systems, behavioural

analytics platforms, and next-generation firewall technologies, ensuring robust defence mechanisms against an increasingly sophisticated threat landscape.

Underpinning our cybersecurity framework is a robust governance structure that enforces stringent policy adherence across the organisation. In alignment with industry best practices and regulatory requirements, all employees have completed comprehensive orientation sessions on our Acceptable Use Policy, formalised by executed agreements that explicitly define their commitment to maintaining the highest standards of information security. This systematic approach to policy enforcement has established clear accountability and reinforced our collective commitment to upholding information security principles.

The efficacy of our multi-layered security strategy is evidenced by our unblemished data protection record throughout the fiscal year, with no breach incidents reported or detected, further validating the effectiveness of our risk mitigation practices.

IT Risk Landscape Review

Our IT risk assessment process is recognised as one of the most critical components within our overall risk management framework, given the increasing complexity and sensitivity of digital operations in the current technological landscape. It is treated with the highest level of scrutiny and prioritisation to ensure the integrity, confidentiality, and availability of our systems and data. The process encompasses a comprehensive evaluation of vulnerabilities, threat vectors, and potential impact on business continuity. This structured approach enables us to proactively identify and address risks that may compromise operational stability, customer trust, or regulatory compliance.

With the guidance of the IT Steering & Security Governance Committee, high-level risk assessments were performed by our IT team in close collaboration with our dedicated Risk Officer. The IT risk team performed a structured and multi-tiered evaluation process, ensuring comprehensive oversight across both technological and enterprise-wide risk dimensions. Under their joint leadership, the team has taken timely and decisive action to mitigate potential threats, implementing both preventive and responsive measures where necessary. These efforts have included the deployment of advanced threat detection systems, regular system audits, and rigorous

access control protocols, all underpinned by proactive monitoring and continuous improvement mechanisms. Through this disciplined and forward-looking approach, we continue to safeguard our technological assets, strengthen enterprise risk resilience, and uphold stakeholder confidence in our digital operations.

IT Audits

Within the framework of our organisational governance, we placed significant emphasis on ensuring the transparency, reliability, and resilience of our IT systems through the execution of comprehensive IT audits and the continuous strengthening of internal control mechanisms. These in depth evaluations of our technological infrastructure reaffirm our commitment to robust governance standards while proactively safeguarding the organisation against evolving cyber risks in an increasingly complex digital landscape.

The identification and detailed reporting of key IT audit findings, diligently communicated to our Audit Committee, reflect our steadfast approach to accountability, oversight, and continuous improvement. This process, characterised by close collaboration between internal stakeholders, independent auditors, and our Risk Officer, has not only fortified our cybersecurity posture but also contributed to the enhancement of operational performance. As a result, our IT infrastructure remains resilient, adaptive, and well-positioned to meet future challenges. This unwavering commitment to maintaining high standards of IT governance reinforces stakeholder trust and underscores our dedication to the principles of corporate responsibility, integrity, and transparency.

Resource Optimisation for Operational Excellence

At MI, we remain unwavering in our commitment to the strategic allocation and optimisation of our resource portfolio, encompassing both tangible assets and Intellectual Capital, through a rigorously designed deployment framework aimed at maximising operational efficiency and stakeholder value. Our resource optimisation initiatives are systematically coordinated under the direct supervision of the Chief Operating Officer who, in coordination with the CFO, ensures that all capital deployment decisions are aligned with our long-term strategic priorities and responsive to evolving market opportunities. This centralised governance structure enhances our capacity to

identify emerging value-creation opportunities while maintaining disciplined investment parameters across our diversified business portfolio. In pursuit of operational excellence, we continue to advance the adoption of lean methodologies across critical value streams, with particular emphasis on branch development initiatives and our digital transformation agenda. This structured application of lean principles enabled us to eliminate process inefficiencies, minimise redundancies, and optimise resource utilisation while simultaneously elevating customer experience and service delivery capabilities.

As we navigate an increasingly dynamic business landscape, our lean-centred approach to branch expansion facilitates accelerated market penetration with optimised capital expenditure which has seen initial investment costs being brought down by 40%, while our digitalisation efforts leveraged technological innovation to transform traditional resource-intensive processes into agile, streamlined digital workflows. This dual-focused strategy underscores our commitment to building a future-ready organisation characterised by operational agility, resource efficiency, and sustainable competitive advantage in an increasingly digital economy.

Capital Interdependency & Strategy Position

Capital	Short Term	Medium Term	Strategy Map
Financial	Higher initial cost for developments	Reduction in service cost and increased cash flow	<ul style="list-style-type: none"> ❖ Superior customer experience with reduced turnaround time ❖ Adoption of latest technological infrastructure ❖ Market dominance
Human	Reduction in routine tasks	Surge in employee efficiency and effectiveness	
Alliances	New business partnerships	Enhanced customer attraction and bond	
Intellectual	Higher exposure in digital drive	Increase in brand loyalty	
Nature	Notable decline in resource utilisation	Diminution in GHG emissions	

Future Set Forth

