

Financial Wealth

Our Financial Strength remains as the strategic force that converts MI's ambition into scalable growth, resilience into competitive strength, and financial capacity into enduring value.

As the Company enters a new phase of transformational growth, the strength of our financial capital increasingly defines not only our capacity to grow, but also the quality, pace, and sustainability of that growth. It provides the strategic latitude to invest ahead of opportunity, absorb volatility, strengthen our competitive position, and respond with agility to an evolving financial landscape.

Our strengthened financial position in the year under review, underpinned by a robust capital base, disciplined liquidity management, resilient asset quality, and prudent balance sheet stewardship, created a powerful platform for the next chapter of MI's evolution. These strengths provided more than financial security; they created capacity for purposeful growth enabling us to deepen our core franchises, broaden our product ecosystem, expand financial inclusion, accelerate digital and sustainable finance, and set pace towards MI's next phase in driving competitive advantage.

Year in Review: Key Successes



SUSTAINABLE BUSINESS GROWTH TRAJECTORY

NPAT	Lending Portfolio Growth	Deposit Base Growth
Rs. 1.1 Bn	91 %	45 %



STRONG LIQUIDITY AND CAPITAL ADEQUACY POSITION

Liquidity Ratio	Capital Adequacy Tier 1	Capital Adequacy Tier 2
21.76%	10.69%	16.04%



ROBUST INVESTOR RETURNS

Dividends Paid	Net assets per Share	Shareholders' funds Growth
Rs. 149 Mn	Rs. 26.14	13.58 %

Value Creation in Action



SUPPLIERS

Timely settlements and strengthened value creation



CUSTOMERS

Real-time credit disbursements and convenient repayment solutions



ENVIRONMENT

Leveraging technology to reduce paper-based resource consumption



SOCIAL

Expanding sustainable financial solutions to support new and emerging sectors

Capital Interdependency and Strategy Position

Capital	Short Term	Medium Term	Strategy Map
Alliances	Develop new Strategic business partnerships	Strengthen transparent alliances and foster long-term relationships for mutual value creation	Optimising revenue growth while enhancing accessibility and convenience for customers
Human	Enhance employee value and optimise financial benefits	Strengthen the employee value proposition and support long-term workforce engagement	Accelerating the adoption of emerging digital technologies and solutions
Infrastructure	Expand accessibility through the branch network	Advance digital payments and settlement capabilities	Strengthening the asset base through disciplined and sustainable growth
Intellectual	Upgrade systems and processes through the adoption of emerging technologies	Strengthen financial resilience while enhancing the Company's brand	Strengthening MI as employer of choice
Nature	Reduce resource consumption through technology-enabled infrastructure	Expand and enhance sustainable financial products	

Futuristic Priorities



Short Term

- Enhance yields, spreads, and Net Interest Margin
- Further expand the lending and deposit portfolios
- Strengthen Asset Quality

Medium Term

- Enhance Cost to Income percentage towards robust profitability growth
- Maintain adequate capital and liquidity buffers
- Strengthen the Company's credit rating

Long Term

- Increase market share through sustained strategic growth
- Enhance market capitalisation and long-term shareholder value



Detailed disclosures about our Financial Wealth is made available in our website.

Financial Wealth Contd.

Driven By Growth, Anchored By Prudent Financial Management

This year marked a defining milestone in MI's journey of "Growing into Greatness", as the Company surpassed the Rs. 100 billion asset threshold—a landmark achievement that reflects the strength of our strategic vision, disciplined execution, and sustained financial stewardship. Crossing this significant milestone not only underscores the scale and resilience of our Financial Wealth but also signals MI's transformation into a leading force within Sri Lanka's Non-Banking Financial Institution (NBFI) sector, with the scale, capability, and financial strength to capitalise on emerging opportunities and deliver sustainable long-term value to all stakeholders.

This achievement was strongly reinforced by a resilient financial performance and sustained business momentum displayed throughout the year, paving the way to record the highest profitability in the Company's history. Profit Before Tax (PBT) reached Rs. 2,129 million, representing a 32% year-on-year growth, while Profit After Tax (PAT) stood at Rs. 1,149 million, reflecting a 7% year-on-year growth. Together, these achievements underscore the strength and scalability of MI's business model, the effectiveness of its strategic execution, and its growing capacity to create enduring value.

Backed by a strengthened institutional foundation, disciplined governance, and a clear strategic vision, the Company is well positioned to convert its expanded scale and operational momentum into sustainable growth, superior long-term returns, and enduring value for shareholders while creating meaningful economic and social impact for all stakeholders.

	2026	2025	Change
Total Assets (Mn)	127,733	71,174	+79%
Capital Base (Mn)	15,716	13,837	+14%
Net Lending Portfolio (Mn)	101,911	53,313	+91%
NPL	3.23%	4.91%	-1.68%
NPAT (Mn)	1,149	1,075	+7%

Strategic Financial Management Executed

In an increasingly complex and evolving economic landscape, shaped by geopolitical uncertainty and shifting market dynamics, MI remained steadfast in its pursuit of sustainable growth agenda. Guided by a disciplined financial management strategy founded on three strategic pillars, the Company embraced a forward-looking, agile, and resilient approach that balanced prudent risk management with sustainable value creation. This unwavering discipline enabled MI to navigate uncertainty with confidence, seize emerging opportunities, and accelerate its transformation into a stronger, more future-ready institution.

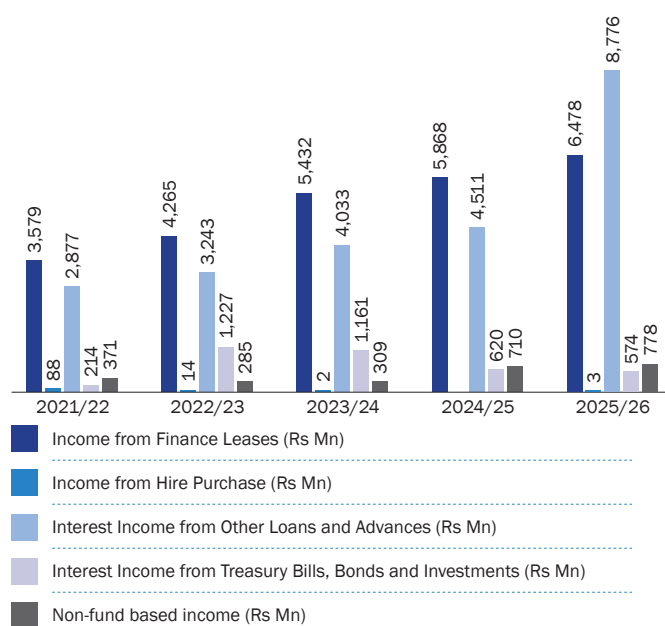
- Sustainable Revenue Growth
- Efficient Treasury and Funding Operation
- Cost Optimization

Sustainable Revenue Growth

Core revenue growth remained the cornerstone of MI's strategic agenda, underpinned by our commitment to delivering sustainable earnings growth and long-term shareholder value. As macroeconomic conditions improved, supported by the liberalisation of vehicle imports and a gradual revival in business and consumer confidence, we moved decisively to capitalise on the resurgence in credit demand. By strategically expanding our branch network and strengthening market presence, we enhanced our capacity to originate high-quality lending opportunities, broaden customer reach, and position the Company to capture sustainable growth across key market segments.

Building on the strong momentum achieved in our gold-backed lending business, we further expanded our Gold Loan portfolio across the branch network, reinforcing our leadership in one of the industry's most resilient asset classes. In parallel, with sustainability firmly embedded within our business model, we continued to broaden our portfolio of sustainable financing solutions, supporting environmentally and socially responsible investments while cultivating more diversified, resilient, and future-ready revenue streams. These strategic initiatives strengthened the quality and resilience of our earning assets, enhanced portfolio diversification, and improved our ability to generate consistent returns across varying economic cycles, whilst preserving our core margins. As a result, gross income increased by an impressive 41.86% year on year, reflecting the successful execution of our growth strategy and the expanding contribution from both lending and investment business segments.

Revenue Performances



Efficient Treasury and Funding Operation

As MI accelerated its journey towards a sustainable growth trajectory, Treasury Division assumed a pivotal role in strengthening financial resilience and enabling the strategic deployment of resources. Entrusted with financing one of the Company's most significant phases of balance sheet expansion, Treasury activities were executed with a forward-looking and agile funding strategy that strengthened liquidity, diversified funding channels, optimised funding costs, and preserved a resilient asset-liability profile.

Treasury Management Priorities

Treasury Priority	Target	FY 2025/26 Position	Status
Preserve Net Interest Margins	> 9%	> 9 %	Achieved
Maintain statutory liquidity	> 10%	> 20 %	Achieved
Minimize 1 year asset-liability mismatch (Negative maturity gap)	< Rs. 4 Bn	+ 11Bn	Achieved
Sustain contingency funding buffer	≥ Rs. 2 Bn	> 4.5 Bn	Achieved

The Treasury Division successfully orchestrated a resilient funding framework by raising over Rs.30 billion in longer-term borrowings while preserving contingency funding lines of Rs. 4.51 billion. This forward-looking liquidity strategy not only sustained a robust liquidity ratio of 21.76%, well above the regulatory minimum of 10%, but also provided the financial capacity, flexibility, and resilience necessary to transform growth ambitions into sustainable long-term value.

Disciplined approach towards asset-liability management continued to reinforce the resilience of MI's balance sheet throughout FY 2025/26. The Company concluded the year with a positive one-year maturity gap of Rs. 11.34 billion, reflecting a healthy excess of maturing assets over maturing liabilities. This outcome was driven by the strategic financing of sustained balance sheet expansion through longer-tenor funding sources, while maintaining prudent funding alignment with lending product mix tenors.

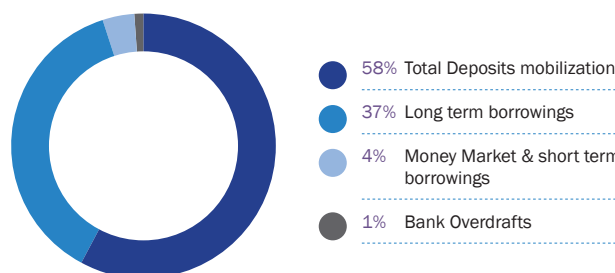
As MI accelerated its lending momentum and significantly expanded its balance sheet, preserving margin quality remained central to its financial strategy. Through disciplined asset repricing, rigorous funding cost management, and continuous optimisation of its product and funding mix, the Company maintained a resilient Net Interest Margin of > 9%.

Funding Mix Optimization

The rapid scaling of MI's lending portfolio during FY 2025/26 was underpinned by a deliberate optimisation of its funding architecture. While customer deposits remained MI's principal and structurally resilient source of funding, contributing 57% to the total funding base, its relative contribution declined from the previous year by 21%, with the rapid Loan book expansion. This widening gap between the pace of asset growth and deposit mobilisation necessitated a deliberate and well-calibrated diversification of the funding architecture. Accordingly, MI expanded its reliance on bank and securitised borrowings to efficiently bridge the funding requirement. This strengthened the structural alignment between assets and liability maturities, enhanced funding resilience, whilst supporting Tier 2 capital requirements.

By combining treasury based funding with primary deposit mobilization, the Company's funding resilience remained robust and geared to support rapid loan book expansion and, at the same time meet the statutory liquidity levels.

Funding Mix 2025/26

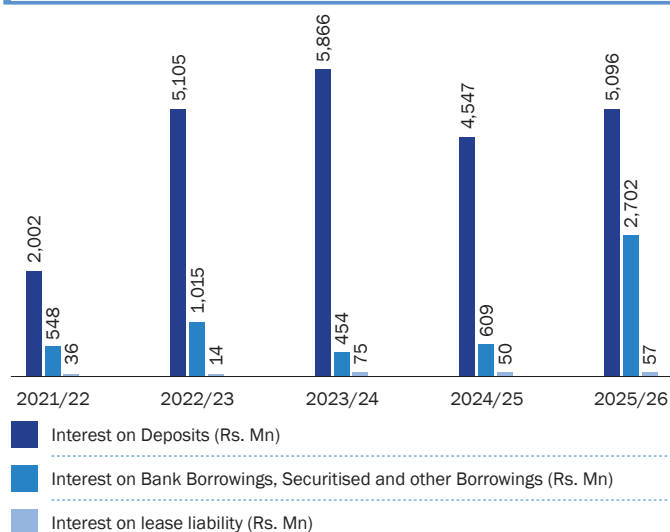


Financial Wealth Contd.

Funding Cost Management

The expansion of MI's funding platform was reflected in total interest expense increasing by 51% rising to Rs. 7,855 million from Rs. 5,206 million from previous year with 283% increase in bank and securitized borrowings and a 45% growth in the deposit base, despite enjoying a 1.6% decline in average cost of funds year on year. Nevertheless, the gradual upward shift in interest rates, coupled with increased borrowings with longer durations including Tier 2 funding, placed upward pressure on the Company's cost of funds during the latter part of the year.

Interest Expenses



Deposit Mobilization Effectiveness

Deposit mobilisation gathered significant momentum during the year, with the deposit base expanding by an impressive 45% to Rs. 62 billion, substantially outpacing industry growth. This performance reflects the increasing strength of MI's funding franchise and the confidence placed in the Company by its growing customer base. The growth was supported by the strategic expansion of MI's branch network, targeted customer acquisition initiatives, and focused market engagement, enabling the Company to deepen its presence across key markets and to mobilise savings and Fixed deposits of retail clientele and also Corporate deposits.

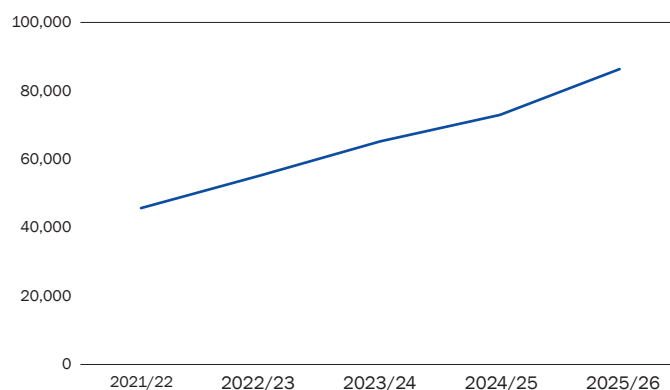
Fixed Deposits

Fixed deposits remained the Company's principal source of customer funding, rising to Rs. 62 billion and accounting for 99% of total customer deposits as at 31st March 2026. Branch-led initiatives emerged as an increasingly important engine of deposit mobilisation, contributing 37% of the net growth in fixed deposits and contributing 35% of the total fixed deposit portfolio, while the Head Office continued to provide the largest absolute contribution to portfolio expansion. This performance reflects the growing effectiveness of

MI's decentralised customer-acquisition model and the increasing contribution of its branch network in converting market presence into sustainable funding growth.

Looking ahead, the Company is strengthening this momentum through progressive decentralisation, enhanced branch-level accountability, and continued investment in digital and IT infrastructure which will ultimately create a more agile, customer-centric and scalable deposit franchise supporting MI's future lending ambitions and long-term balance-sheet growth.

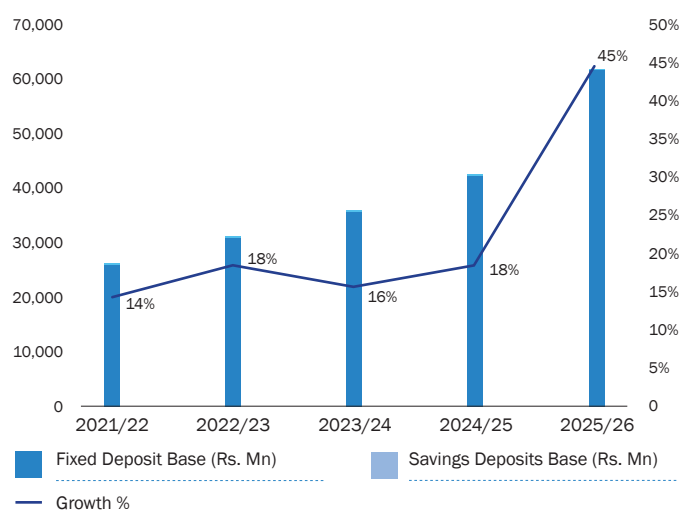
Number of Depositors



Savings Deposits

Savings deposit base stood at Rs. 191.7 million as at 31st March 2026, reflecting a 19% year on year decline. The Company sustained its branch-level mobilisation initiatives and continued to promote its Podiththo minor-savings product. Looking ahead, planned enhancements to digital banking including e-wallet solutions and debit card facilities are expected to improve customer convenience and support renewed growth in the savings portfolio.

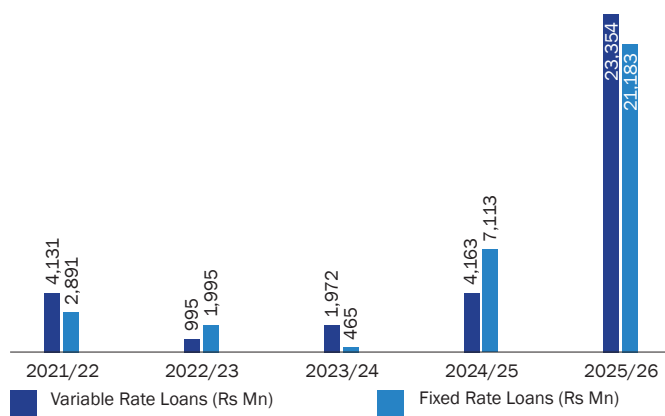
Deposit Mix and Growth



Borrowings and Debt Funding

Bank and securitised borrowings surged by 283% to Rs. 46 billion from Rs. 12 billion, reflecting a deliberate transformation of MI's funding architecture to support accelerated lending growth while strengthening balance sheet resilience. The strategy focused on securing competitively priced longer-tenor funding, diversifying funding sources, strengthening Tier 2 capital, and enhancing Asset-Liability Management by better aligning funding maturities with portfolio tenors. Despite the significant increase, borrowings remained at a measured 43% of the total funding mix, preserving prudent leverage and headroom for future growth. This disciplined funding strategy strengthened liquidity resilience, reduced maturity mismatches, and enhanced MI's capacity to scale sustainably amid evolving macroeconomic conditions.

Total Borrowings Analysis (Fixed Rate Vs Variable Rate)



Cost Optimisation

In the backdrop of persistent cost pressures, MI maintained strong focus on cost discipline, embedding cost optimisation priorities central to its expanding operational drive. Amidst rapid branch expansion, the Company contained overhead growth through process re-engineering, digitisation, elimination of operational redundancies, and disciplined resource optimisation, supported by the oversight of a dedicated Cost Optimisation Committee. These measures strengthened enterprise-wide cost accountability, progressively improving the cost-to-income ratio, and reinforced MI's ability to scale with greater efficiency, agility, and sustainability.

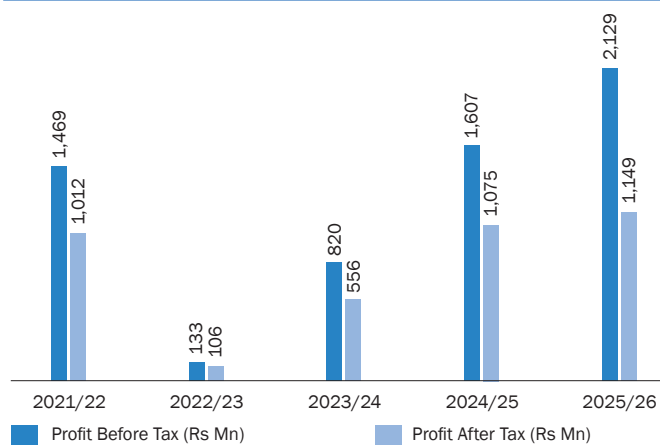
Profitability Mirrors Strong Upward Trajectory

FY 2025/26 will stand as a defining chapter in MI's growth trajectory a year in which scale, strategy and execution converged to create a new benchmark for the Company. Surpassing the Rs. 100 billion asset threshold, MI translated its strategic ambition into its strongest-ever financial performance, delivering a Profit Before Tax of Rs. 2,129 million and a Profit After Tax of Rs. 1,149 million reflecting a 32% and 7% year on year growth respectively. This record performance was powered by robust portfolio expansion, resilient revenue generation, disciplined cost stewardship, and unwavering focus on asset quality. The year marked a step-change in MI's earning capacity, demonstrating the scalability and resilience of its business model, laying a stronger platform for higher revenue, profitability and capital acceleration in the medium term.

Fueled by sustained growth in interest income, coupled with disciplined funding cost management, MI delivered a robust 38% growth in Net Interest Income, providing strong momentum to the bottom line. This core earnings performance was further reinforced by a 10% increase in non-fund-based income, driven by stronger insurance commission and continued growth in fee-based earnings.

As the benefits of our expanded branch footprint began to crystallise alongside continued automation and digital transformation, MI strengthened its operating leverage through disciplined cost optimization activities and process efficiencies to create higher activity from less investment, contain cost growth, and translate productivity gains into stronger bottom-line performance.

Earnings Performance



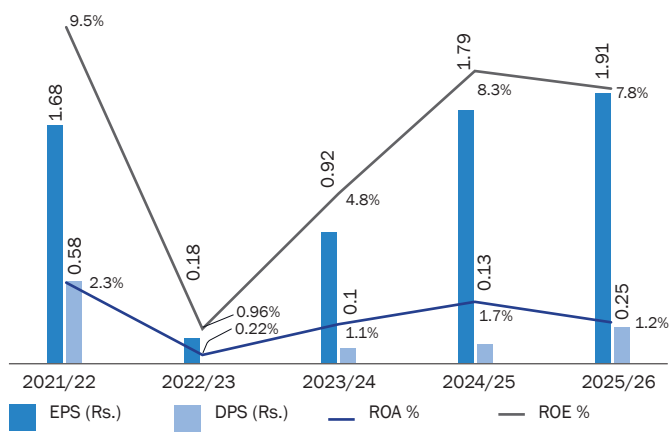
Financial Wealth Contd.

Investor Returns

Driven by sustained earnings momentum and disciplined capital stewardship, MI delivered resilient shareholder returns while maintaining robust capital buffers to support its next phase of growth. For the year ended 31 March 2026, Return on Average Assets (ROA) stood at 1.15%, while Return on Average Equity (ROE) remained moderate at 7.77%. These returns should be viewed against the backdrop of MI's deliberate scale-up phase, during which balance-sheet expansion preceded the full earnings contribution of newly deployed assets. As this enlarged asset base matures and increasingly contributes to earnings, the Company is well positioned to unlock higher revenue, stronger returns and enhance shareholder value over the medium term.

Driven by the earnings momentum, Earnings per Share, rose by 7% from Rs. 1.79 to Rs. 1.91, marking a further strengthening of the Company's value-creation capacity and resilience. Furthermore, consistent with its commitment to steady shareholder returns while preserving capital to fuel future expansion, the Board declared dividends of Rs. 0.25 per share in total, amounting to Rs. 149 million for the year. This disciplined allocation of capital reinforces confidence in MI's earnings trajectory while retaining the financial capacity to capture future growth opportunities. Accordingly, MI's shareholder funds rose to Rs. 15.7 billion by 31st March 2026 up by 13.6% YoY (Refer 'Investor Relations' section on pages 360 to 366 for further investor information).

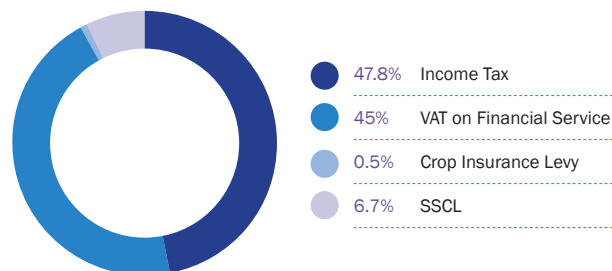
Investor Returns



Tax Expenditure

The Company's stronger earnings translated into a substantial increase in its contribution to the national revenue base. Total tax expenditure rose by 60% to Rs. 2,051 million during the year, with the effective tax rate increasing from 41% to 45%. Income tax increased from Rs. 533 million to Rs. 981 million, primarily reflecting higher taxable profits arising from increased non-deductible expenses and provision adjustments. VAT on Financial Services, representing 45% of the total tax contribution, increased year on year by 42% to Rs. 922 million, broadly reflecting the expansion in MI's business volumes and earnings. The Crop Insurance Levy stood at Rs. 11.2 million with a 4% year on year increase.

Tax Payments



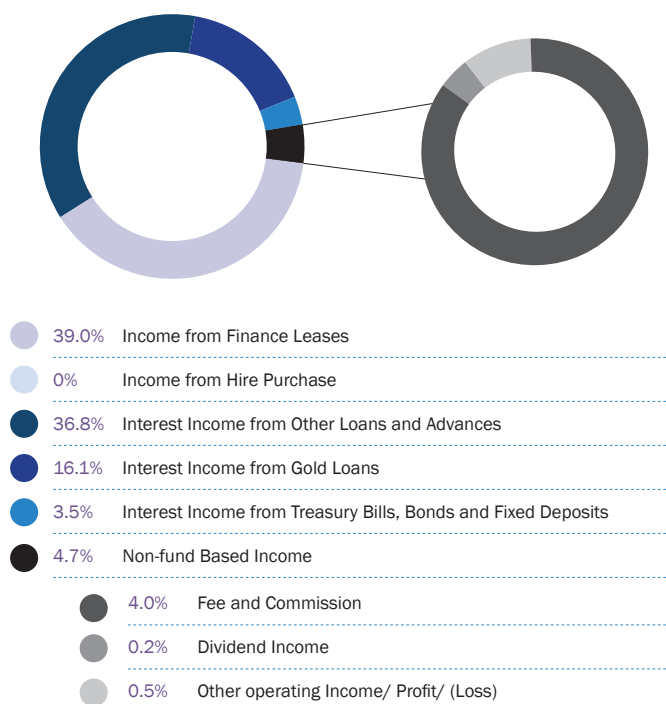
MI's tax contributions reflect its commitment to transparency, sound governance, and responsible corporate citizenship in support of national fiscal development. As the business continues its structured growth trajectory, the Company remains focused on creating sustainable stakeholder value while meeting its statutory obligations in full. (Refer to Financial Statements Note 15 for detailed tax disclosures.)

Gross Revenue Surge with Loan Book Expansion

MI's earnings engine gained significant momentum during FY 2025/26, with the loan book expanding notably by 91%, driving gross revenue up to Rs. 16.6 billion from Rs. 11.7 billion, despite a challenging and evolving macroeconomic environment. Core lending revenue advanced 47% to Rs. 15,258 million, contributing 92% to total revenue and reaffirming the growing scale and strength of MI's core franchise. This performance was anchored by a strong resurgence in lease and vehicle financing, alongside a remarkable 218% year-on-year expansion in gold-backed lending, reflecting the Company's ability to capture emerging demand across high-yield, secured asset classes.

The broadening of lending activity also supported a 10% increase in non-fund-based income to Rs. 778 million, further diversifying the revenue base. Conversely, the contributions derived from investment income from Treasury activities dropped from 5.3% to 3.5%, with the higher surplus position contracting somewhat on account of growing funding needs for core lending activities.

Composition of Gross Revenue



Lease Financing

Leasing, MI's flagship traditional lending product, contributed 39% to gross revenue, growing by 10% year-on-year. The moderated pace reflects the accelerated expansion of the Company's other secured lending products, rather than any underlying moderation in the strength or relevance of the leasing business. Lease business was largely driven by the significant vehicle trade arising from vehicle imports and the continued demand for second hand vehicle ownership.

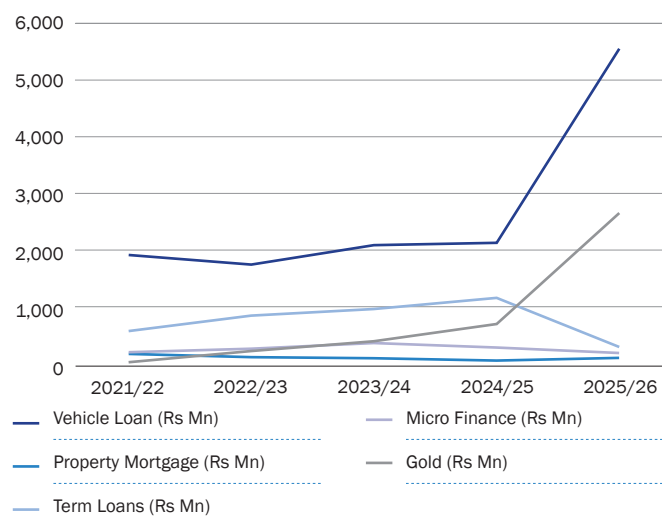
Term-Based Lending Revenue

Interest income from other loans and advances spanning vehicle financing, property mortgage loans, term loans, microfinance, and gold-backed lending contributed 52.8% to gross revenue, growing exceptionally by 95% year-on-year. This segment's acceleration reflects the breadth of MI's diversified lending strategy and the growing weight of secured, high-yield products in the revenue base.

Gold Loan Revenue

Gold-backed lending emerged as a key growth catalyst within MI's diversified portfolio, generating an exceptional 288% year-on-year increase in revenue. This strong performance was driven by robust market demand and the deliberate expansion of the product across the Company's growing branch network, further strengthening MI's presence in secured, high-yield lending and broadening the resilience of its earnings base.

Loans and Advances Revenue

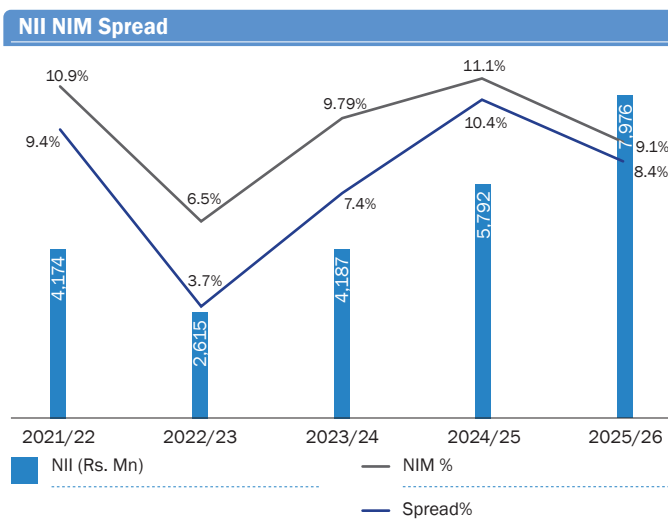


Financial Wealth Contd.

Net Interest Income (NII), Net Interest Margin (NIM), and Core Spread

Against a relatively moderate interest rate backdrop, MI strengthened its core earnings through sustained portfolio expansion and optimisation of its lending mix. The rapid scaling of the lending portfolio drove a robust 44% increase in interest income, while interest expense rose by 51% amid the expansion of the deposit and borrowing base and the gradual upward movement in market interest rates. Despite these funding cost pressures, MI delivered a resilient 38% growth in Net Interest Income, underscoring the strength of its business model.

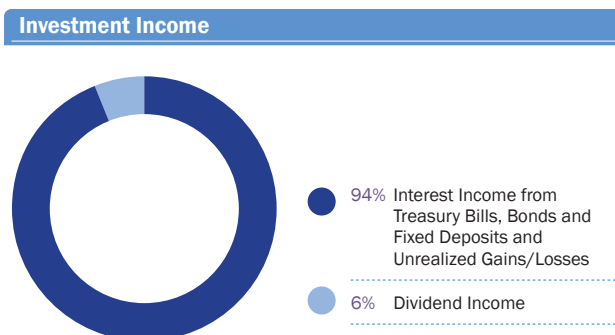
Building on this earnings momentum, MI remained firmly focused on strengthening margin resilience through a deliberate rebalancing of its lending product mix, combining moderate-yield products with higher-yield, secured lending products while proactively mobilizing funding optimally from both deposits and borrowings to meet both core business needs and also for tier 2 capital acceleration. This integrated approach enabled the Company to protect spreads, enhance earnings resilience, and create greater insulation against future market and pricing volatility. As a result, MI sustained a Net Interest Margin above 9% underscoring the strength of its pricing discipline, balance-sheet optimisation, and ability to preserve core profitability through changing market cycles.



Investment Income

Investment income, comprising returns from Government securities, bank placements, unit trusts, and dividends, declined by 13.4% year on year and contributed 3.6% to gross revenue. The moderation was primarily a strategic outcome of redeploying surplus liquidity from Treasury bills and money market instruments towards higher-yielding lending opportunities, reflecting MI's deliberate focus on optimising capital deployment, strengthening earning capacity, and enhancing overall portfolio returns.

Amid Sri Lanka's continued economic recovery, improving equity market sentiment supported a favourable revaluation of MI's equity investments, generating unrealised fair value gains of Rs. 440 million during the year, despite the price volatility experienced with heightened geopolitical tensions. Consequently, the Other Comprehensive Income (OCI) reserve strengthened to Rs. 919 million as at 31 March 2026, reflecting the enhanced market value of the Company's investment portfolio. Beyond the immediate valuation uplift, these gains further strengthened shareholders' equity and enhanced the embedded long-term value of MI's strategic investments.

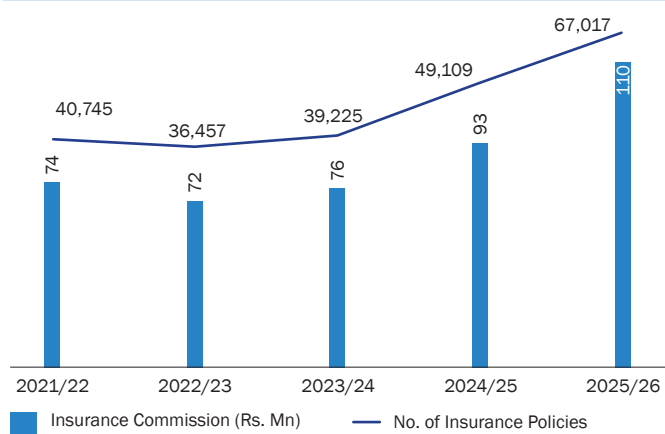


Insurance Services

With the continued expansion of MI's lease and vehicle financing portfolio, insurance referral income increased 18.55% to Rs. 110 million in FY 2025/26, from Rs. 92.6 million recorded a year before. This growth reflects the deeper integration of insurance solutions into the lending journey, enabling MI to unlock incremental fee-based revenue while delivering a more comprehensive and value-enhancing proposition to its customers.

Moreover, through a satisfactory track record of recovering insurance claims, which stood at Rs. 115.8 Mn for the year under review, we sustained sound customer retention levels, whilst attracting new clients, reinforcing MI's role as an integrated under one roof financial services provider.

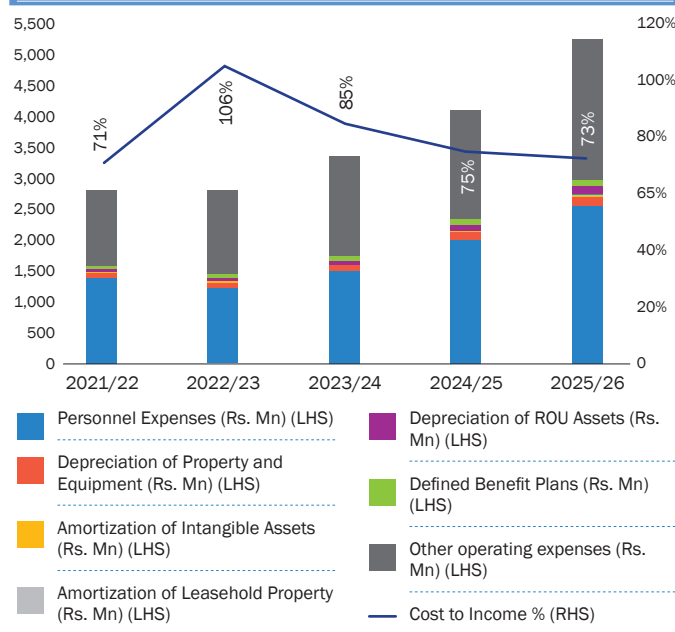
Insurance Commission vs No. of Insurance Policies



Driving Operational Efficiency and Optimizing Expenditure

MI maintained a strong discipline in expenditure management throughout FY 2025/26, balancing significant investments in its branch network, workforce, and Gold lending franchise with continued focus on operating efficiency.

Composition of operating Expenses vs Cost to Income Ratio



Operating expenses escalated by 28% to Rs. 5.3 billion from Rs. 4.1 billion, primarily reflecting the deliberate broad basing of the branch network and expansion of Gold operations. Importantly, the pace of cost growth remained below the expansion in earnings, enabling the Company to marginally improve its cost-to-income ratio to 72.6%. The ratio is expected to lower gradually as the company reaps greater revenue generation from an expanded book and through the consolidation of the expanded branch platform next year.

Financial Wealth Contd.

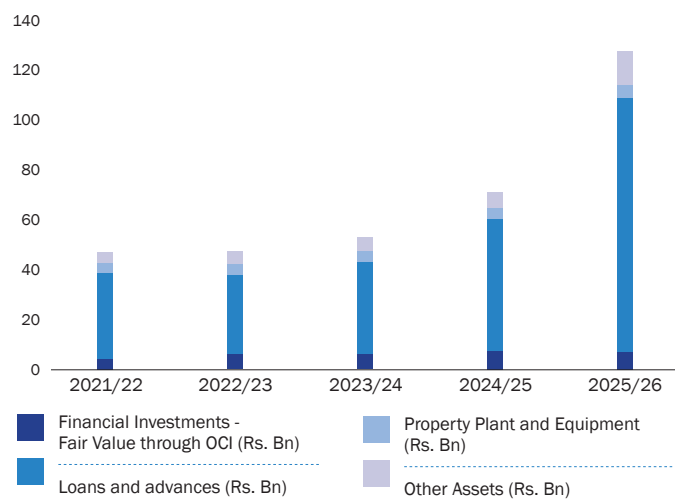
Capital Expenditure

Capital investments during FY 2025/26 were strategically directed towards strengthening the foundations for MI's next phase of growth, with a focus on expanding its physical reach, modernising IT infrastructure, and enhancing technology capabilities. A total of Rs. 470 million (FY 24/25 - 327 million) was invested in branch expansion, technology and IT infrastructure, and other strategic capital assets. These investments go beyond mere capacity expansion; they are deliberate enablers of a future-ready operating model, integrating an optimised physical footprint with advanced digital capabilities to enhance scalability, accessibility, operational agility, and sustainable long-term growth.

Financial Position, Strength, Blend, Asset Quality and Efficiency

MI achieved a transformational 79.5% growth in total assets, reaching Rs. 127,734 million as at 31 March 2026, an absolute asset value increase of Rs. 56.6 billion in a single year. This exceptional acceleration marks a defining milestone in MI's journey towards "Growing into Greatness", propelling the Company to a new level of scale, market reach and financial capacity, while firmly positioning MI among the sector's fastest-growing financial institutions. This significant expansion was underpinned by accelerated lending growth, supported by a strengthened deposit franchise and disciplined balance-sheet stewardship, enabling MI to convert funding momentum into productive assets while maintaining the resilience and quality of its financial position.

Total Asset Composition



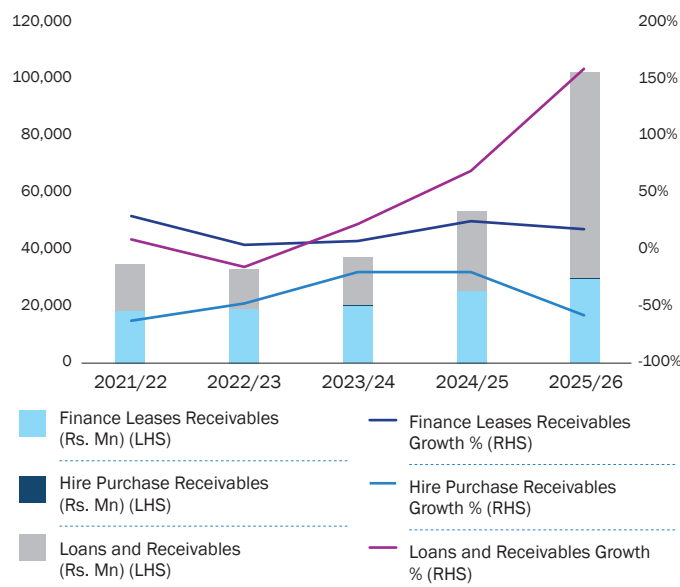
Loans and Advances

Loans and advances continued to anchor MI's earning-asset base, accounting for 80% of total assets as at 31 March 2026, reflecting a decisive deepening of the Company's lending orientation. The net lending portfolio crossed the Rs. 100 billion milestone for the first time, rising by 91% to Rs. 101,910 million, from Rs. 53,313 million a year earlier. This exceptional expansion demonstrates the strength of MI's core franchise and the successful execution of its strategy to tap into high-demand segments. We widened the reach to ensure greater financial inclusion and empower communities to uplift living standards and assist grass root level of society to take part in the reviving economy.

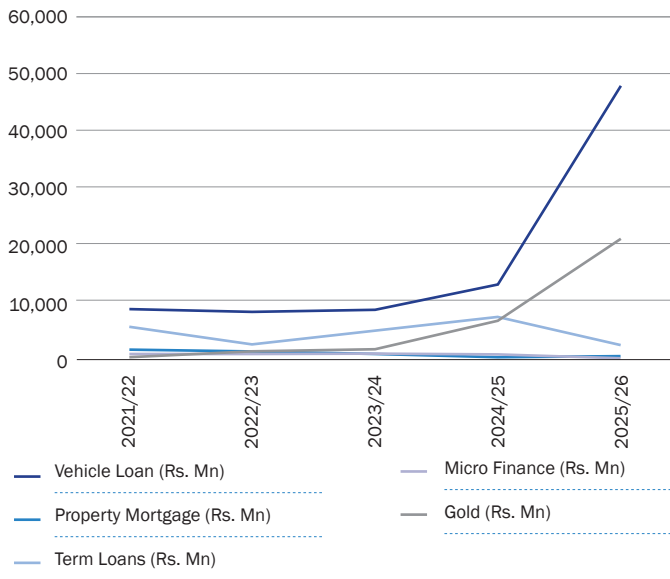
This growth was led by Gold and term-based lending, which expanded sharply to Rs. 72,166 million from Rs. 27,972 million within just 12 months, establishing these product lines as pivotal contributors to the portfolio's growth, further strengthening MI's secured-lending franchise. Within this, Gold Loans increased by an exceptional 218% to Rs. 21,123 million, reinforcing the segment as one of MI's fastest-growing and highest-yielding secured lending propositions.

Meanwhile, Finance Leasing, MI's longstanding flagship product, continued its steady expansion, increasing to Rs. 29,711 million from Rs. 25,261 million a year before, supported by resilient demand for vehicle financing. The combined momentum across these segments has strengthened MI's earning-asset base while laying the platform for higher revenue generation in the medium term.

Lending Portfolio vs Lending Growth



Loans and Advances - Portfolio



Upheld Impeccable Asset Quality Standards

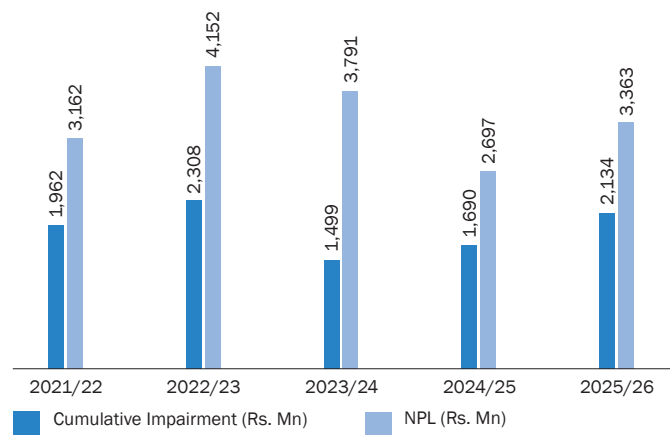
In the backdrop of rapid portfolio expansion, MI strengthened the quality and resilience of its loan book, with the 90-day Non Performing Loans (NPL) ratio improving significantly from 4.91% to 3.23%, well below the industry average. This improvement is particularly significant given the scale of lending growth achieved during the year, demonstrating the Company's ability to grow with discipline while keeping asset quality firmly at the centre of its growth agenda.

During the year, attention was firmly forwarded to strengthen recovery through early intervention, targeted campaigns, specialised operations and effective legal support, paving the way for faster and targeted actions on delinquent accounts. MI's dedicated Call Centre operations enhanced early-stage engagement, while targeted initiatives strengthened recoveries across higher-risk exposures. The Company's proprietary Auto Transact Digital Asset Disposal Platform further improved recovery on repossessed vehicles, enhancing transparency and optimising realisation values through a competitive bidding process. These measures underscore our ability to scale responsibly, maintaining high asset quality through rigorous underwriting standards, early warning mechanisms, and accelerated recovery efforts.

Impairment on Past Due Accounts

Despite a reduction in overall Non Performing Loan (NPL) exposure, the impairment charges recorded for the year increased to Rs. 476 million, up by 112% from previous year. The increase was principally a reflection of the rapidly expanded loan book and prudent forward-looking provisions made, rather than a deterioration in underlying credit quality standards.

Cumulative Impairment and NPL



MI continued to apply a disciplined Expected Credit Loss (ECL) framework, incorporating forward-looking risk assessments incorporating provisioning also for the risk elevated segments emerging from Ditwah, macroeconomic and geopolitical escalations and also considering the changing composition of its lending portfolio. Accordingly, the Stage 3 provision coverage ratio stood at 52.53% as at 31st March 2026, compared to the 57.6% coverage reported a year earlier. This reinforces the resilience of MI's asset quality and its commitment to a robust, forward-looking credit risk management framework.

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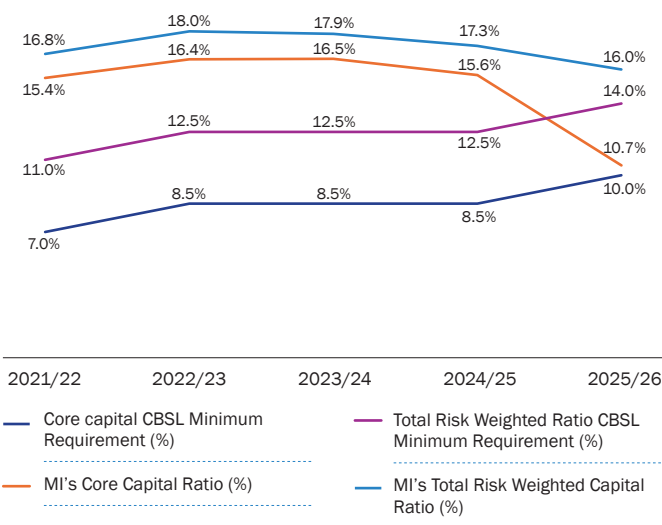
Capital Adequacy and Regulatory Compliance

MI's capital base strengthened further during the year, with shareholders' funds increasing 14% to Rs. 15.7 billion, providing a robust foundation to support the Company's exceptional balance-sheet expansion. This strengthened capital position enabled MI to maintain prudent capital buffers throughout the year while continuing to scale its lending franchise.

MI remained "Well Capitalised" under regulatory categorization, by maintaining healthy Tier 1 and Total Capital Ratios of 10.69% and 16.04%, respectively, as at 31 March 2026, above the regulatory minimums of 10% and 14% providing meaningful capacity to absorb potential shocks while supporting continued business growth. Though capital ratios moderated from the previous year, with the rapid expansion in lending book, we reinforced our capital buffers infusing Tier 2 capital up to Rs 4.6 billion, whilst making arrangements for a right issue to be concluded in May 2026 to facilitate future growth expansion and meet higher regulatory capital ratio requirements arising from surpassing the Rs. 100 billion total asset mark.

By keeping to the three-year corporate plan to generate strong profitability in the medium term, combined with required capital infusions, the company is well set for next phase to pursue its growth trajectory, balancing growth ambitions with resilience, risk capacity and long-term financial sustainability.

Capital Adequacy Position

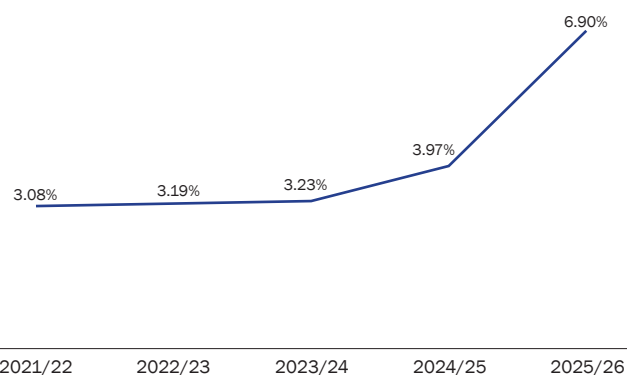


Disciplined Leverage Supporting Scaled Growth

MI's debt-to-equity ratio increased to 6.9 as at 31 March 2026, from 3.97, reflecting the deliberate use of leverage to support the rapid expansion in total assets and the near doubling of the lending portfolio. The increase is consistent with the Company's funding-led business model, where efficient leverage enables MI to scale its earning-asset base while optimizing on the use of accumulated capital.

Importantly, the higher leverage was accompanied by a strengthened capital base and continued compliance with regulatory capital requirements. MI's funding strategy remained anchored by a stable and growing deposit franchise, providing a resilient funding platform for core lending activities and supporting an efficient balance-sheet structure. As MI advances into its next phase of growth, its disciplined approach to leverage and funding provides the financial flexibility to expand sustainably, while preserving the capital strength and balance-sheet resilience required to withstand changing market conditions.

Debt to Equity Ratio



Liquidity

Short- and Medium-Term Liquidity

Throughout FY 2025/26, MI sustained a robust liquidity position while funding an exceptional expansion of its loan book, maintaining full compliance with all regulatory liquidity requirements without moderating the pace of growth. This discipline allowed the Company to manage the perennial trade-off between holding optimal liquidity and deploying funds into higher-yielding earning assets. MI's statutory liquidity ratio strengthened to 21.76% as at 31 March 2026, from 19.82% a year earlier, remaining well above the regulatory minimum of 10%. Accordingly, available liquid assets stood at Rs. 14,559 million including Rs. 5,413 million in government securities comfortably above the regulatory minimum of Rs. 2,978 million. This substantial surplus underscores MI's proactive financial stewardship and its capacity to respond swiftly to market developments and funding needs, even through a period of rapid balance-sheet expansion. (Refer to Notes to the Financial Statements, pages 350 to 352).

Long-Term Liquidity

Reflecting the rapid expansion of its lending portfolio, MI's one-year cumulative asset–liability position moved to a positive gap of Rs. 11.34 billion as at 31 March 2026 with maturing assets favorably exceeding maturing liabilities compared with a broadly matched position a year earlier. This strengthening is a direct corollary of mobilizing funds with longer durations while lending product mix comprised a combination of short and longer tenor product offerings. Same time unutilized short and long term funding lines totaled to Rs. 4,509 million, kept available to draw down, further strengthening liquidity. Under the guidance of the Assets and Liability Management Committee (ALCO), pricing was structured to both manage interest rate risks stemming from rate sensitive assets and liabilities and emerging liquidity needs.

Cash Flow Management

Through proactive liquidity monitoring and disciplined Treasury management, MI maintained strong cash flow resilience throughout the year, effectively balancing near-term funding obligations with longer-term growth requirements. As at 31 March 2026, cash and cash equivalents increased to Rs. 8,390 million, providing a significantly stronger liquidity buffer to support the Company's expanded balance sheet.

Cash Flows from Operating Activities

Operating activities recorded a net outflow of Rs. 26,246 million in FY 2025/26, widening from Rs. 9,497 million a year earlier. This outflow is the direct outcome of the year's lending surge, which saw advances to customers increasing by Rs. 49,073 million, partially met by customer deposit inflows of Rs. 18,678 million. The figure reflects cash deployed into the fast-growing earning-asset base through aggressive balance-sheet expansion at a greater pace than a year before.

Cash Flows from Investing Activities

Investing activities recorded a modest net outflow of Rs. 395 million. Continued investment in Property, Plant and Equipment, technology, and operational infrastructure was partially offset by dividends received and proceeds from asset disposals.

Cash Flows from Financing Activities

Financing activities generated a substantial net inflow of Rs. 32,996 million, driven principally by increased borrowings raised to fund the rapid expansion of the lending portfolio. During the year the Company raised Rs. 55,493 million in new borrowings, repaid Rs. 22,348 million, and distributed Rs. 149 million in dividends, a scale of activity that reflects active management of both its funding requirements and its capital structure.

Taken together, these movements trace a coherent and deliberate funding strategy: financing inflows channelled squarely into lending growth, while liquidity strength reflected from cash and cash equivalents rose to Rs. 6,354 million over the year, closing at Rs. 8,391 million against Rs. 2,037 million recorded a year earlier, leaving ample flexibility to support the next phase of expansion.