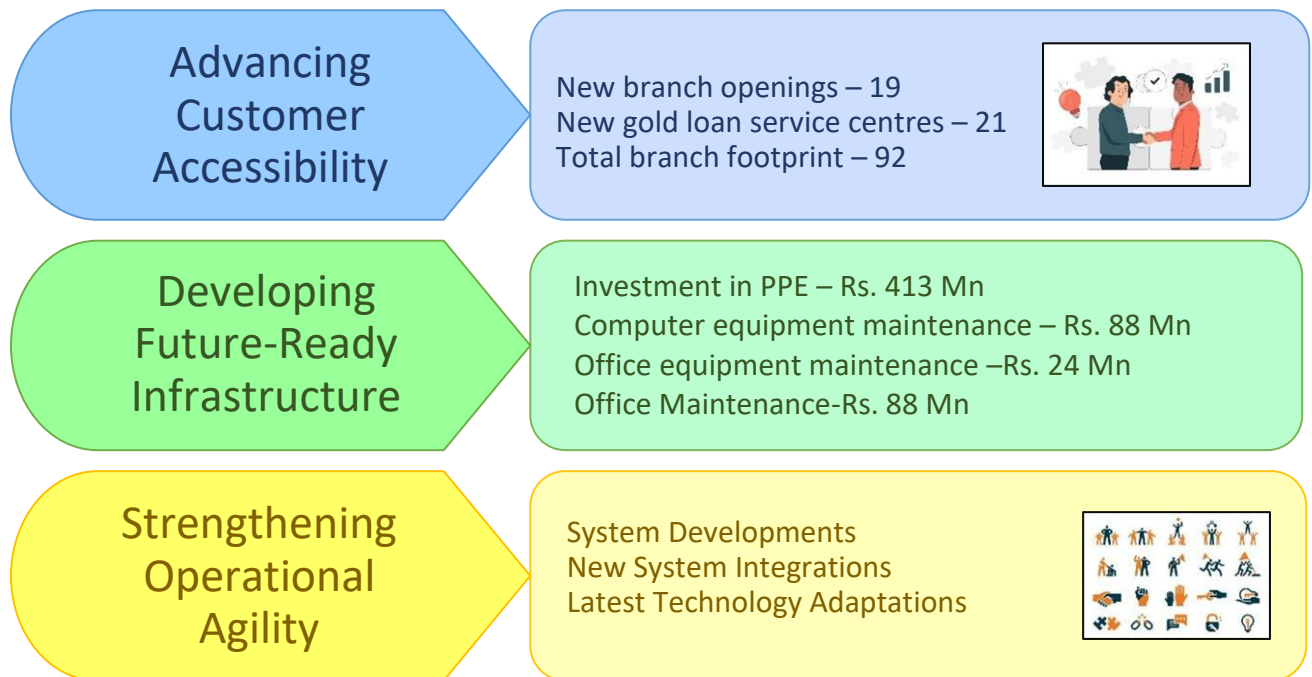


Infrastructure

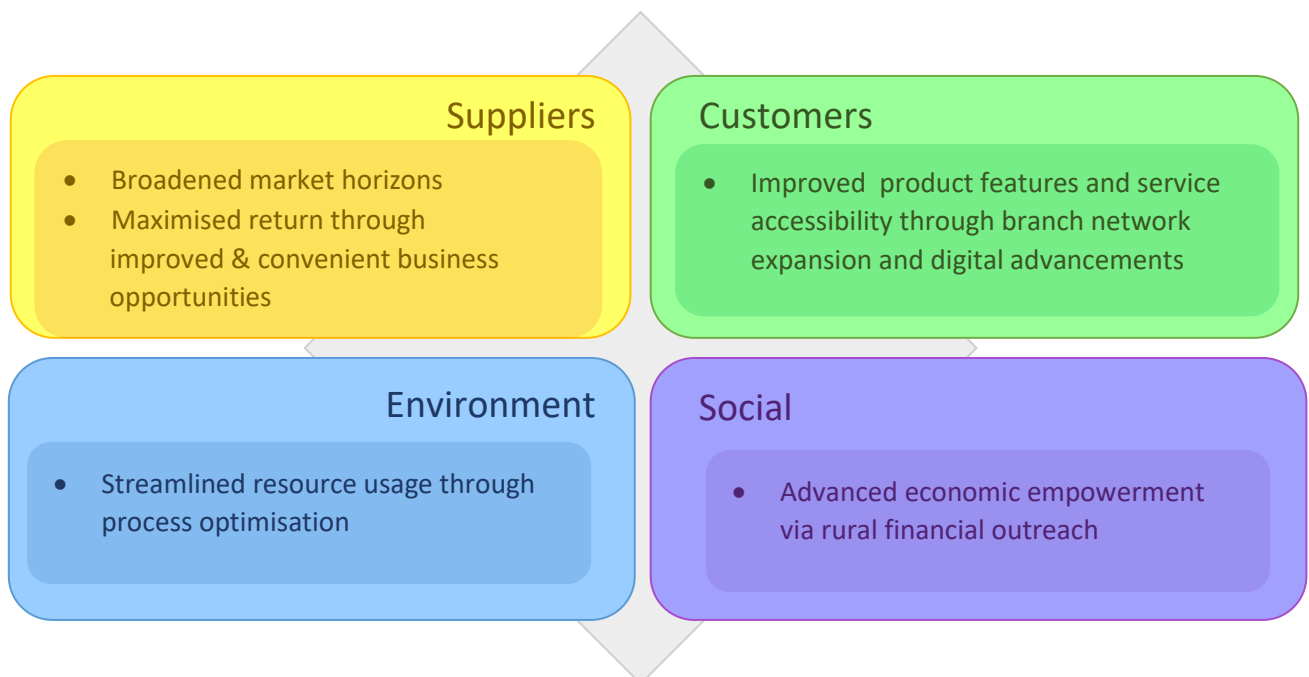
The financial year 2025/2026 marked a defining chapter in MI's infrastructure story, one characterised by growth in scale and a deepening maturity in how that scale was governed, leveraged, and made to serve the organisation's long-term strategic purpose. With a national branch network that now spans 92 locations, and with the formal establishment of a dedicated Digital Transformation function, MI's Infrastructure Capital has evolved from a platform of expansion into an engine of operational sophistication, supporting long-term value creation. The investments and strategic initiatives undertaken during the year represent a deliberate transition from building infrastructure to strengthening institutional capabilities, embedding disciplined operating practices, governance frameworks, and the technological capabilities required to sustain competitive advantage in an increasingly demanding operating environment. This evolution is anchored in MI's recognition that infrastructure, in its broadest sense, is not a support function, but a strategic asset that strengthens operational resilience, enhances efficiency, and creates a scalable foundation for sustainable growth and long-term value creation.

Every branch opened, every digital process that was streamlined, and every governance mechanism that was strengthened during the year was a direct expression of the Company's commitment to delivering consistently superior customer value propositions whilst protecting operational integrity and long-term stakeholder value. The year also marked a significant milestone in MI's digital transformation journey with the establishment of a Digital Transformation unit to drive the 3 year digital roadmap of advanced applications to bring greater value addition to the product mix for competitive advantage.

Year in Review: Key Successes



Value Creation in Action



MI's Impact Assessment Framework serves as the structured lens through which the Company evaluates the downstream consequences of its infrastructure investments, examining how value flows outward to suppliers, customers, communities, and the broader environment. During FY 2025/26, MI's infrastructure initiatives delivered measurable, multi-dimensional impacts that extended well beyond the organisation's direct operations.

For MI's supplier network, the continued expansion of the branch footprint and the procurement activity associated with 19 new branch establishments created meaningful commercial opportunities. Supplier partners benefited from sustained and growing demand, structured procurement processes that prioritised efficiency and accountability, and an increasingly professionalised engagement framework that allowed them to plan, invest, and scale with greater confidence. The Company's disciplined approach to vendor management ensured that these benefits were distributed across a broad supply base, reinforcing MI's role as an anchor of economic activity within its operating communities.

For customers, the most tangible expression of infrastructure value creation was the improvement in service proximity and accessibility. The notable expansion of the branch network brought MI's financial services within reach of a larger segment of the population, including communities in previously underserved regions where access to formal financial services has historically been limited. Simultaneously, MI advanced its IT infrastructure through the full migration to a renowned external core system and integration of digital payment platforms. This ensured that customers who prefer or require remote access to services were well served, reinforcing the Company's dual-channel commitment to universal accessibility. The net effect was a material improvement in the breadth, consistency, and quality of the customer experience across the national network.

From an environmental and social perspective, MI's infrastructure programme continued to deliver measurable and sustainable outcomes. The Company's sustained emphasis on lean operational design, evident in both new branch construction and the ongoing streamlining of internal processes, contributed to a demonstrable reduction in resource consumption, including energy, paper, and material waste. These gains reflect a deliberate integration of sustainability principles into infrastructure decision-making, rather than a retrospective compliance exercise. Moreover, MI's expanding rural outreach continued to strengthen financial inclusion across underserved

communities, supporting entrepreneurial activity, improving access to formal credit, and enabling broader economic participation across the regions served by the Company. A key initiative underpinning this effort is the Launching of Mercantile Pragathi Sustainable Business Loan, a purpose-built financing solution designed to extend targeted credit support to women-led enterprises; youth entrepreneurs; and micro, small, and medium-sized businesses operating in underdeveloped regions of Sri Lanka. Through tailored financing structures and streamlined approval pathways for applicants from underprivileged communities, the programme continued to address structural barriers to formal financial access while supporting sustainable agriculture, renewable energy, and environmentally responsible economic activities. These initiatives contributed meaningfully to local economic growth, employment generation, and community resilience, reinforcing MI's broader commitment to inclusive and sustainable development as an integrated component of its long-term business and infrastructure strategy.

Branch Footprint

MI's branch network is more than a physical footprint. It is a strategic platform through which the Company delivers its brand promise, strengthens customer relationships, and extends its reach across the markets it serves. As the primary touchpoint for customer engagement, the branch network plays a pivotal role in acquiring new customers, deepening existing relationships, and delivering personalised financial solutions that build long-term trust and loyalty. Accordingly, the continued expansion and enhancement of this network represents a strategic investment in customer proximity, service excellence, and sustainable business growth, while reinforcing MI's commitment to accessible and inclusive financial services.

During FY 2025/26, MI expanded its branch network by a robust 26% YoY, bringing the total number of operational branches to 92 sites strategically distributed across the country. This expansion was undertaken with the same disciplined precision that has characterised MI's network growth in recent years, with each new location selected on the basis of rigorous market analysis, demographic assessment, and strategic alignment with the Company's financial inclusion objectives. The outcome is a network that is not merely larger, but more deliberately structured,

with each branch contributing to a coherent national coverage strategy rather than opportunistic geographic expansion.

All newly inaugurated branches were commissioned to align with MI's established operational standards, and are equipped with state-of-the-art gold loan processing facilities, advanced security infrastructure, and the full suite of MI's financial service offerings. Each new branch was established with a staff of carefully selected professionals who embody both the expertise and customer-centricity that define the MI experience, ensuring consistent service excellence from day one. The seamless integration of new branches into MI's nationwide network reflects a scalable and well-established expansion model, enabling growth without compromising operational stability or service excellence.

MI's focus has evolved from expanding its footprint to optimising the performance of its network. Supported by a robust governance framework, standardised operating practices, including deployment of a fully automated core IT system across all business locations and disciplined performance oversight, the Company ensures a consistent customer experience, efficient resource utilisation, and operational excellence across its nationwide branch network.

Branch Opening

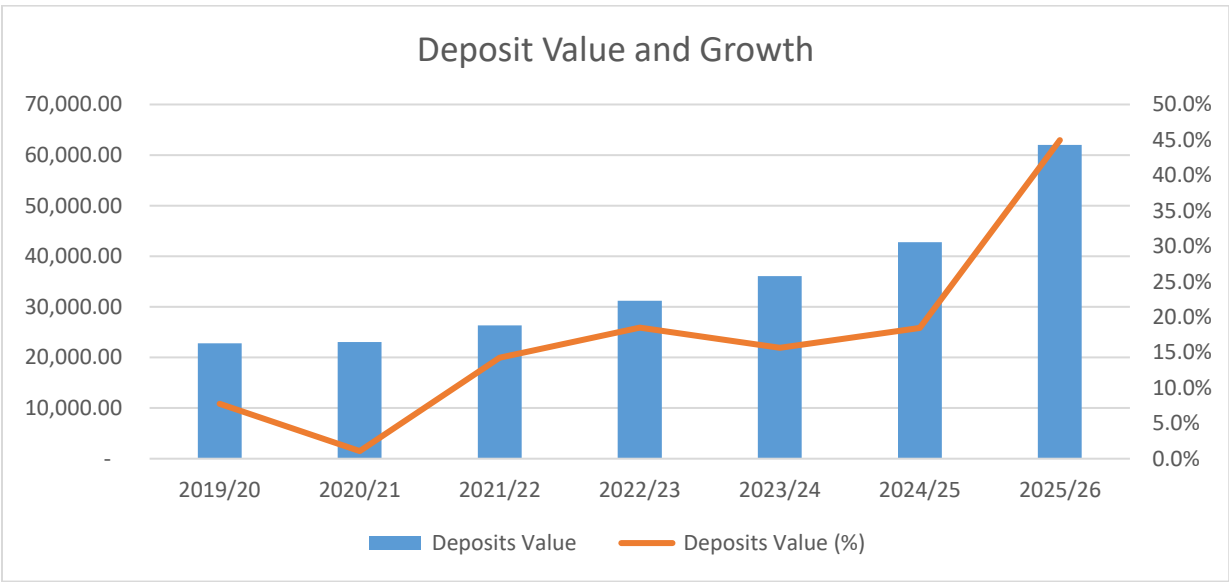


Auctioning Assets for Value Maximisation

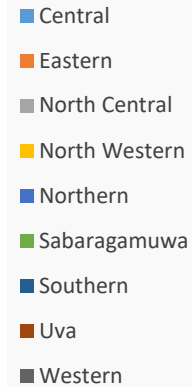
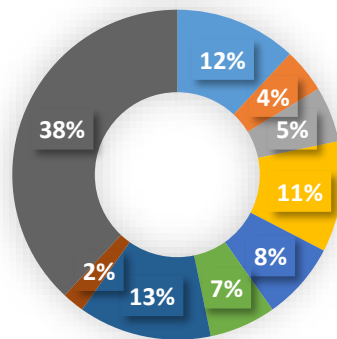
The autotransact.lk digital vehicle sale platform continued to serve as a key component of MI's asset disposition strategy during FY 2025/26, further validating the Company's early investment in this proprietary technology. Built on a foundation of real-time transaction transparency, verifiable audit trails, and time-stamped transaction records, the platform has established a benchmark for governance-led asset disposal within the NBFIs sector.

During the year under review, the platform facilitated the disposal of over 97 vehicular assets, generating cumulative sales proceeds exceeding Rs. 111.1 million, thereby surpassing prior-period performance and reaffirming its effectiveness as a value maximisation instrument. Its ability to aggregate a geographically diverse and expanding internet-based transacting community has continued to enhance price discovery, compress transaction timelines, and reduce the procedural inefficiencies associated with traditional asset disposal methods. Further strengthening MI's asset disposition ecosystem, the Ratha Niwahana Portal was enhanced during the year, broadening buyer reach and accelerating asset realisation timelines. The result is a process that is measurably fairer, faster, and more financially efficient, and one that directly reflects MI's commitment to responsible stewardship of its asset base for the benefit of all stakeholders.

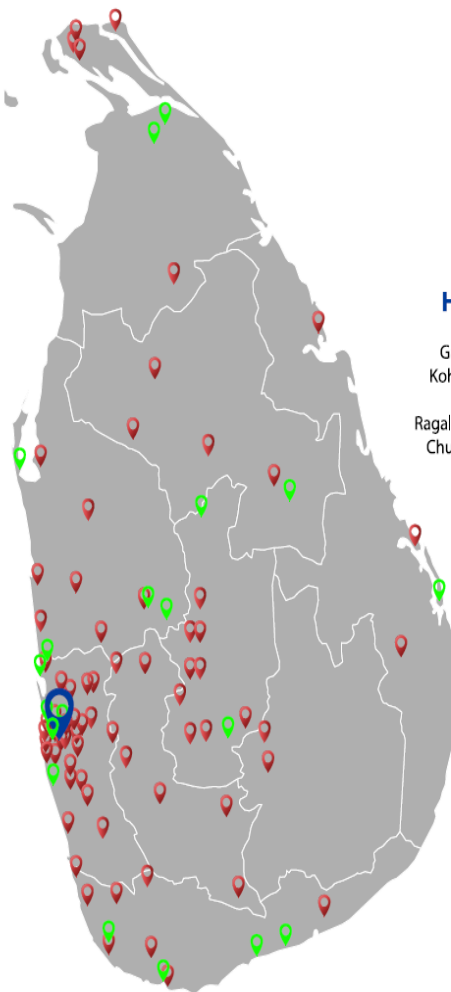
Explanatory Graphs



Province-wise Branch Position



Branch Map



Branches opened before FY 2025/26

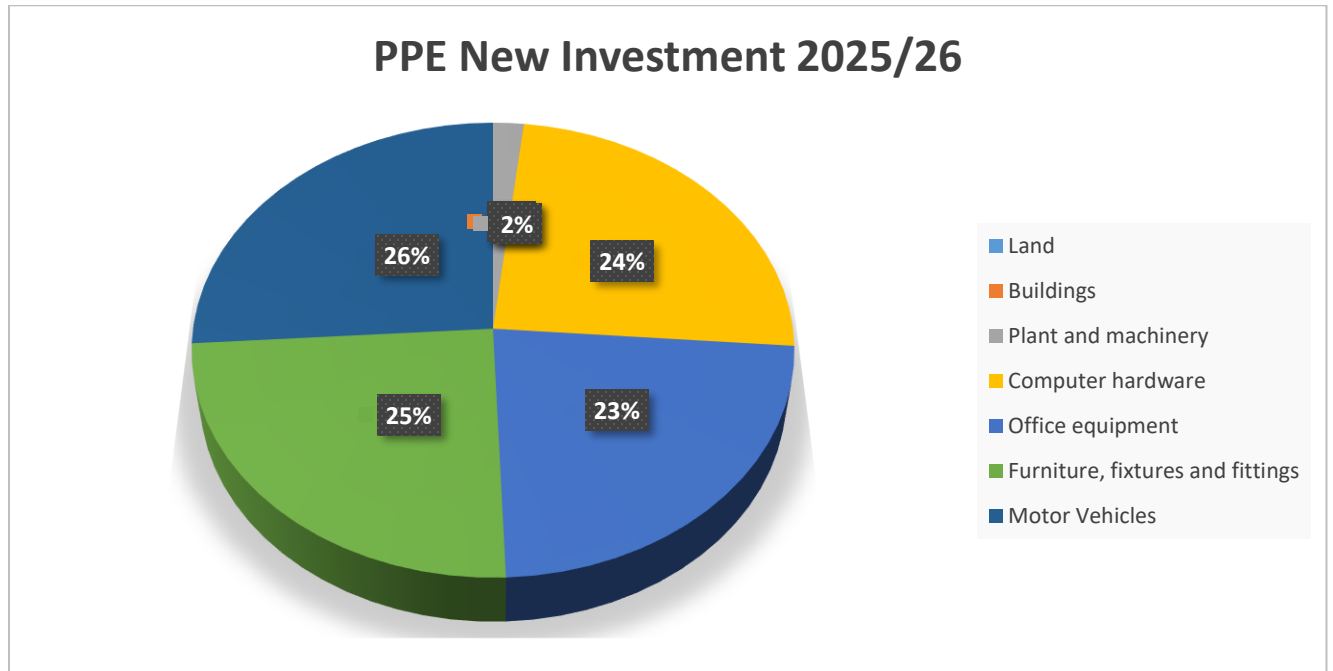
Head Office | Akuressa | Ampara | Ambalangoda | Anuradhapura | Avissawella | Balangoda | Bentota | Chilaw | Corporate Premier | Elpitiya | Embilipitiya | Galle | Gampaha | Godagama | Gampola | Giriulla | Horana | Horana Town | Ja-Ela | Jaffna | Kaduwela | Kandy | Kegalle | Kesbawa | Kohuwala | Kotahena | Kottawa | Kuliyaipitiya | Kurunagala | Mahara | Maharagama | Malabe | Matara | Minuwangoda | Moratuwa | Negombo | Nittambuwa | Polonnaruwa | Puttalam | Ratnapura | Ragala | Tissamaharama | Trincomalee | Veyangoda | Wattala | Thambuthegama | Kalutara | Bandarawela | Chunnakkam | Wellawatta | Warakapola | Pelawatte | Neluwa | Nawalapitiya | Welimada | Katugastota | Mattakkuliya | Matale | Matugama | Wennappuwa | Vavuniya | Kekirawa | Nikaweratiya | Eheliyagoda | Hatton | Puscellawa | Batticaloa | Maradana | Nelliyadi | Manipay | Thalawakele | Hanwella



Branches Opened in the FY 2025/26

Kilinochchi | Puthukkudiyiruppu | Panadura | Mawathagama | Karapitiya | Kaduruwela | Nuwaraeliya | Elakanda | Kochchikade | Norochholei | Ambalanthota | Kaluwanchikudy | Kiribathgoda | Kurunegala City | Colombo City | Weligama | Dambulla | Tangalle | Negombo City

PPE Explanatory Graphs (GRI 203-1)



Asset Category	Book Value
Land	3,211,000,000
Buildings	1,222,000,000
Plant and machinery	70,022,000
Computer hardware	402,057,000
Office equipment	393,270,000
Furniture, fixtures, and fittings	402,437,000
Motor vehicles	516,460,000
Motor vehicle on operating leases	9,500,000

GRI 203-2

Changes in the productivity of organisations, sectors

During the financial year, MI's investment in its Management Information System (MIS) and system integrations enhanced operational productivity, supporting faster processing and more efficient service delivery across the organisation.

Indirect Economic Impacts

➤ Economic impacts from the use of products and services

MI's broad-based product mix via sustainable finance infrastructures, which include solar and agriculture lending, contributed to economic growth in the sectors served, with solar lending reaching LKR 122 million during the financial year.

➤ Building skills and knowledge across communities

MI conducted entrepreneurship and women empowerment workshops to enhance knowledge, skills, and confidence among women participants, alongside capacity-building training for employees on waste segregation and management practices in partnership with Cleantech (Pvt) Ltd. These initiatives strengthened professional and community-level knowledge across the geographic areas MI serves.

Vehicle Fleet Management

The effective management of MI's vehicle fleet continued to serve as an important pillar of infrastructure management, supporting operational continuity and cost efficiency across the Company's nationwide network of 92 branch locations. Strategically managed and aligned with the Company's evolving operational needs, the fleet enhanced service responsiveness and business continuity, reinforcing the strength and reliability of MI's infrastructure platform.

Fleet oversight is entrusted to a dedicated Fleet Manager, who administers a comprehensive operational methodology encompassing preventive maintenance scheduling, route and asset optimisation, and strategic vehicle lifecycle management. This governance-led approach ensures that fleet performance remains closely aligned with MI's operational requirements while maintaining total cost of ownership in a disciplined and accountable manner. Further strengthening

this capability, MI's in-house vehicle repair and maintenance facility in Kohuwala continued to provide services to both the Company's internal fleet and external clients during the year. Led by an experienced General Manager and supported by certified technical professionals, the facility consistently delivered high-quality, reliable maintenance services throughout the year.

By integrating a strategically managed fleet with an in-house maintenance capability, MI has built a resilient operational ecosystem that enhances efficiency, ensures business continuity, and supports sustainable value creation.

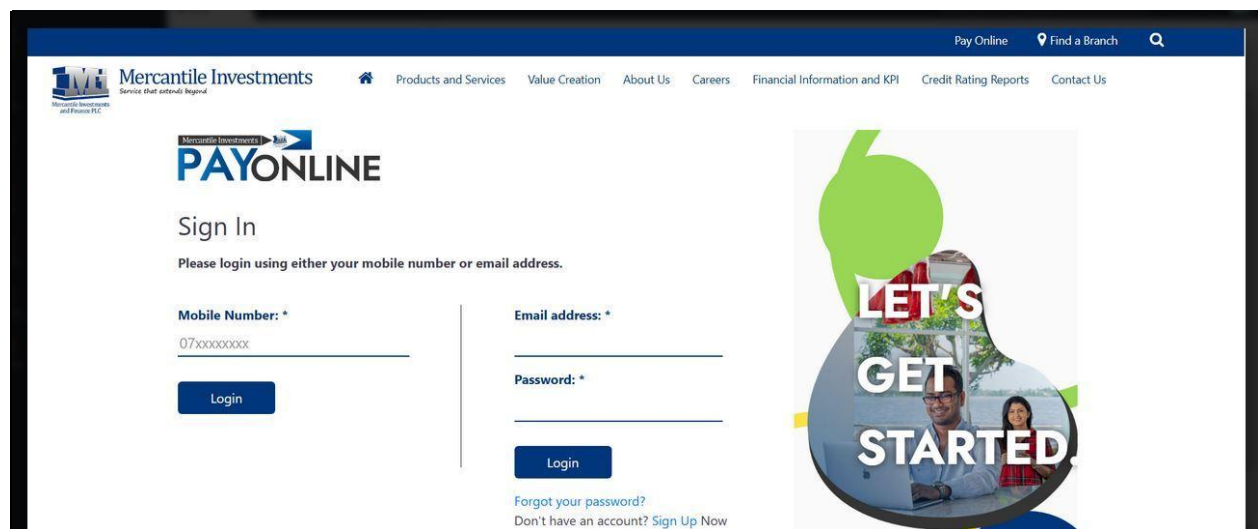
Technology-Driven Infrastructure Development

FY 2025/26 represented a defining milestone in MI's digital transformation; it marked a strategic inflection point in the evolution of its technology and operational architecture. During the year, MI strengthened its commitment to embedding digital capability as a core pillar of its enterprise strategy through the establishment of a dedicated Digital Transformation Unit. This deliberate elevation of digital transformation from a functional initiative to an enterprise-wide strategic priority ensured cohesive oversight across customer engagement channels, internal process automation, data governance structures, and long-term technology roadmap development. This organisational enhancement underscores MI's recognition that digital capability has become a foundational prerequisite for operational resilience, regulatory compliance, and sustainable institutional growth.

Building on the successful enterprise-wide migration to the Scier Technologies platform in the previous financial year, MI focused on deepening platform adoption and unlocking greater operational value through enhanced efficiency, automation, and data-driven decision-making across its core business functions. The integrated deployment of specialised modules across lending, gold finance, and micro finance operations delivered sustained improvements in process automation, transaction efficiency, and data integrity, thereby enabling MI to effectively support an expanding branch network and growing customer base without a corresponding increase in operational overhead. Under the governance of the Digital Transformation Manager, a structured enterprise-wide digitisation programme was further advanced across key operational workflows,

focused on eliminating manual dependencies, reducing processing cycle times, and continuously enhancing end-to-end customer experience delivery.

MI's digital payments ecosystem continued to mature throughout the year, driven by the progressive expansion of its multi-channel transaction infrastructure. The Internet Payment Gateway (developed in collaboration with Seylan Bank PLC), the M-Cash platform established through strategic partnership with Mobitel (Pvt) Ltd, and the Sri Lanka Interbank Payment System (SLIPS) collectively formed an increasingly robust and widely adopted digital payment suite, enabling high transaction volumes and significant aggregate value throughput during the financial year. In parallel, the continued advancement of the Centralised Electronic Funds Transfer System (CEFTS), initiated in the prior reporting period, further strengthened MI's real-time payment processing capabilities, enhancing transactional speed, improving settlement efficiency, and reinforcing system reliability. Collectively, these developments reaffirm MI's strategic commitment to delivering a fully integrated, secure, and frictionless digital financial ecosystem that drives operational efficiency while elevating customer convenience and service excellence.



Internet Payment Gateway (IPG)

MI's strategic collaboration with Seylan Bank PLC continues to play a pivotal role in the advancement of its digital payments ecosystem, particularly through the ongoing enhancement of the Internet Payment Gateway. This partnership-driven platform serves as a key transaction enabler within MI's integrated digital infrastructure, facilitating secure and real-time payment processing through debit cards and other electronic instruments. As a critical component of MI's multi-channel service architecture, the Gateway ensures a seamless and consistent customer experience that aligns with the standards delivered across the Company's physical branch network. In doing so, it reinforces MI's strategic objective of integrating digital and in-person service channels into a unified customer journey.

As at 31 March 2026, the Internet Payment Gateway recorded an aggregate settlement value exceeding Rs. 1,018 million, reflecting sustained growth in platform utilisation and digital payment adoption. This performance demonstrates a clear behavioural shift towards digital channels, supported by MI's continued investment in secure, scalable, and resilient payment infrastructure.

M-Cash Application

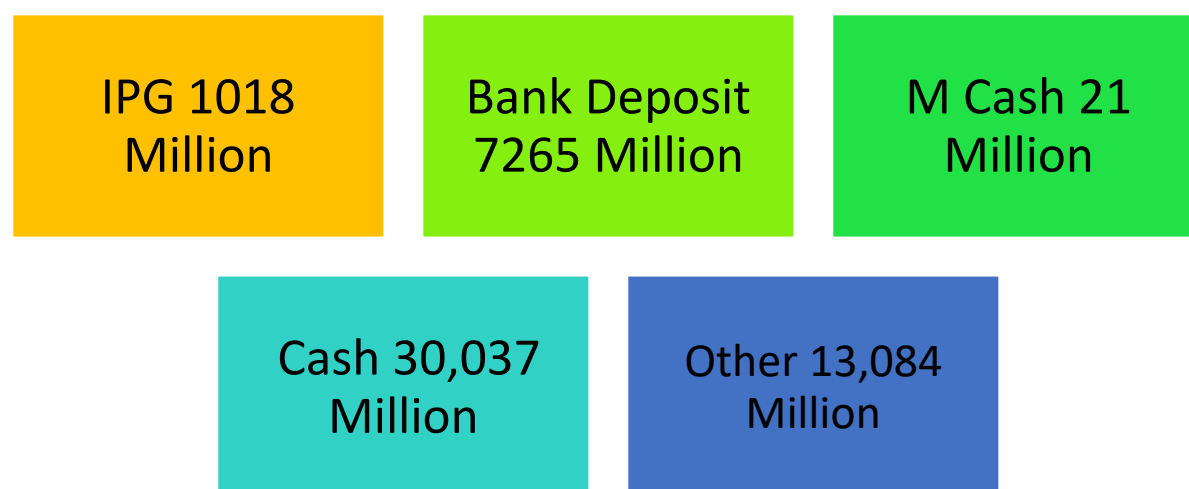
The M-Cash application continued to strengthen its position as a key component of the Company's mobile payments infrastructure during the year under review. The platform provided a secure, convenient, and accessible mobile channel for loan repayments and other financial transactions, particularly supporting customers in areas with limited branch access, thereby reinforcing MI's commitment to inclusive digital financial services. For the financial year ended 31 March 2026, M-Cash facilitated transaction volumes exceeding 21 million, demonstrating strong and sustained customer adoption.

SLIPs and CEFTs

During FY 2025/26, MI advanced the operational deployment of both SLIPS and CEFTs, further expanding the range of electronic funds transfer capabilities available to its customers and business partners. These platforms have meaningfully enhanced the speed, security, and reliability of MI's

financial transactions, reducing settlement cycle times, minimising manual processing risk, and delivering a demonstrably superior transaction experience. The full operationalisation of CEFTs planned during the year marks the completion of a multi-year investment in real-time payment infrastructure, and positions MI to meet the increasingly sophisticated transaction requirements of its growing customer base.

Collection Mode



System Integrity and Risk Mitigation

MI's technology infrastructure is underpinned by an uncompromising commitment to integrity and security. During FY 2025/26, the Company further strengthened its cybersecurity posture through targeted investments in advanced technologies, enhanced employee awareness programmes, and reinforced governance frameworks. MI's cybersecurity strategy is grounded in the recognition that, in an environment of increasingly sophisticated digital threats, adequacy is no longer sufficient and security excellence is the standard, requiring continuous reinforcement across every layer of the organisation's digital ecosystem.

The Company's defensive technology infrastructure was further enhanced during the year, with continued investment in intrusion prevention systems, next-generation firewall architectures, and behavioural analytics platforms. These tools provide MI with the real-time threat visibility and

response capabilities required to protect sensitive customer data, safeguard operational continuity, and maintain the trust that underpins every customer relationship. Employee awareness remained a central pillar of the cybersecurity programme, with additional targeted training sessions conducted during the year to ensure that MI's workforce remained current with the evolving threat landscape and equipped to act as an informed first line of organisational defence.

All employees continued to operate under the framework of MI's Acceptable Use Policy, with formalised acknowledgement processes ensuring clear individual accountability for information security standards. The governance structure surrounding cybersecurity, anchored by the IT Steering and Security Governance Committee and reinforced by the Company's dedicated CISO Risk Officer, continued to provide the executive-level oversight necessary to ensure that security practices remain aligned with regulatory requirements and industry best standards. MI's data protection record remained unblemished throughout the financial year, with no breach incidents reported or detected, a result that reflects the collective effectiveness of the Company's multi-layered security approach.

IT Risk Landscape Review

MI's IT risk management function continued to evolve in sophistication and scope during FY 2025/26, reflecting the Company's recognition that the risk landscape associated with digital operations is neither static nor predictable. The IT risk assessment process, conducted under the joint oversight of the IT Steering and Information Security Governance Committee and the Risk Officer, encompasses a structured evaluation of system vulnerabilities, emerging threat vectors, third-party technology dependencies, and the potential impact of disruption on business continuity and customer service delivery.

The expanded scale of MI's digital infrastructure, encompassing 92 branches, multiple payment platforms, and an enterprise-wide core banking system, has correspondingly elevated the complexity and consequence of the Company's IT risk profile. In response, the risk management team undertook a comprehensive refresh of the IT risk register during the year, incorporating enhanced threat modelling methodologies and updated risk tolerance parameters that reflect the current operating environment. Further strengthening the Company's cybersecurity governance

framework, MI appointed a CISO and appointed a senior DPO to implement the DPA requirements in the 2026 calendar year to provide dedicated leadership and oversight across information security strategy, risk management, and regulatory compliance.

IT Audits

Comprehensive IT audits were conducted during FY 2025/26 as a core component of MI's technology governance programme. These audits provided an independent, structured assessment of the reliability, security, and operational effectiveness of the Company's IT infrastructure. They encompassed system controls, data integrity mechanisms, access management frameworks, and the adequacy of business continuity provisions.

Audit findings were systematically documented and communicated to the Board Committee, ensuring that the Company's executive governance bodies maintained full visibility of the IT risk environment and the adequacy of existing control measures. Where audit findings identified opportunities for control enhancement, corrective action plans were developed and implemented in a timely and accountable manner. The collaborative dynamic between internal audit, the Risk Officer, and IT management continued to yield improvements in both the technical robustness and the governance maturity of MI's technology infrastructure, reinforcing the Company's standing as an organisation that treats IT governance not as a compliance obligation, but as a genuine expression of its commitment to integrity and stakeholder trust.

Resource Optimisation for Operational Excellence

Resource optimisation at MI is governed as a strategic discipline. The deployment of both tangible assets and intellectual capital is managed under a rigorous framework of accountability and strategic alignment, coordinated at the higher management level by the COO and the Chief Financial Officer. This governance structure ensures that every material investment decision, whether in physical infrastructure, technology, or human capability, is evaluated against MI's long-term strategic objectives and its responsibilities to all stakeholder groups.

MI continued to apply lean operational methodologies across its branch expansion programme during FY 2025/26, delivering measurable efficiency gains while supporting the Company's rapid network growth strategy. The successful rapid expansion of the branch network, while maintaining disciplined investment cost management relative to conventional branch development models, reflects the cumulative benefits of continuous process refinement and the growing institutional expertise developed within MI's infrastructure and project execution functions. This disciplined approach to cost optimisation enabled the Company to accelerate market expansion without compromising the quality, functionality, or long-term sustainability of the infrastructure supporting each new branch location.

In parallel, the digitalisation agenda, now formally anchored by a new digital transformation team, is systematically converting resource-intensive manual processes into streamlined digital workflows. Together, lean branch development and intelligent digitalisation form the twin pillars of MI's resource optimisation strategy, and their combined impact on the Company's operational efficiency and financial performance during the year is substantive and well-documented.

Capital Interdependency and Strategy Position

Capital	Short Term	Medium Term	Strategy Map
Financial	Increase in Capital expenditure for infrastructure development	Operating cost synergies and cash-flow growth	❖ Cycle time reduction ❖ Infrastructure modernisation ❖ Competitive dominance
Human	Elevate employee experience and satisfaction	Enhanced workforce performance and efficiency	
Alliances	Formation of synergistic partnerships	Deepened customer engagement and affinity	
Intellectual	Digital transformation acceleration	Strengthened brand loyalty and recognition	
Nature	Optimisation of resource consumption	Sustained decrease in greenhouse gas emissions	

Futuristic Priorities

