



PEOPLE'S  
LEASING

පීපල් ලීසිං | பீப்பள்ஸ் லீசிங்  
THE TRUSTED LEADER

People's Leasing & Finance PLC

(A Subsidiary of People's Bank)

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025



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தேசிய கணக்காய்வு அலுவலகம்  
NATIONAL AUDIT OFFICE



මගේ අංකය  
எனது இல.  
My No.

INF/C/PLF/2025/17

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

30 May 2025

Chairman  
People's Leasing & Finance PLC

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the People's Leasing & Finance PLC and its subsidiaries for the year ended 31 March 2025 in terms of Section 12 of the National Audit Act, No. 19 of 2018

### 1. Financial Statements

#### 1.1 Opinion

The audit of the financial statements of the People's Leasing & Finance PLC ("the Company") and its subsidiaries (the "Group") for the year ended 31 March 2025 comprising the statement of financial position as at 31 March 2025 and the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including, material accounting policy information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course. To carry out this audit I was assisted by a firm of Chartered Accountants in public practice.

In my opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### 1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### 1.3 Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context

Key Audit Matter	How my audit addressed the key audit matter
<b>Allowances for Expected Credit Losses of loans and lease receivables measured at amortised cost.</b>	In addressing the adequacy of the allowances for expected credit losses of loans and lease receivables, my audit procedures included the following key procedures:
Allowances for expected credit losses of loans and lease receivables measured at amortised cost as stated in Note 25, is determined by management on the accounting policies described in Note 25.6 to the financial statements.	<ul style="list-style-type: none"><li>Assessed the alignment of the Company's allowances for expected credit losses computations and underlying methodology including responses to economic conditions with its accounting policies, on the best available information up to the date of my report.</li></ul>
This was a key audit matter due to	<ul style="list-style-type: none"><li>Evaluated the design, implementation and operating effectiveness of controls over estimation of expected credit losses, which included assessing the level of oversight, review and approval of allowances for expected credit losses, policies and procedures by the Board and the management.</li></ul>
<ul style="list-style-type: none"><li>The involvement of significant management judgements, assumptions and level of estimation uncertainty associated in estimating future cash flows to recover such loans and lease receivables; and</li></ul>	<ul style="list-style-type: none"><li>Tested the completeness, accuracy and reasonableness of the underlying data used in the expected credit loss computations by cross checking to relevant source documents and accounting records of the Company.</li></ul>
<ul style="list-style-type: none"><li>The materiality of the reported amount of Allowances for expected credit losses.</li></ul>	<ul style="list-style-type: none"><li>Evaluated the reasonableness of credit quality assessments and related stage classifications.</li></ul>
Key areas of significant judgements, assumptions and estimates used by management in the assessment of the allowances for expected credit losses for loans and lease receivables include forward-looking macroeconomic scenarios and their associated weightages. These are subject to inherently heightened levels of estimation uncertainty and subjectivity.	<ul style="list-style-type: none"><li>In addition to the above, the following procedures were performed:</li></ul>
Further information on the key estimates, assumptions and judgements is disclosed in Note 25.6	For loans and lease receivables assessed on an individual basis for impairment: <ul style="list-style-type: none"><li>Tested the arithmetical accuracy of the underlying individual impairment calculations.</li><li>Evaluated the reasonableness of key inputs used in the allowances for expected credit losses made with economic conditions. Such evaluations were carried out considering the value and timing of cash flow forecasts particularly relating to elevated risk industries and status of recovery action of the collaterals.</li></ul>
	For loans and lease receivables assessed on a collective basis for impairment: <ul style="list-style-type: none"><li>Tested the key inputs and the calculations used in the impairment for expected credit losses.</li><li>Assessed the reasonableness of judgements, assumptions and estimates used by the Management in the underlying methodology and the management overlays. My testing included evaluating the reasonableness of forward-looking information used, economic scenarios considered, and probability weighting assigned to each scenario.</li><li>Assessed the adequacy of the related financial statement disclosures set out in Notes 11 &amp; 25.</li></ul>
<b>Information Technology (IT) systems related internal controls over financial reporting</b>	My audit procedures included the following key procedures:
Group's financial reporting process is significantly reliant on multiple IT systems and related internal controls. Further, key financial statement disclosures are prepared using data and reports generated by IT systems that are compiled and formulated with the use of spreadsheets.	<ul style="list-style-type: none"><li>Obtained an understanding of the internal control environment of the relevant significant processes and test checked key controls relating to financial reporting and related disclosures.</li></ul>
Accordingly, IT systems related internal controls over financial reporting were considered a key audit matter.	<ul style="list-style-type: none"><li>Involved my internal specialized resources and;<ul style="list-style-type: none"><li>Obtained and understanding IT Governance Structure of the Company</li><li>Identified, evaluated and tested the design and operating effectiveness of IT systems related internal controls over financial reporting, relating to user access and change management, and</li></ul></li></ul>

- Obtained a high-level understanding of the cyber security risks affecting the company and the actions taken to address these risks primarily through inquiry.
- Tested source data of the reports used to generate disclosures for accuracy and completeness, including review of the general ledger reconciliations.

#### 1.4 Other information included in the Group's 2025 Annual Report

The other information comprises the information included in the 2025 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

#### 1.5 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company & Group financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company and the Group are required to maintain proper books and records of all their income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company and the Group.

#### 1.6 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### 2. Report on Other Legal and Regulatory Requirements

##### 2.1 National Audit Act, No. 19 of 2018 and Companies Act, No.7 of 2007 includes specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that were required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163 (2) of the Companies Act, No. 7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statement of the Company complies with requirement of section 151 of the Companies Act No 07 of 2007.

2.1.3 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No.19 of 2018.

2.1.4 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

##### 2.2 Based on the procedures performed and evidence obtained which were limited to matters that are material, nothing has come to my attention;

2.2.1 To state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018.

2.2.3 To state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 To state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

G.H.D. Dharmapala  
Auditor General (Acting)

## KEY FINANCIAL DATA FOR THE PERIOD ENDED 31ST MARCH 2025 (AUDITED)

In Rupees Million	Company		Group	
	Current Period	Previous Period	Current Period	Previous Period
	From 01/04/2024 To 31/03/2025	From 01/04/2023 To 31/03/2024	From 01/04/2024 To 31/03/2025	From 01/04/2023 To 31/03/2024
Interest income	26,088	28,853	29,526	32,217
Less: Interest expense	12,017	17,201	13,066	18,267
<b>Net interest income</b>	<b>14,071</b>	<b>11,652</b>	<b>16,460</b>	<b>13,950</b>
Gains/(losses) from trading activities	146	136	182	124
Other operating income	2,194	2,047	6,209	5,212
Less : Operating expenses (excluding impairment)	11,026	9,616	16,355	14,211
Impairment	(403)	(1,156)	(383)	(1,354)
<b>Profit/(Loss) Before tax</b>	<b>5,788</b>	<b>5,375</b>	<b>6,879</b>	<b>6,429</b>
Less : Income tax	2,185	1,835	2,789	2,232
<b>Profit/(Loss) After tax</b>	<b>3,603</b>	<b>3,540</b>	<b>4,090</b>	<b>4,197</b>

## KEY FINANCIAL DATA AS AT 31ST MARCH 2025 (AUDITED)

In Rupees Million	Company		Group	
	As at 31st March 2025	As at 31st March 2024	As at 31st March 2025	As at 31st March 2024
<b>Assets</b>				
Cash and Bank Balance	21,729	24,016	25,277	28,199
Government Securities	5,161	18,372	10,016	22,363
Due from related parties	1,574	1,390	-	-
Loans (excluding due from related parties)	155,518	102,260	170,452	116,920
Investment in equity	4,423	3,971	649	627
Investment properties and real estate	302	295	1,375	1,306
Property, plant and equipment	3,660	2,722	5,835	5,067
Other assets	2,164	6,826	6,978	10,776
<b>Total Assets</b>	<b>194,531</b>	<b>159,852</b>	<b>220,582</b>	<b>185,258</b>
<b>Liabilities</b>				
Due to banks	11,437	2,263	16,829	7,181
Due from related parties	-	-	-	-
Deposits from customers	124,530	97,438	130,069	103,843
Other borrowings	5,015	11,032	5,015	11,032
Other liabilities	11,137	7,293	18,644	14,056
<b>Total liabilities</b>	<b>152,119</b>	<b>118,026</b>	<b>170,557</b>	<b>136,112</b>
<b>Equity</b>				
Stated capital	19,230	19,230	19,230	19,230
Statutory reserve fund	3,148	2,968	3,326	3,108
Retained earnings	19,977	19,885	24,431	23,976
Other reserves	57	(257)	633	432
<b>Total equity attributable to equity holders of the Company</b>	<b>42,412</b>	<b>41,826</b>	<b>47,620</b>	<b>46,746</b>
Non-controlling interest	-	-	2,405	2,400
<b>Total equity</b>	<b>42,412</b>	<b>41,826</b>	<b>50,025</b>	<b>49,146</b>
<b>Net asset value per ordinary share (Rs.)</b>	<b>19.69</b>	<b>19.41</b>	<b>22.10</b>	<b>21.70</b>

## SELECTED PERFORMANCE INDICATORS

ITEM	As at 31.03.2025		As at 31.03.2024	
	Actual	Required	Actual	Required
<b>Regulatory Capital Adequacy (%)</b>				
Tier 1 Capital Adequacy ratio	22.94	10	30.00	10
Total Capital Ratio	22.68	14	29.70	14
Capital Funds to Total Deposit Liabilities Ratio	33.83	10	42.93	10
<b>Quality of Loan Portfolio (%)</b>				
Gross Stage 3 Loans Ratio	5.86		15.84	
Net Stage 3 Loans Ratio	2.83		9.19	
Net Stage 3 Loans to Core Capital Ratio	10.71		25.68	
Stage 3 Impairment Coverage Ratio	53.46		46.56	
Total Impairment Coverage Ratio	3.70		7.87	
<b>Profitability (%)</b>				
Net Interest Margin	8.64		7.69	
Return on Assets	3.27		3.25	
Return on Equity	8.56		8.68	
Cost to Income Ratio	54.96		55.61	
<b>Liquidity (%)</b>				
Available Liquid Assets to Required Liquid Assets (minimum 100%)	189.5		375.26	
Liquid Assets to external funds	17.90		37.24	
<b>Memorandum information</b>				
Number of branches	110		109	
External Credit Rating	A(Ika); Outlook Stable by Fitch Ratings Lanka Limited		A- (Ika); Removes Watch Negative, Outlook Stable by Fitch Ratings Lanka Limited	

#### CERTIFICATION

We, the undersigned, being the Chief Executive Officer/General Manager, the Acting Chief Financial Officer and the Compliance Officer of People's Leasing & Finance PLC certify jointly that:

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

(Sgd.)  
Sanjeewa Bandaranayake  
Chief Executive Officer/ General Manager  
30 May 2025

(Sgd.)  
Zairaa Kaleel  
Compliance Officer  
30 May 2025

(Sgd.)  
Priyankara Gangabadage  
Acting Chief Financial Officer  
30 May 2025

Incorporated on 22nd August 1995. Licensed by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

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