

A Living Network

PEOPLE'S LEASING
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THE TRUSTED LEADER

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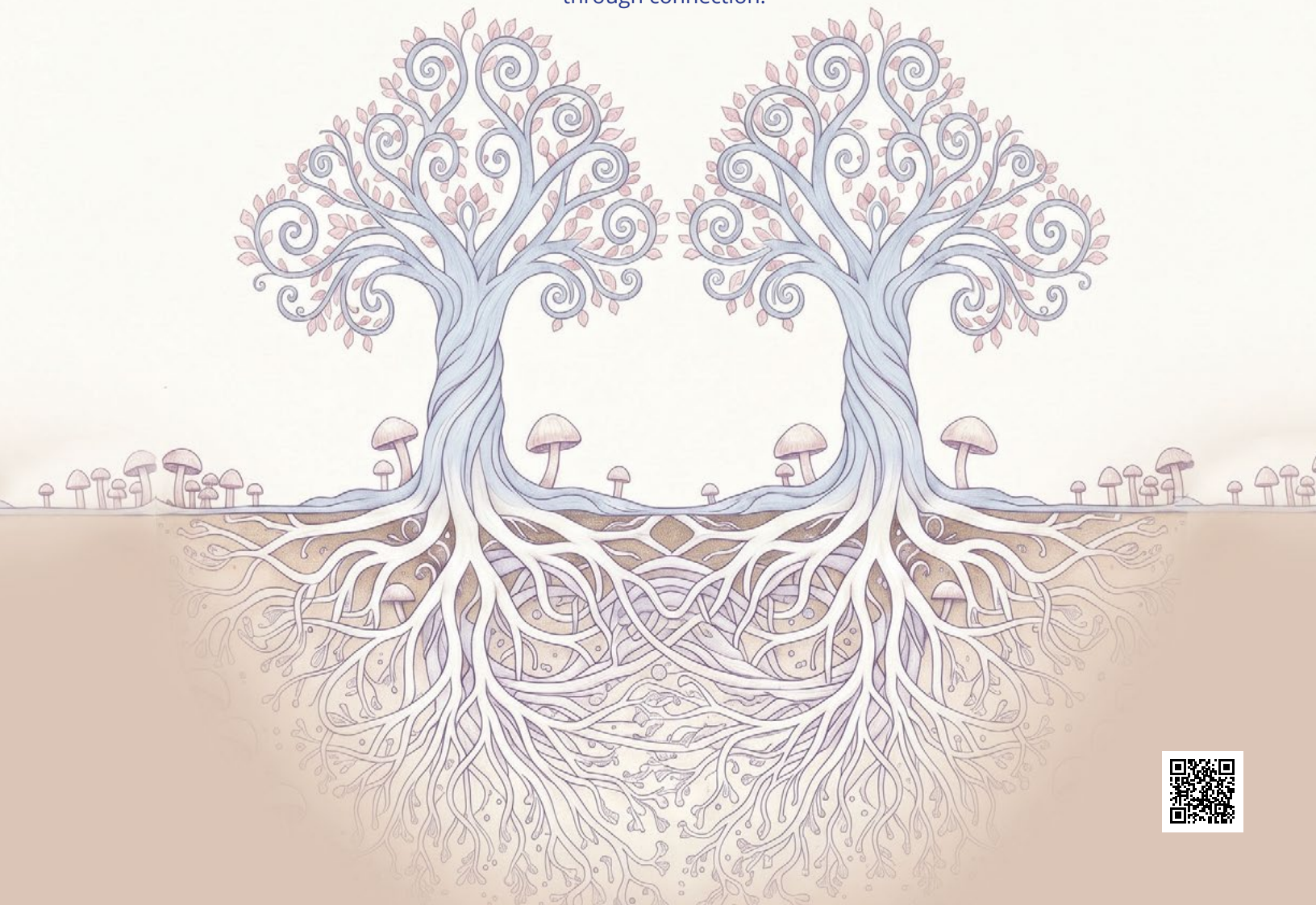
A Living Network

Beneath the surface of every thriving forest lies an unseen force. Known as the mycelium network, this vast web of life connects trees, plants, and roots, allowing them to communicate, share nutrients, and nurture one another. It is through this quiet collaboration that the forest stands strong, regenerative and resilient.

At People's Leasing, we see our role in much the same way, as an integral part of an intricate network of connections with customers, employees, partners, and the communities in which we serve. Each relationship is a living link that strengthens the whole, allowing opportunities to flow, trust to deepen, and growth to take root in new ways.

Just as the mycelium sustains the forest, our ecosystem of relationships sustains our progress. Every interaction, and every partnership contributes to a shared resilience that enables individuals and enterprises to flourish.

Through empathy, innovation, and commitment, we continue to nurture these vital, subtle yet powerful connections that bind us to our stakeholders. Together, we grow stronger, more sustainable, and more deeply rooted in the fabric of our nation, a living network that thrives through connection.



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"Rooted in Resilience"

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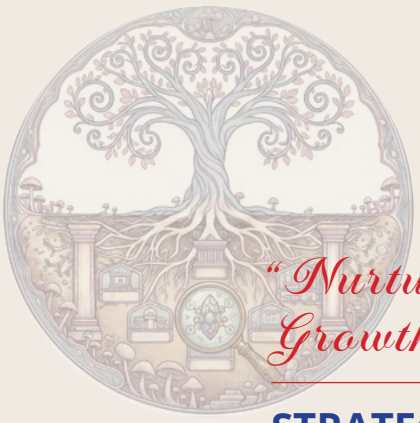
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ORGANISATIONAL OVERVIEW

Rooted in Resilience



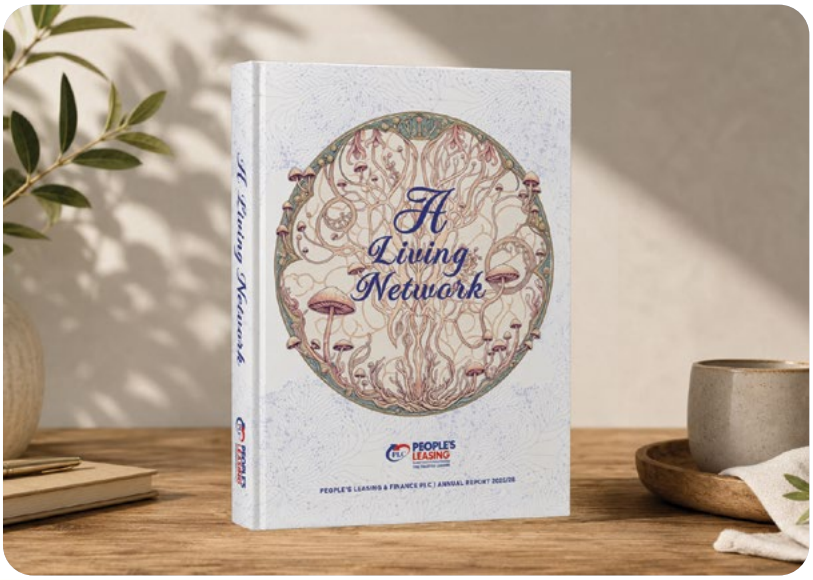
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E S T

About Our Integrated Report

Welcome to our

13th INTEGRATED REPORT



INTRODUCTION

People's Leasing & Finance PLC (People's Leasing/PLC) takes great pride in continuing its legacy of reporting excellence with the publication of its 13th Integrated Annual Report for FY 2025/26. Through an unwavering commitment to transparency, accountability, governance, and sustainability, People's Leasing has firmly established itself as a leader in integrated reporting consistently setting the benchmark for industry standards and reinforcing its position as a trusted institution within Sri Lanka's financial services landscape.

WHAT WE REPORT

This report provides stakeholders with a transparent and comprehensive account of our performance during the year, covering our strategic initiatives, operational milestones, and governance practices all undertaken in pursuit of sustainable, long-term value creation.

WHY IT MATTERS

Today's operating environment continues to be shaped by economic uncertainty, geopolitical tensions, climate-related risks, and evolving market dynamics, creating an increasingly complex landscape for financial institutions. In this environment, stakeholders expect organisations not only to deliver financial performance, but also to demonstrate resilience, strong governance, sustainability integration, and long-term value creation.

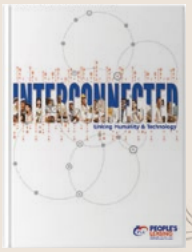


About Our Integrated Report

Our Reporting Excellence

Year-on-year Improvement

Our reporting journey has been marked by continuous year-on-year improvement, as we enhance the relevance, clarity, and credibility of our Integrated Report by adopting evolving standards and global best practices in corporate reporting. We have also streamlined our disclosures to improve accessibility, enabling stakeholders to engage with our reporting more effectively. This sustained focus on reporting quality has been recognised through the receipt of several prestigious awards and accolades over the years, underscoring our ongoing commitment to reporting excellence.



Two Grand Awards at ARC International Awards & TAGS Silver Award



Silver- Overall Excellence in Financial Reporting- CA Sri Lanka



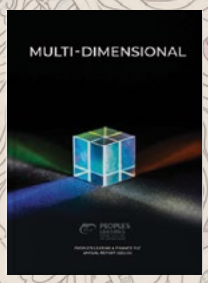
Overall Second Runner Up-CMA



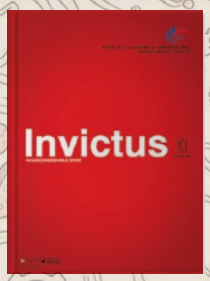
Grand Award for the Best Annual Report of Sri Lanka at the 31st International ARC Award



Winner –State Owned Enterprises- Leasing Sector



The Grand Award for Infographics, ARC Awards, organized by Mercomm Inc., USA



Gold Award in the Finance Companies and Leasing Companies Sector

Awards and Accolades Recognition for 2024/25



Please Refer pages 170 to 173 for the full list of awards.

Navigating Icons

The Capitals

- Financial Capital
- Human Capital
- Social & Relationship Capital
- Intellectual Capital
- Manufactured Capital
- Natural Capital

Stakeholders

- Customers
- Employees
- Investors
- Business Partners
- Government and Regulators
- Local Communities

Strategic Imparatives

- Responsible Growth
- Empowered People
- Building Stronger Relationship
- Commitment to environmental and social responsibility
- Effective Governance and Risk Management

Key Improvements – FY 2025/26

What's New in This Report

Enhanced Connectivity

Strengthened cross-referencing and connectivity between financial and non-financial disclosures to provide a more integrated and coherent view of value creation across the Report.

SLFRS S1 & S2 Disclosures

Incorporation of mandatory SLFRS S1 (General Requirements for Sustainability-related Disclosures) and SLFRS S2 (Climate-related Disclosures) – transitioning from voluntary to full regulatory compliance during the current reporting year.

About Our Integrated Report

ACCESSIBILITY

We are committed to making our Report inclusive, interactive and easy to understand for all stakeholders.

DIGITAL ACCESSIBILITY

This year we have further enhanced our digital accessibility to ensure a seamless and inclusive experience for all users. (Refer page 9)

- AI-powered interactive content for smarter navigation
- Interactive QR codes for quick access to key insights
- WhatsApp access for convenient engagement
- Data Explorer for deeper insights and analysis

LANGUAGE ACCESSIBILITY

AI-powered video summaries in three languages provides understanding on key areas to all language users.

SINHALA | TAMIL | ENGLISH
Concise. Clear. Inclusive.

ACCESSIBLE INSIGHTS FOR EVERYONE

Information that is easy to access, understand and engage with.

DIFFERENTLY ABLED ACCESSIBILITY

SIGN LANGUAGE

AI-powered videos with sign language provide report access to stakeholders with hearing impairments, ensuring important information is available to all.

BRAILLE REPORT

- Braille Report include a quick summary of the Report
- Includes summary of the CEO's Message
- Designed to support access for visually impaired stakeholders

DELIVERING GREATER VALUE THROUGH ACCESSIBLE REPORTING WIDER REACH

WIDER REACH
Engaging a broader stakeholder base through inclusive formats.

BETTER UNDERSTANDING
Simplified, multi-format content improves clarity and comprehension.

EQUAL ACCESS
Information is available in ways that suit diverse needs and preferences.

STRONGER CONNECTIONS
Inclusive reporting builds trust, confidence and long-term relationships.

SUSTAINABLE IMPACT
Empowering all stakeholders to make informed decisions and create lasting value.

We continue to invest in technology and innovation to ensure our Report is accessible, understandable and inclusive for all.

EXPERIENCE THE ANNUAL REPORT IN A NEW WAY

WHERE REPORTING BECOMES INTELLIGENT

People's Leasing & Finance PLC invites you to experience our Annual Report through an AI-powered ecosystem. Explore, understand and engage with insights in smarter, simpler and more interactive ways.



01
WHATSAPP ACCESS
Explore Annual Report insights directly through WhatsApp.
Scan to chat on WhatsApp

02
INTELLIGENT Q&A
Ask questions naturally and receive instant answers from across the report.
Scan to start a chat

03
SEE THE NUMBERS COME TO LIFE
Transform complex financial data into interactive charts and dynamic visualisations.
Scan to view charts & visuals

04
AI-POWERED VIRTUAL PRESENTER
Engage with an AI avatar that guides you through key sections of the report.
Scan to meet the presenter

05
LISTEN TO KEY INSIGHTS
Listen to AI-generated audio summaries tailored to the sections most relevant to you.
Scan to listen

06
SCAN. WATCH. UNDERSTAND.
Throughout the report, QR codes unlock short AI-powered video summaries.
Scan to watch videos



08
FINANCIAL DATA, YOURS TO EXPLORE.
Access structured financial data including financial statements, key ratios, business segments and more.
Download and analyse with ease.

07
ACCESSIBLE INCLUSIVE EMPOWERING.
Access key Annual Report insights through AI-powered sign language interpretation for a more inclusive experience.
Scan to view in sign language



AI-POWERED Intelligent at every step

INTERACTIVE Built for easy engagement

INCLUSIVE Designed for everyone

INSIGHTFUL See more. Understand better.

ACCESSIBLE Reporting without barriers

ONE REPORT.
ENDLESS INSIGHTS.
POWERED BY AI.

STAY CONNECTED
011 2 631 631
info@plc.lk
www.plc.lk

FOLLOW US
People's Leasing & Finance PLC
Facebook YouTube LinkedIn Instagram

About Our Integrated Report

EXPLORE OUR STORY THROUGH VIDEO

The Living Network in Motion

Like the mycelium beneath a thriving forest, every connection within this report forms part of a larger living network. Scan and explore the stories, insights, and achievements that bring our Annual Report to life.

1. FOUNDATIONS - Our Purpose and Direction

Overall Annual Report — Pg 01
THEME HTML PDF

Strategy — Pg 45
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Overview of Annual Report — Pg 04
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2. LEADERSHIP & GROWTH NETWORK - Guiding, Empowering and Creating Value

CEO Statement
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Digital Services
S
Pg 163

Customer Service
S
Pg 192

Community Service
S
Pg 200

Trusted Leader
S
Pg 19

Delighted Staff
S
Pg 179

Awards & Accolades
S
Pg 70

This report comes to life with video stories that connect information with insights. Scan, watch and experience our journey across the Living Network.

Every connection strengthens our living network. Together, we grow sustainably.

PEOPLE'S LEASING

Living Network Hub

Watch the Complete Video Library
Scan to access all videos in one place.

LANGUAGE GUIDE

E **S** **T**

English | Sinhala | Tamil

3. VALUE CREATION NETWORK - Capitals That Strengthen Our Ecosystem

Financial Capital — Pg 148
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Manufactured Capital — Pg 158
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Intellectual Capital — Pg 166
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Social & Relationship Capital — Pg 190
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Natural Capital — Pg 202
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4. Governance & Stewardship Network
Strong Governance, Sustainable Future

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5. Financial Statement
Our Financial Performance

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HOW TO USE

1. Scan
Open your camera or QR scanner and scan any QR code.

2. Watch
Enjoy the video content related to the section.

3. Explore
Move through the network and discover more connected stories.

About Our Integrated Report

Integrated Thinking - Value Creation, Preservation and Erosion

Enhancing Value Across the Ecosystem

At People's Leasing, the principles of value creation, preservation, and erosion are embedded within the Company's integrated thinking approach and strategic decision-making framework. As reflected in the Integrated Reporting Flow, the Company continuously evaluates its operating context, stakeholder expectations, material matters, and risk landscape to guide strategy, resource allocation, and sustainable value creation.

INTEGRATED REPORT FLOW

Our integrated reporting process from context to outlook

A connected and continuous journey that informs how we create sustainable value for all our stakeholders.

Strong governance and ethical leadership oversee our integrated reporting process. Refer Corporate Governance Section on Pages 215 to 282

1 OPERATING CONTEXT
Continuously evaluates emerging developments and trends that shape its operating environment, enabling the proactive identification of risks and opportunities that influence strategic direction and supports the adaptation of the business model to create sustained value for all stakeholders.

Refer to Operating Environment on Pages 50 to 53

2 KEY RISK
Systematically identifies the key risks that could impact its business model, strategic objectives, and long-term value creation and has implemented the Integrated Risk Management Framework to manage risks and ensure resilience in the face of uncertainty while safeguarding stakeholder interests.

Refer Risk Report pages 283 to 298

3 STAKEHOLDER ENGAGEMENT
Build strong and meaningful relationships with stakeholders in order to understand their needs and expectations and determine how best to respond to these.

Refer Stakeholder Engagement pages 54 to 67

4 MATERIAL TOPIC
Determination of material matters through a structured and inclusive process that takes into account the priorities of its stakeholders, as well as a comprehensive analysis of both internal and external environments.

Refer Materiality Matters pages 68 to 71

5 SUSTAINABILITY FRAMEWORK
Adoption of global best practices for sustainability reporting, aligning its disclosures with internationally recognised frameworks to demonstrate transparency, consistency, and accountability in communicating the Group's environmental, social, and governance (ESG) performance, while reinforcing the commitment to sustainable value creation for all stakeholders.

Refer Sustainability Framework pages 72 to 80

Through innovative financial solutions, disciplined risk management, strong governance, and effective stakeholder engagement, the Company remains focused on creating and preserving long-term stakeholder value while proactively mitigating factors that may contribute to value erosion. This integrated approach enables People's Leasing to remain resilient, adaptive, and forward-looking in a dynamic operating environment.

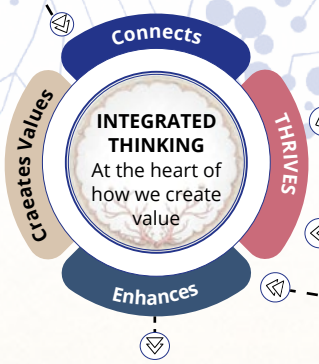
FROM INSIGHT TO IMPACT

Accuracy | Balance | Clarity | Comparability | Completeness | Conciseness | Connectivity | Timeliness | Verifiability

6 STRATEGIC PILLARS

An agile and evolving strategy that integrates material issues and sustainability priorities across five core strategic pillars, reflecting PLC's ongoing commitment to reinforcing its foundational strengths and enabling greater adaptability, scalability, and resilience in a dynamic operating environment.

Refer Strategy and Resource Allocation pages 105 to 111



7 RESOURCE ALLOCATION

Allocation of financial and non-financial resources to facilitate the creation and delivery of stakeholder value.

Refer Capital Management Reports pages 147 to 214

8 OUTCOMES

Quantitative and qualitative outcomes for stakeholders representing value enhancement or at a minimum value preservation, while minimising value erosion.

Refer Value Creation Model pages 48 to 49

9 OUTLOOK & PROSPECTS

Our outlook on future opportunities and challenges, and how we will continue to create and protect value for our stakeholders.

Refer Chairman's Message pages 39 to 41 and CEO's Review pages 42 to 44

10 CONTINUOUS IMPROVEMENT & FEEDBACK LOOP

Insights from outcomes and stakeholder feedback inform our future strategies, risk management, and reporting priorities, creating a continuous cycle of learning, improvement and value creation.

THIS INTEGRATED REPORT

Brings together our strategy, governance, performance and prospects in a clear, connected and meaningful way, demonstrating how we create sustainable value over the short, medium and long term.

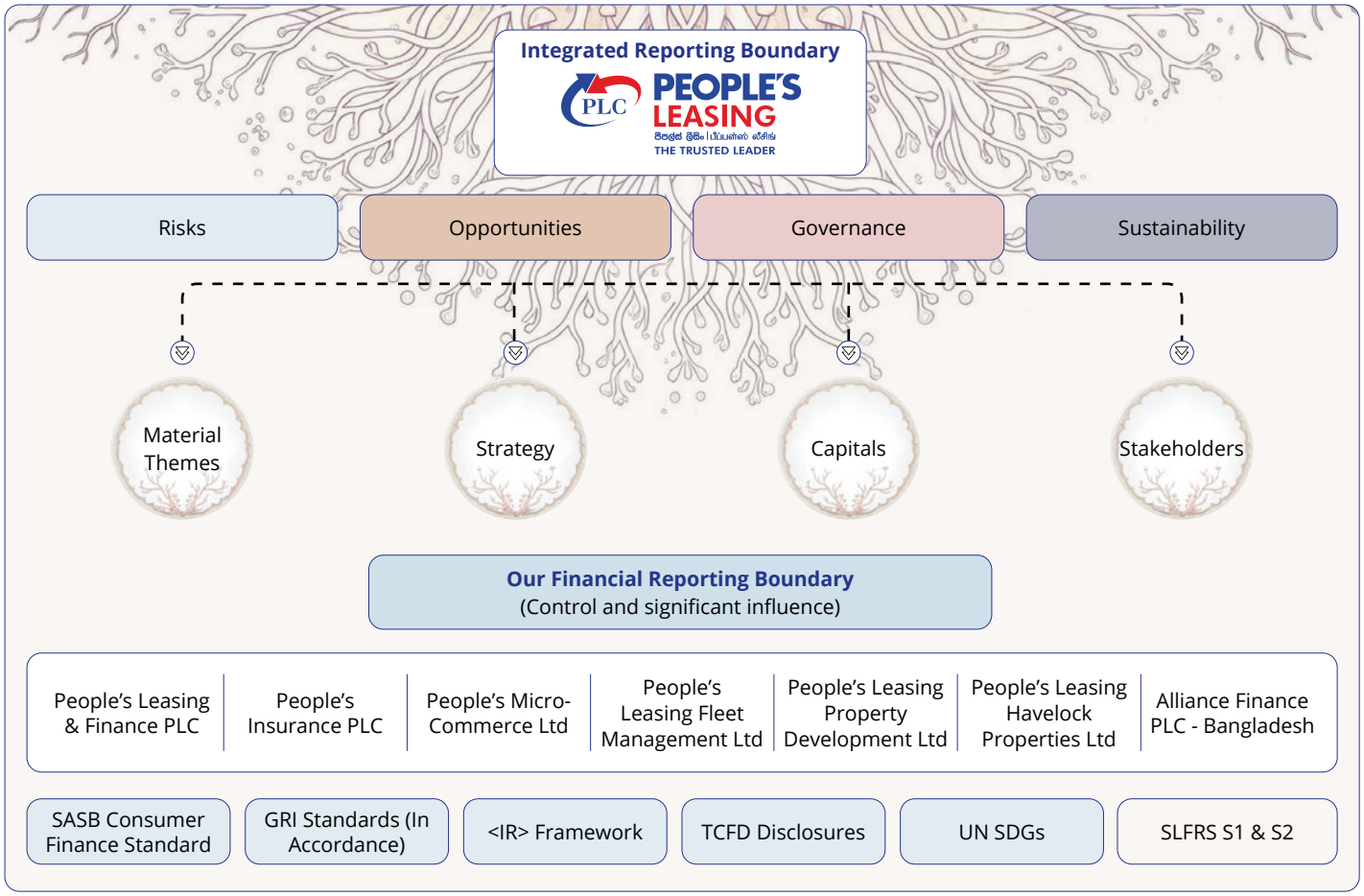
About Our Integrated Report

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Reporting Scope, Boundary and Period

Coverage of this Report

The Report covers the operations of People's Leasing & Finance PLC and its group companies (collectively referred to as "the Group") for the period from 1 April 2025 to 31 March 2026 and incorporates relevant post-balance sheet events and developments up to the date of Board approval on 01 June 2026. The Group adopts an annual reporting cycle for both its financial and sustainability reporting and this report builds on our previous Annual Report for the financial year ending 31 March 2025. The scope and boundary of reporting remain unchanged from the preceding year. No material changes in the size, structure, or ownership of the People's Leasing Group occurred during the reporting period, with operational expansion attributable solely to organic growth.



Reporting Frameworks

Standards that Guide Our Reporting

	Regulatory Reporting	Voluntary Reporting
Financial Statements and disclosures	• Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka • Companies Act No. 7 of 2007 • Finance Business Act No. 42 of 2011 and Directions for Licensed Finance Companies' by the Central Bank of Sri Lanka • Listing Rules of Colombo Stock Exchange • Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995	
Integrated Report		• The International Integrated Reporting Framework developed by International Integrated Reporting Council (IIRC) • A Preparer's Guide to Integrated Reporting issued by the Institute of Chartered Accountants
Sustainability Report	• SLFRS S1 General Requirements for Disclosures of Sustainability-related Financial Information and SLFRS S2 Climate-related Disclosures	• Global Reporting Initiative (GRI) standards - 'In Accordance", issued by Global Sustainability Standards Board • United Nations Sustainable Development Goals (SDGs) • SASB (Sustainability Accounting Standards Board) Consumer Finance Standards • Guidance on ESG Reporting, Colombo Stock Exchange • Non-financial Reporting Guideline, The Institute of Chartered Accountants of Sri Lanka • ISO 14064-1:2018 Organisation Level for Quantification and Reporting of Greenhouse Gas (GHG) Emissions and Removal • GHG Protocol Corporate Accounting and Reporting Standard
Governance, compliance and risk reporting	• Corporate Governance Requirements stipulated under the Listing Rules of the Colombo Stock Exchange (CSE) • Finance Business Act Direction No. 05 of 2021 on Corporate Governance	• Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2017/2023)

About Our Integrated Report

GRI 3-1,3-2

Materiality

Our Double Materiality Framework

In determining the disclosures included in the Integrated Report for FY 2025/26, the Company adopted a double materiality approach to identify matters that have the most significant economic, environmental, and social impacts from both the Company's perspective and the viewpoint of key stakeholders. The methodology applied in identifying material topics is outlined in detail on pages 68 to 71 of this Report. In conducting this assessment, the Company was also guided by the precautionary approach, ensuring that potential risks and emerging sustainability-related matters are proactively considered, even in situations where there may be uncertainty or limited availability of data.

Financial Materiality

Financial materiality refers to sustainability-related matters, risks, and opportunities that could reasonably be expected to influence the Company's financial performance, financial position, cash flows, access to finance, or long-term enterprise value over the short, medium, and long term.

Impact Materiality

Focuses on the significance of People's Leasing's impact on the environment, society, and the economy over short, medium, and long term regardless of whether those impacts affect the Company's financial performance.

12
Material Topics

The Company identified 12 material topics through its double materiality assessment for FY 2025/26. The methodology used to determine these material topics is outlined in detail within the Report. These topics guide the scope and depth of both financial and sustainability disclosures across the short, medium, and long term.

Strategic Time Horizons

Short, Medium & Long Term

Reporting	Short-Term	Medium -Term	Long-Term
Financial Reporting	Immediate next financial year (2026/27)	Two to three years (2027/28 – 2028/29)	More than three years (After 2028/29)
Sustainability Reporting			

Target Audience

Who We Report For

- Shareholders & Investors
- Regulators
- Employees
- Customers
- Government Bodies
- Suppliers & Business Partners
- Prospective Long-Term Investors

Regulatory Adoption

SLFRS S1 & S2 Compliance

As a Top 100 listed company on the Colombo Stock Exchange, People's Leasing & Finance PLC has incorporated all mandatory first-year transition disclosures relating to Sri Lanka Financial Reporting Standards S1 and S2 (SLFRS S1 and S2) within this Integrated Annual Report.

Precautionary Approach

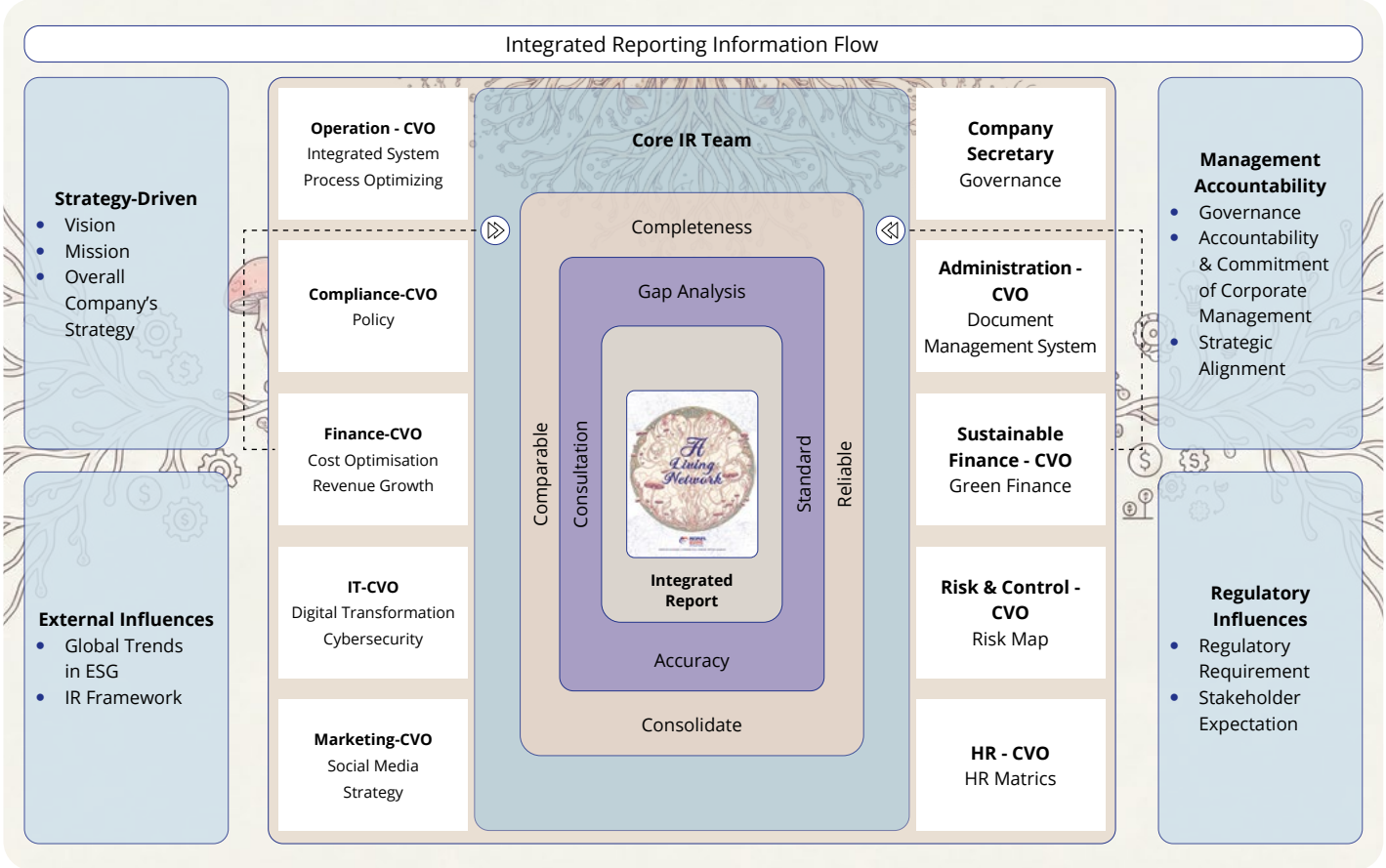
Managing Risk with Foresight

This Report consistently demonstrates the application of the precautionary approach, reflecting the Company's unwavering commitment to addressing sustainability challenges with foresight and enabling informed decision-making in the face of uncertainty. By providing a structured framework for the identification and mitigation of potential risks across People's Leasing's products, services, and operations, this approach reinforces the Company's enduring dedication to conducting business in an ethical, responsible, and sustainable manner.

Integrated Reporting Information Flow

How This Report Is Developed

The preparation of this Integrated Report is supported by a structured information flow beginning with the Company's Vision, Mission, Strategy, and Corporate Goals which set the foundational direction for all activities. Each functional area contributes through their respective Chief Value Officers (CVOs), guided by standards of reliability, comparability, and accuracy. The Core IR Team consolidates all input, conducts a Gap Analysis aligned to the Company's Value Creation Model, and produces a coherent and comprehensive Integrated Report shaped by global ESG trends, the IR Framework, stakeholder expectations, and regulatory requirements.



Sources of Information

How this information was gathered

Information presented in this Report has been compiled through discussions with senior management across relevant business units, together with internal reports, operational data, and governance documentation. Where appropriate, reference has also been made to external research publications, regulatory guidance, industry reports, and other publicly available sources. All external references have been appropriately acknowledged where relevant.

Connecting Sustainability Performance with Financial Statements

An Integrated View

The Sustainability Report and Financial Statements have been prepared in compliance with Sri Lanka Accounting Standards (SLFRSs and LKASs) issued by the Institute of Chartered Accountants of Sri Lanka, covering the same reporting period. To enhance transparency and demonstrate the link between value creation and financial performance, sustainability-related financial disclosures should be read in conjunction with the Financial Statements. Cross-references to the Financial Statements have been incorporated within the Sustainability Report to support a more integrated and comprehensive understanding of the Group's performance.

About Our Integrated Report

GRI 2-5

Assurance overview — FY 2025/26

How We Verify Our Reporting

Scope	Assurance Type	Assurer	Coverage	Refer Page
All report information	Internal review	Board of Directors	Accuracy, consistency & completeness	Page 18
Financial statements	External audit	Auditor General of Sri Lanka	Independent review of Group financials	Pages 308 to 312
Corporate governance compliance	External assurance	Auditor General of Sri Lanka	CBSL Corporate Governance Directions	Not Published
Internal controls over financial reporting	External review	Auditor General of Sri Lanka	Directors' Statement on Internal Controls	Pages 305 and 306
GRI & Integrated Reporting	External assurance	Ernst & Young	GRI Standards + IIRC International Framework	Pages 494 and 495

GRI 2-4

Significant Changes During the Year and Restatements

Consistency and Continuity

There were no significant changes to the organisation or the supply chain and there were no significant changes requiring restatements of financial or sustainability information during the reporting period.

Forward-Looking Statements

Important Notice

This Report contains forward-looking statements and future plans that reflect People's Leasing's current position and strategic outlook at the time of publication. Given the dynamic and evolving nature of the operating environment, actual results may differ materially from those anticipated due to unforeseen developments and uncertainties. Accordingly, the Group does not undertake any obligation to publicly update or revise such forward-looking statements after the publication of this Report.

Board Responsibility Statement

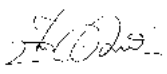
Our Commitment to Accountability

The Board of Directors of People's Leasing & Finance PLC accepts full responsibility for the completeness, accuracy, and integrity of this Integrated Report. The Board confirms that the report has been subject to a comprehensive and collective review, supported by robust assurance processes carried out by internal and external auditors and assurance providers. Based on this thorough evaluation, the Board is satisfied that the Report adequately addresses all material matters relevant to the Group's ability to create, preserve, and enhance value for its stakeholders over the short, medium, and long term.

Signed for and on behalf of the Board by



Prof. Ajantha Samarakoon
Chairman



Dr. Isuru Manawadu
Director

01 June 2026
Colombo

Feedback

Share Your Views

We are committed to continuously enhancing the quality and clarity of our Annual Report and welcome your feedback. We encourage stakeholders to share their comments and suggestions using the Investor Feedback Form provided on page 519 of this Report.

Acting Chief Financial Officer
People's Leasing & Finance PLC
No. 1161, Maradana Road,
Colombo 8,
Sri Lanka.
Postal code: 00800
Phone: +94 11 263 1902

About Us

Living Network of Financial Strength

Like the mycelium beneath a forest an intricate, unseen web connecting roots, nourishing growth, and enabling resilience People's Leasing & Finance PLC operates as a living network that links people, businesses, and opportunities across Sri Lanka.

Organisational Overview

Who We Are

Beneath every thriving forest lies an invisible network a vast, living web of mycelium that quietly connects root to root, tree to tree, sustaining the entire ecosystem from the ground up. For over three decades, People's Leasing & Finance PLC has thrived as a dynamic force within Sri Lanka's financial ecosystem.

We are more than a financial institution, we are a network of progress, empowering entrepreneurs to grow, supporting families in achieving life's milestones, and enabling communities to flourish. Every connection we foster strengthens the broader ecosystem, creating sustainable impact that spreads quietly but powerfully, just as mycelium nurtures life around it.

Rooted in trust, collaboration, and a deep understanding of Sri Lankans' evolving needs, our journey reflects a commitment to building a resilient, inclusive, and interconnected financial future one that grows organically, like a living mycelium network.



Vision

Legendary Financial Leadership

To become legendary in the financial service scene as a provider of customer-friendly innovative and total solutions.



Mission

Service Excellence, Every Day

Dedicated value-added customer service to accomplish organisational service excellence whilst maintaining a sustainable competitive advantage.



Values

Principles That Guide Us

Social Accountability
Economic Viability
Environmental Responsibility



Trusted Leader

About Us

Financial Highlights

Financial Capital		2025/26	2024/25	2023/24
Financial Performance				
Gross Income	Rs. Bn	**43.99**	28.43	31.04
Net Interest Income	Rs. Bn	**21.77**	14.07	11.65
Impairment charges and other losses	Rs. Bn	**0.41**	(0.40)	(1.16)
Profit Before Tax (PBT)	Rs. Bn	**8.56**	5.79	5.38
Profit After Tax (PAT)	Rs. Bn	**5.08**	3.60	3.54
Cost to income ratio	%	**51.16**	54.96	55.61
Net Interest Margin (NIM)	%	**8.94**	8.64	7.69
Financial Postion as at the year end				
Total assets	Rs. Bn	**321.23**	194.53	159.85
Loans & receivable portfolio	Rs. Bn	**275.74**	157.09	103.65
Shareholder's Funds	Rs. Bn	**47.53**	42.41	41.83
Deposits	Rs. Bn	**165.45**	124.53	97.44
Total liability	Rs. Bn	**273.70**	152.12	118.03
Investor Information				
Market capitalisation	Rs. Bn	**49.50**	38.56	23.70
Net assets per share	Rs.	**21.51**	19.69	19.41
Closing market price per share	Rs.	**22.40**	17.90	11.00
Divided payout ratio*	%	**60.12**	83.70	80.74
Divided per share*	Rs.	**1.40**	1.40	1.40
Return on Equity (ROE)	%	**11.30**	8.56	8.68
Earning per share (EPS)	Rs.	**2.30**	1.63	1.64
Statutory Ratio				
Tier 1 Capital/Core capital ratio	%	**15.25**	22.94	30.00
Required minimum Tier 1 Capital/Core capital ratio	%	**10.00**	10.00	10.00
Total capital ratio/Total risk weighted capital ratio	%	**18.88**	22.68	29.70
Required minimum Total capital ratio/Total risk weighted capital ratio	%	**14.00**	14.00	14.00
Liquidity Ratio (Liquidity Assets / Deposits)	%	**19.74**	20.25	42.36

* Includes the proposed final dividend of Rs. 0.70 per share which is subjected to shareholders' approval at the AGM

Financial Goals and Achievements

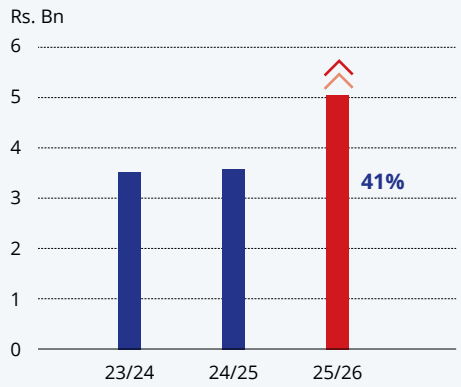
	Goal	Achievement		
Indicator (%)	2026/27	2025/26	2024/25	2023/24
Growth in Profit After Tax	Over 10%	**41.01**	1.78	17.30
Growth in Total Assets	Over 20%	**65.13**	21.69	(6.56)
Return On Equity	Over 10%	**11.30**	8.56	8.68

ESG Highlights

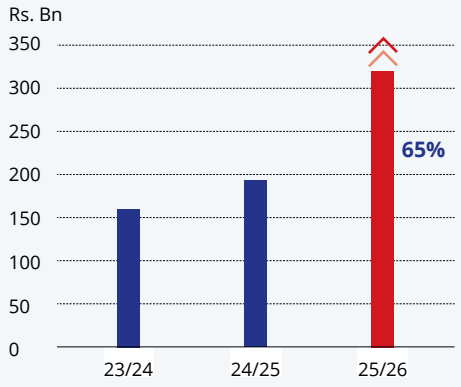
		2025/26	2024/25	2023/24
Environment				
Natural Capital				
Carbon footprint - Company	tCO_2e	**5,819**	5,663.76	3,974.42
Investment on natural environment	Rs. Mn	**0.53**	0.36	1.98
Green Finance Disbursement	Rs. Mn	**33,447.41**	580.08	-
Social				
Human Capital				
Total number of employees	No.	**3,251**	2,679	2,052
Retention Ratio	%	**78.42**	83.60	79.74
New Recruits	No.	**1,128**	964	359
Employees' salaries and benefits	Rs. Mn	**7,374**	4,865	4,248
Total Training	Hours	**82,629**	79,826	84,599
Number of promotions	No.	**910**	823	598
Manufactured Capital				
Branches	No.	**112**	110	109
Gold loan operating branches	No.	**110**	106	104
Islamic Finance operating branches	No.	**89**	80	70
Intellectual Capital				
Credit Rating		**A(lka)**	A(lka)	A-(lka)
Intangible Assets	Rs. Mn	**93.37**	34.72	41.01
Cumulative service of employees	Years	**over 20,000**	over 18,000	Approx 18,000
Social and Relationship Capital				
Lending portfolio to women	Rs. Mn	**69,958**	32,569	18,535
Lending customers	No.	**151,889**	129,763	104,865
Deposit customers	No.	**429,733**	324,966	308,051
Digital transactions	No.	**1,417,158**	1,022,963	1,012,196
Investment in local communities	Rs. Mn	**12.71**	0.71	0.70
Governance				
Board composition				
Independent Non-Executive Directors	No.	**3**	2	4
Total Directors				
Female	No.	**2**	2	-
Male	No.	**8**	8	11
Board sub-committees	No.	**11**	7	7

Performance Highlights

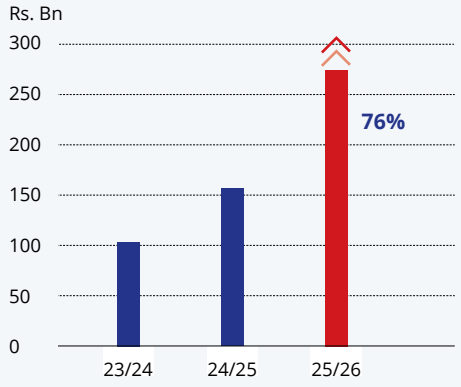
Net Profit



Total Assets



Portfolio



Financial Performance

33%
Total Deposits Growth

Rs. 302 Bn
Total Granting

51%
Cost to Income

11.30%
ROE

Non-Financial Performance

78.42%

Employees Retention

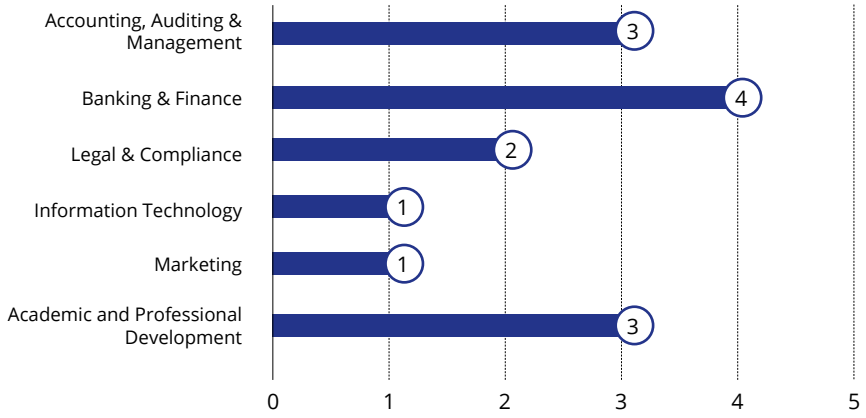
29.87%

Reduction of customer complaint

112

No of Branches

Board Expertise



CSR

Rs. 13.23 Mn

Number of Strategic Partners

9

Company Carbon Footprint (tCO_2e)

5,819

No of Digital transactions

38.53%

Employees-Female-Male Ratio

2,274 **977**

Total Customer Base

476,631

2025/26

454,729

2024/25

No of employees

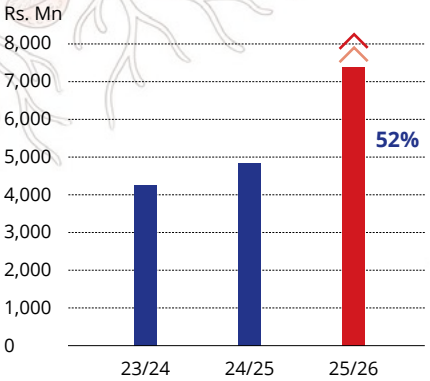
3,251

2025/26

2,679

2024/25

Employee's salaries & benefits



About Us

Our Story
The Living Network in Action

Like mycelium threads that weave silently through the soil connecting, nourishing, and sustaining our presence across Sri Lanka creates a living financial network that enables growth at every level of society.



Our Roots
The Foundation of Growth

Established in 1995, People's Leasing & Finance PLC began with a simple belief: financial access is a right, not a privilege. Like the roots of a forest nourished by a mycelium network, our foundation is built on trust, integrity, and understanding the Sri Lankan context. Over decades, these roots have anchored us through economic challenges and national milestones, creating a resilient base for long-term growth.



Our Network
Connecting Lives and Opportunities

We have grown like a mycelium fungus, forming an invisible yet powerful network that connects people, businesses, and communities across the island. Today, with over 3,000 employees and 450,000+ customers, we provide financial solutions through an expansive web of branches, subsidiaries, and digital platforms. Every interaction strengthens the ecosystem, fostering sustainable progress and shared prosperity.



Our Reach
Impact Across Sri Lanka

From urban centers to remote regions, our presence touches every corner of the nation. Like mycelium nourishing the forest, we enable growth where it matters most supporting entrepreneurs, families, and businesses in achieving their aspirations. Each connection we make adds to the resilience, vibrancy, and interconnectedness of the communities we serve.



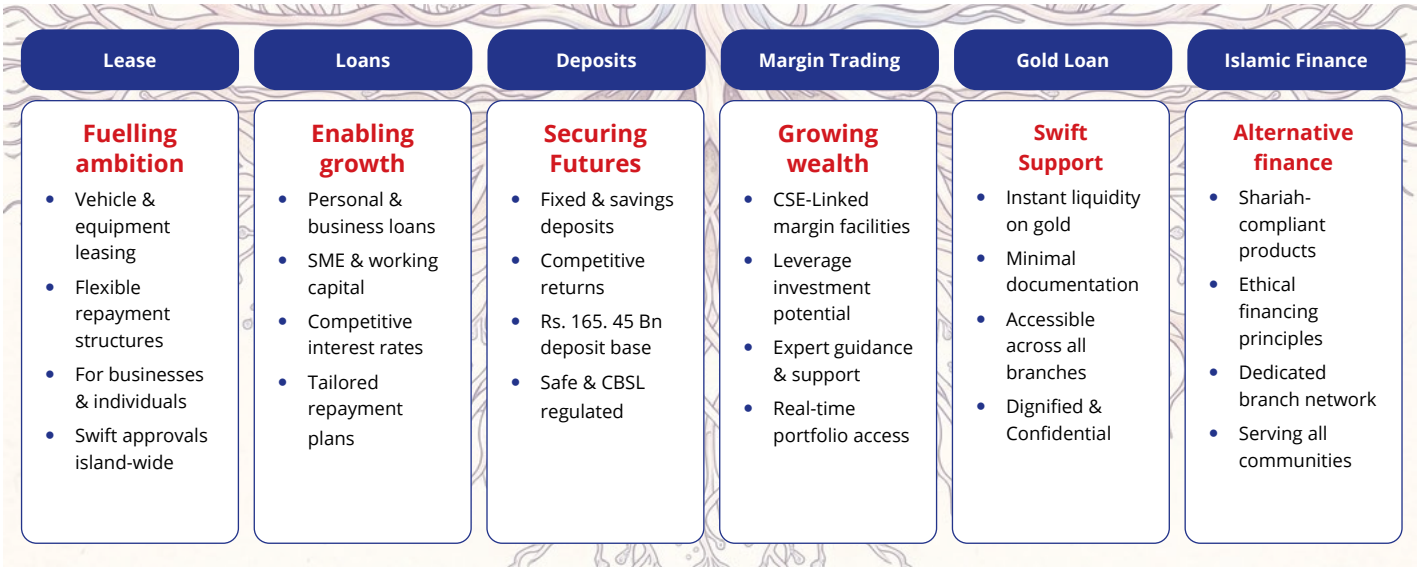
Our Growth
Sustainable and Inclusive

Our growth is organic, systemic, and purposeful. By embedding ourselves in the lives of our customers and communities, we create a living network of value, ensuring every step forward benefits not only individuals but the broader financial ecosystem of Sri Lanka. This network thrives on collaboration, innovation, and the shared trust that has defined our journey for over three decades.

What We Offer

Our Products & Solutions

Like mycelium channels that carry nutrients to where they are needed most, our diverse product portfolio ensures that every Sri Lankan has access to the right financial solution at the right time.



Six channels. One living network. Just as mushrooms are the visible fruiting bodies of an unseen mycelium network – each emerging where nourishment is needed – our six product channels are the visible expressions of a single, unified purpose: ensuring that every Sri Lankan has access to the financial solution that helps them grow. Each product strengthens the others. Each connection deepens the whole.

Corporate Principles

Connected by Purpose, Guided by Principles

At People's Leasing, Transparency, Accountability, Governance, and Sustainability are the pillars of our purposeful business practices.

01. Transparency

Our unwavering commitment to Transparency ensures that all stakeholders, including customers, partners, and employees, have access to clear and precise information, fostering a culture of trust and confidence in everything we do. We uphold this commitment by maintaining robust financial reporting practices, by ensuring transparent communication and by having open communication channels with all our stakeholders.

02. Accountability

We hold ourselves responsible for our actions, decisions, and their outcomes, maintaining the highest ethical standards at all times. This commitment is underpinned by an ethics driven culture, supported by well defined systems and processes that ensure transparency, accountability, and integrity in all aspects of our operations.

03. Governance

Our Governance structures are meticulously designed to promote fairness, uphold integrity, and ensure compliance with regulations, thereby fostering an environment of ethical conduct and operational efficiency. This is reflected in our consistently high levels of compliance across all regulatory and internal requirements.

ESG & Sustainability

sustainability is ingrained in our company's DNA, driving initiatives that prioritise environmental stewardship, social responsibility, and the long-term viability of resources. This is demonstrated through a well defined ESG strategy and the meaningful progress achieved against our ESG targets.

About Us

Our Differentiation

As Sri Lanka's leading licensed finance company and a living network of financial growth, we differentiate ourselves on aspects that matter most to our investors, customers, and communities, five interwoven strands, like mycelium threads that together create an unbreakable network of advantage.

Leadership

A strong trusted & purpose-driven leadership team

- Board reflecting independence, diversity, and deep sector expertise
- Anchored by People's Bank Group - Sri Lanka's most trusted financial institution
- Structured succession ensuring leadership continuity
- Decades of combined experience navigating Sri Lanka's economic landscape

Products

Diverse & innovative product ecosystem

Six financial channels - each a nutrient pathway serving distinct customer needs.

- **Leases & Loans** - fuelling ambitions and growth
- **Deposits** - secure, rewarding, and purposeful
- **Gold Loans** - swift support when families need it most
- **Margin Trading** - growing financial futures with confidence
- **Islamic** - inclusive, Shariah-compliant solutions

Brand & Market

A People's Brand with legendary market position

Three decades of trust, recognitions, and community presence across all 25 districts.

- **10.07%** - Total Assets
- **12.32%** - Deposits
- **11.19%** - Loans
- **450,000+** customers served island-wide
- Consistently ranked among the top licensed finance companies

Financial Strength

Strong financial performance & balance sheet resilience

A network built to withstand every season.

- **Rs.165 Bn** - Deposits
- **429,733** - Deposit Customers
- Consistent CAGR across key financial metrics
- Strong asset quality through disciplined credit management
- Robust capital adequacy ensuring long-term stability

Network & Reach

A living network spanning every community in Sri Lanka

- **112 branches** - widest reach among peer finance companies
- Six subsidiaries spanning insurance, microfinance, property, fleet & Bangladesh
- Digital platforms extending reach beyond physical boundaries
- Dedicated branches for Islamic Finance across the island
- **3,000+** employees embedded in communities they serve

Transparency & Governance

Best-in-class transparency & reporting excellence

- Financial disclosures assured by the Auditor General of Sri Lanka
- Non-financial disclosures independently assured by Ernst & Young
- Full adherence to GRI, CBSL and ESG disclosure frameworks
- Governance structures promoting fairness, integrity & compliance

Recognition

Award-winning reporting & industry recognitions

- **ARC Awards**
  Best of Sri Lanka - Grand Award
- **CMA Awards**
  Best Integrated Report
  Finance & Leasing Sector - State- Gold Award
- **TAGS Awards -** Silver
  Sector Award - Annual Report

ESG & Sustainability

A sustainability-led network with purpose at its core

Growing not just for today, but for the Sri Lanka of tomorrow.

- ESG principles embedded across strategy, operations & community
- Committed to carbon reduction and green lending expansion
- Financial inclusion reaching underserved communities
- **Values**
  Social Accountability
  Economic Viability
  Environmental Responsibility

Our competitive edge is not built on a single strength it is woven from interconnected strands, much like mycelium threads that together create an unbreakable network of advantage, growing stronger and more resilient with every passing season.

Reading the Forest floor

Like a forest ecologist studying the health of a living ecosystem, we examine our network with clarity and honesty - understanding where our roots run deepest, where gaps need attention, where new growth awaits, and what forces we must navigate.

Internal Origin

Strengths

Deep Roots
What anchors and sustains the network

- 30-year brand legacy - one of Sri Lanka's most trusted licensed finance companies
- People's Bank Group parentage - institutional credibility and privileged funding access
- 112-branch network spanning all 25 districts - unmatched physical reach
- 450,000+ customers and Rs.165 Bn deposit base reflecting deep community trust
- Diverse product suite - Leases, Loans, Gold, Deposits, Margin Trading & Islamic Finance
- Award-winning reporting - ARC Grand Award, CMA Gold, TAGS Silver Business recognition

Weaknesses

Gaps in the Network
Where the threads must grow stronger

- Cost of funds pressure - deposit rate competition compresses net interest margins
- Digital maturity gap - pace of digital product development relative to fintech competitors
- NPL management - non-performing loan levels in a post-crisis economic environment
- Branch cost structure - maintaining 112 physical branches in a digitally shifting landscape
- Islamic Finance scale - growing but still a nascent proportion of the overall portfolio

External Origin

Opportunities

New Ground to Nourish
Where the network can grow and flourish

- Sri Lanka's economic recovery - rising consumer confidence and credit demand post-crisis
- Green & sustainable lending - solar, EV and clean energy finance as a growing segment
- Islamic Finance expansion - large underserved Muslim community and ethical finance demand
- Digital lending channels - instant approval product reaching younger, digitally active borrowers
- Regional expansion - scaling Alliance Finance in Bangladesh and beyond
- Financial inclusion - underserved rural and micro-enterprise segments via People's Micro-Commerce

Threats

Forces on the Ecosystem
What the network must remain vigilant against

- Fintech disruption - digital lenders offering frictionless credit at lower operating costs
- Regulatory tightening - evolving CBSL prudential requirements on capital, liquidity & provisioning
- Macroeconomic volatility - inflation, interest rate movements & currency risk affecting portfolio quality
- Intense peer rivalry - aggressive pricing by competing LFCs in leasing and deposit markets
- Bank substitution - commercial banks expanding into LFC territory with lower cost of funds

SWOT

Deep Roots
Leverage brand, group strength & branch network to defend and deepen market position

New Growth
Pursue green lending, Islamic Finance & regional expansion as priority growth corridors

Gaps to Close
Accelerate digital investment and cost efficiency to close competitive gaps

Stay Vigilant
Monitor fintech disruption, regulatory shifts & macro conditions with agility and discipline

People's Leasing & Finance PLC - a living network that reads its ecosystem clearly grows where conditions are richest, and remains resilient through every season.

About Us

Group Structure

Our Network Map

Six subsidiary threads extend our mycelium network beyond finance spanning insurance, microfinance, property, fleet, and regional markets.



75%	**People's Insurance PLC** Carrying out general insurance business	693 Employees	Rs. 379.62 Mn PAT	Rs. 16,030.80 Mn Assets
100%	**People's Micro-Commerce Ltd.** Providing non-bank financial services to individuals and micro-enterprises that lack access to conventional banking.	352 Employees	Rs. 293.83 Mn PAT	Rs. 13,602.85 Mn Assets
100%	**People's Leasing Fleet Management Limited** Providing vehicle valuation and insurance assessment services	43 Employees	Rs. 37.43 Mn PAT	Rs. 282.32 Mn Assets
100%	**People's Leasing Havelock Properties** Carrying out mixed development projects and property development activities.	2 Employees	Rs. 96.17 Mn PAT	Rs. 3,685.06 Mn Assets
100%	**People's Leasing Property Development** Operates a premium office complex in Colombo.	7 Employees	Rs. 118.30 Mn PAT	Rs. 3,812.63 Mn Assets
51%	**Alliance Finance PLC** Providing leasing of movable and immovable properties and providing loans in Bangladesh	53 Employees	Rs.164.27 Mn PAT	Rs.15,645.45 Mn Assets

Strengthening Our Value Creation Pathway

Short-Term (1 year)

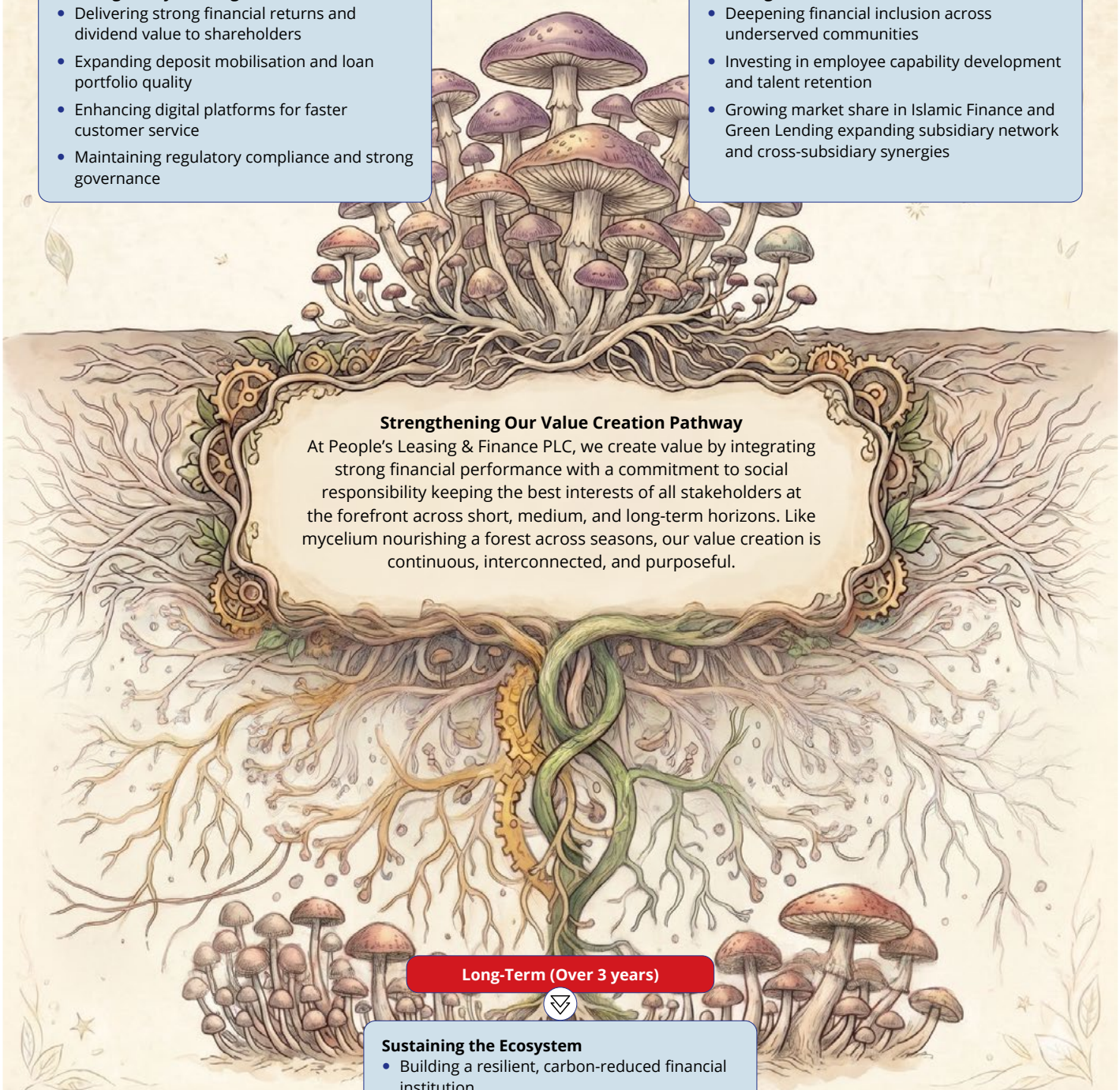
Building Today's Strength

- Delivering strong financial returns and dividend value to shareholders
- Expanding deposit mobilisation and loan portfolio quality
- Enhancing digital platforms for faster customer service
- Maintaining regulatory compliance and strong governance

Medium-Term (2-3 years)

Growing the Network

- Deepening financial inclusion across underserved communities
- Investing in employee capability development and talent retention
- Growing market share in Islamic Finance and Green Lending expanding subsidiary network and cross-subsidiary synergies



Strengthening Our Value Creation Pathway

At People's Leasing & Finance PLC, we create value by integrating strong financial performance with a commitment to social responsibility keeping the best interests of all stakeholders at the forefront across short, medium, and long-term horizons. Like mycelium nourishing a forest across seasons, our value creation is continuous, interconnected, and purposeful.

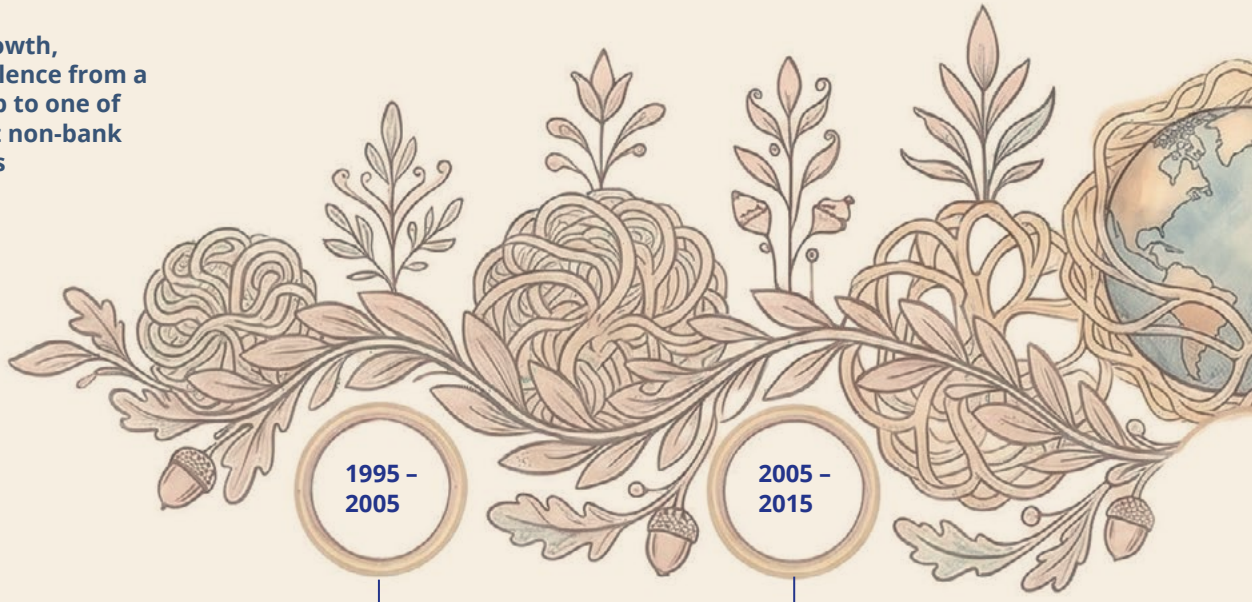
Long-Term (Over 3 years)

Sustaining the Ecosystem

- Building a resilient, carbon-reduced financial institution
- Becoming the leading financial network for Sri Lankan development
- Creating generational impact through community investment

Our Journey

Three decades of growth, resilience, and excellence from a three-person startup to one of Sri Lanka's foremost non-bank financial institutions



First Decade 1995 – 2005
Laying the foundation

Highlight of the Decade
Became the undisputed market leader in Sri Lanka's leasing sector — 2002/03

1995/96
- Company incorporated as a private limited liability company

1996/97
- Commenced commercial operations on 31 May 1996
- Initial capital: Rs. 10 million, operating with three employees.
- Mr. D.P. Kumarage appointed as Chief Executive Officer

1997/98
- First branch opened in Kandy
- Launched "The People's Friendly Leasing"

2000/01
- Converted to a public limited liability company

2002/03
- Became the market leader in the leasing sector
- Registered under Finance Leasing Act No. 56 of 2000

SECOND DECADE 2005 – 2015
Expanding horizons

Highlight of the Decade
Listed on the Colombo Stock Exchange through the second largest IPO in the history of the Bourse — 2011/12

2005/06
- Established the Islamic Finance Services Unit under Shari'ah guidelines

2008/09
- Ranked highest branded leasing company by Brand Finance Lanka
- Formed People's Leasing Fleet Management Ltd and People's Leasing Property Development Ltd

2009/10
- Acquired 84.5% stake in Seylan Merchant Leasing PLC
- Incorporated People's Insurance Limited as a fully owned subsidiary

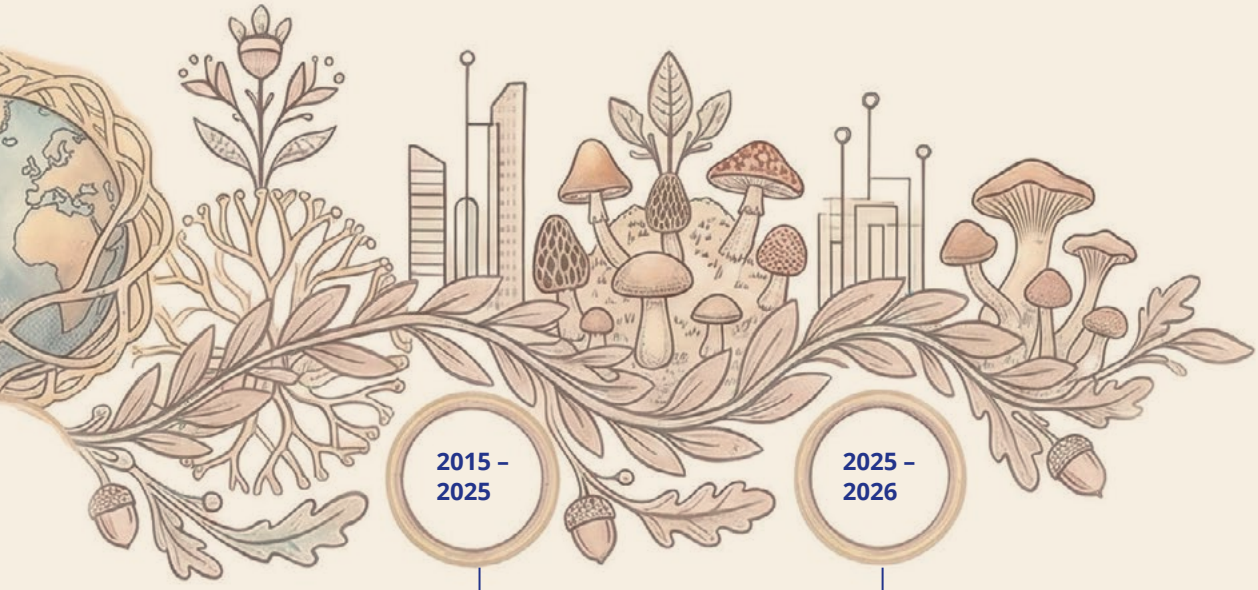
2010/11
- Established People's Leasing Havelock Properties Limited
- Established People's Microfinance Limited

2011/12
- Listed on the main board of the Colombo Stock Exchange through the second largest IPO in the history of the Bourse

2012/13
- Received license to conduct finance business under the Finance Business Act No. 42 of 2011

2013/14
- Successfully completed amalgamation with subsidiary People's Finance PLC

2014/15
- Won Silver Award for overall excellence in financial reporting at the Institute of Chartered Accountants of Sri Lanka



THIRD DECADE 2015 – 2025
Driving Excellence & Innovation

Highlight of the Decade
Commenced operations in Bangladesh via Subsidiary Alliance Finance PLC - Bangladesh

2017/18
- Commenced operations in Bangladesh

2022/23
- Developed an in-house credit evaluation mechanism
- On-boarded mCash touch points
- Won the ESQR Award

2023/24
- Won Gold at the Technovation Awards
- Recognised among Sri Lanka's Top 40 businesses and most respected entities (LMD 2023)
- Granted the SSCI "Certificate of Acceptance" by EOSD

2024/25
- National long-term rating upgraded to 'A(lka)' with a stable outlook
- Annual Report 2023/24 "Great Partnership" won two Grand Awards at International ARC Awards
- Recognised as "Financial Fortitude Best Leasing Company of the Year" at Asia Business Leadership Awards
- Awarded "Best NBFI Brand of the Year" at Sri Lanka Branding and Marketing Leadership Awards 2024

2025/26 The year in focus

Highlight of the Year
Achieved a historic milestone with a first-time asset base exceeding 300 billion and profit after tax surpassing 5 billion.

Scale
- Total Assets: Rs. 321.23 billion.
- Total Portfolio: Rs. 275.74 billion
- A dedicated team of 3,251 employees driving excellence and innovation
- 112 strategically located branches across Sri Lanka

Awards & Recognition
- Won "Islamic Finance Entity of the Year" at SLBFI Awards 2025
- Awarded "Finance & Accounting Solutions (FinTech)" category at ICT Awards (NBQSA) 2025
- Annual Report 2024/25 "Interconnected" won two Grand Awards at International ARC Awards
- Won 1st place in sector-wise ranking under the Most Awarded Entities Sri Lanka 2025 category by LMD

Initiatives
- Introduced Thyaga Minor Savings accounts for PLC staff members

Contributing to Inclusive Economic Growth in Sri Lanka

Building a resilient, inclusive and sustainable future for the nation

In our Journey towards sustainable development, we remain committed to creating long term value for all stakeholder while aligning our strategies with the United Nation Sustainable Development Goals (SDGs). The following key focus areas reflect our continued efforts to support Sri Lanka's economic, social and environmental progress.

IMPACT AT A GLANCE 2025/26

Total Assets
Rs. 321.23 Bn
Δ 65.13%

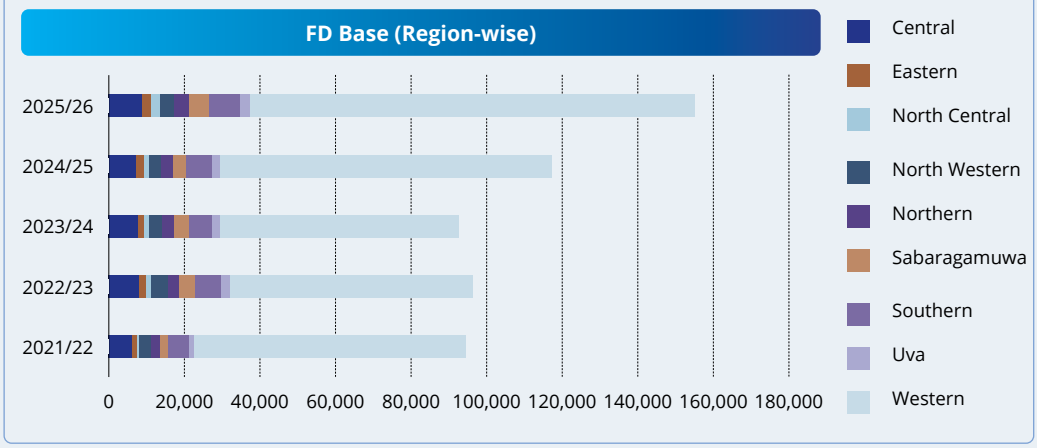
Lending Customers
151,889
Δ 17.05%

Total Financing
Rs. 275.74 Mn
Δ 75.53%

CHAMPIONING PROSPERITY

Financial Solutions founded on transparency, ethical practices and responsible investment to protect and grow stakeholder wealth.

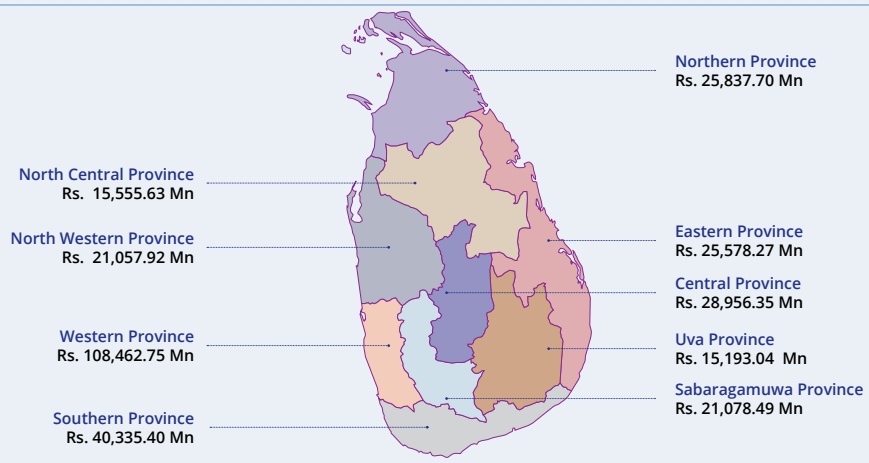
Profit Before Tax
Rs. 8,558.36 Mn Δ 47.86%
Return on equity (ROE)
11.30% Δ 2.74%
Total Assets
Rs. 321.23 Bn Δ 65.13%
Total Financing
Rs. 275.74 Mn Δ 75.53%
Pages 148 to 157



ADVANCING FINANCIAL INCLUSION

Extending tailored Lending solution to SME and undeserved communities across nine provinces.

Branches 112
(2 new branches in 2025/26)
Lending Customers
151,889
Gold Loan Portfolio
Rs. 42.56 Bn
Gold Loan Granting
Rs. 107.58 Bn
Pages 190 to 201



Green Disbursement
Rs. 33,447.41 Mn
Δ 56.66

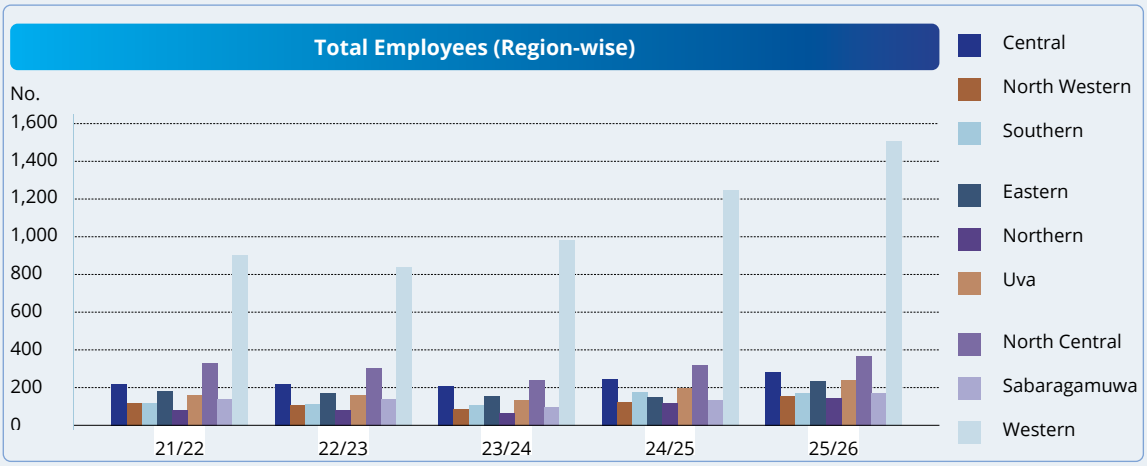
Women Customers
Rs. 69,958 Mn
Δ 114.80%

Total Tax Contribution
7.29 Bn
Δ 20.50%

JOB CREATION

Supporting entrepreneurship, business growth and employment generation through financing and branch expansion.

Total Employees
3,251 Δ 17.59%
New Job Created
1,128
Branches
112
Pages 174 to 188



LEADING THE TRANSITION TO A GREENER ECONOMY

Financing green projects and promoting environmentally responsible practices.

Green financing Portfolio
Rs. 27,845.05 Mn
Green Disbursement
Rs. 33,447.41 Mn Δ 5,666%
Pages 202 to 214



Contributing to Inclusive Economic Growth in Sri Lanka

SUSTAINABILITY DEVELOPMENT

Empowering underserved communities through financing, entrepreneurial support and livelihood development.

Gold Customers

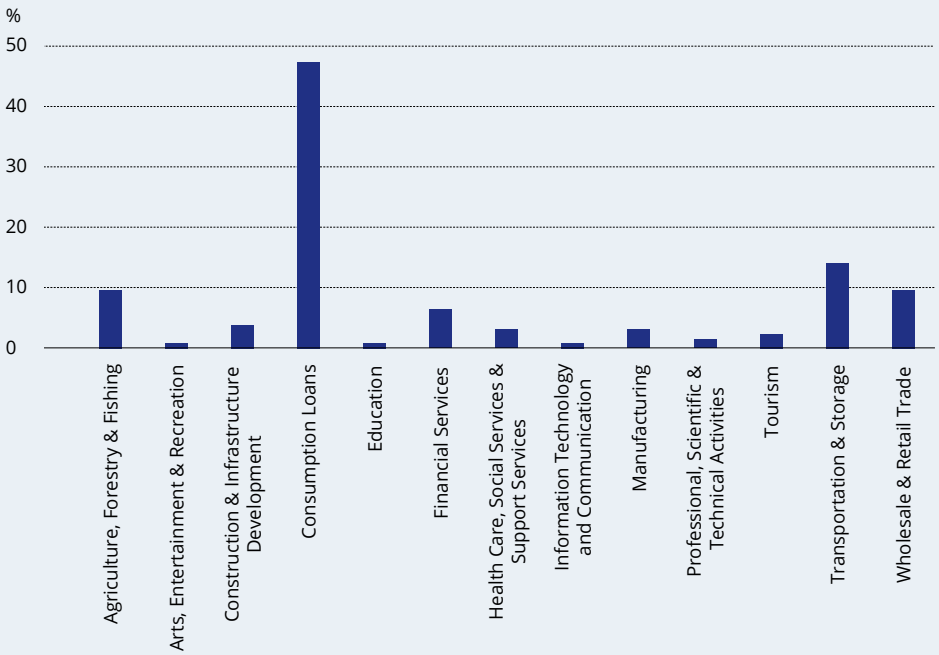
47,592

CSR Spending to Community

Rs. 12.71 Mn

Pages 200 to 201

Beneficiaries by Sector



TAX CONTRIBUTION: SUPPORTING NATIONAL DEVELOPMENT

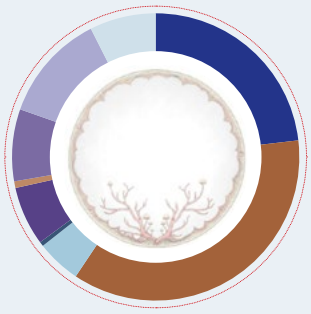
Fulfilling tax obligations responsibly and transparently, contributing to government revenue.

Total Tax Contribution

Rs. 7.29 Bn

Page 342

Contribution to Government



Income tax	23%
Value added tax on financial services	36%
SSCL on financial services	5%
Crop insurance levy	1%
Value added tax	7%
SSCL other income base	1%
Stamp Duty	8%
Withholding tax on dividend and interest	12%
PAYE/APIT tax	7%

COMMITMENT TO ENVIRONMENTAL STEWARDSHIP

Supporting environmental conservation through responsible leading and sustainable business practices.

CSR Spending to Environment

Rs. 0.53 Mn

Pages 202 to 214


CARBON CONSCIOUS CERTIFICATE
People's Leasing & Finance PLC

In accordance to GHG Protocol


CARBON CONSCIOUS CERTIFICATE
People's Leasing & Finance PLC

In accordance to ISO 14064-1:2018

PROMOTING WOMEN EMPOWERMENT

Enabling greater access to opportunities for women across our customer and ecosystem.

Gold Loan Granted to Women

Rs. 20.67 Bn

Women Customers

Rs. 69,958 Mn Δ 114.80%

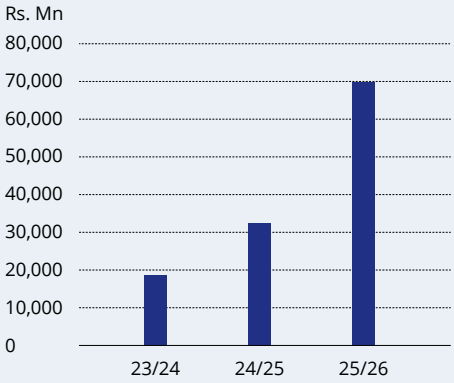
Women Employees

30.05%

Women Leadership

10.17%

Women Loan and Lease Portfolio



DRIVING SRI LANKA'S DIGITAL TRANSFORMATION

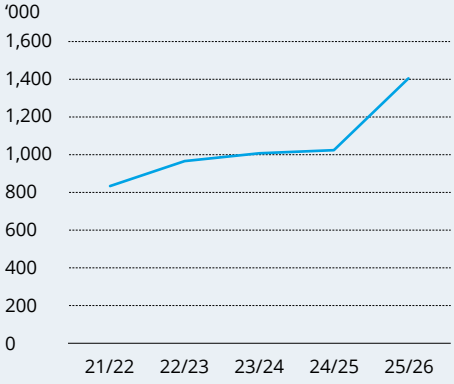
Promoting digital literacy and expanding equitable access to digital platforms.

PLC Touch App Users

22,470

Page 194

No. of Digital transactions





Connection That Strengthens Us All

Like the mycelium that links and sustains an entire ecosystem, our relationships with customers, partners, and communities form a living network of trust and support. Through every interaction, we strengthen the bonds that help each of us grow.

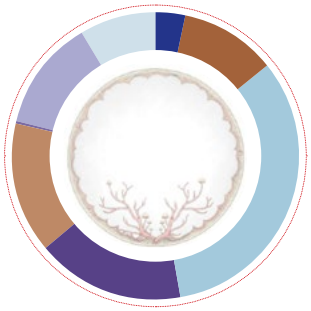
Distribution of Value Added

GRI 201-1

The economic value generated showed a significant increase of 54.73% compared to the previous year, mainly due to significant increase in interest income during the financial year. Value distributed for capital providers have been increased by 38.75%. Increased of 51.59% of Salaries and other benefits provided to employees indicates of providing more benefits for employees. The total economic value distributed experienced a increased of 50.54% by retaining economic value of Rs 3,218.76 Mn.

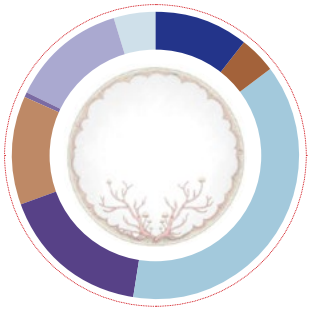
For the Year	2025/26 Rs. Mn	2024/25 Rs. Mn
Direct economic value generated		
Interest Income	**41,123.71**	26,088.02
Fees and commission income	**2,578.14**	1,756.72
Other operating income	**285.43**	582.84
Economic value generated	**43,987.28**	28,427.58
Economic value distributed		
To providers of capital		
Dividend to equity holders	**1,508.06**	3,016.13
Interest to borrowings	**4,767.10**	1,205.17
Interest to deposit holders	**14,583.49**	10,811.51
	20,858.65	15,032.81
To Employees		
Salaries and other benefits	**7,374.08**	4,864.57
	7,374.08	4,864.57
To Government		
Income tax expenses	**3,831.54**	1,426.03
Tax on financial services	**3,061.56**	2,006.92
Other taxes paid	**36.27**	39.33
	6,929.37	3,472.28
To Community		
CSR and donation	**13.23**	1.07
	13.23	1.07
Operating Cost		
Depreciation and amortisation	**766.88**	682.99
Impairment charges for loans and receivables and other losses	**413.42**	(403.30)
Other operating expenses	**4,412.89**	3,430.98
	5,593.19	3,710.67
Economic value distributed	**40,768.52**	27,081.40
Economic value retained	**3,218.76**	1,346.18

Distribution of Value Added FY 2025/26



Shareholders	3.43%
Lenders	10.84%
Depositors	33.15%
Employees	16.76%
Government	15.75%
Community	0.03%
Operating cost	12.72%
Value retained	7.32%

Distribution of Value Added FY 2024/25



Shareholders	10.61%
Lenders	4.24%
Depositors	38.03%
Employees	17.11%
Government	12.21%
Community	0.01%
Operating cost	13.05%
Value retained	4.74%

Value Added Statements

Economic Value Added (EVA)

The Company experienced a reduction in economic costs compared to the previous year, in line with the Central Bank of Sri Lanka's reduction of interest rate. Increased of profitability during the financial year has improved the Economic Value added during the year. This economic value was calculated using an economic charge equivalent to the average 365-day Treasury Bill rate plus a 2% risk premium.

For the Year	2025/26 Rs. Mn	2024/25 Rs. Mn
Shareholders' funds	**47,526.88**	42,411.75
Add - Accumulated provision for impairment charges	**4,656.76**	6,031.17
Add - Cumulative market building expenses	**637.49**	489.63
Less: (Deferred tax assets)	**(419.77)**	(59.32)
	52,401.36	48,873.23
Profit Attributable to		
Shareholders	**5,081.08**	3,603.38
Add: Market building expenses for the year	**248.20**	235.64
Add: Impairment charge/(reversal) for the year	**(1,374.41)**	(2,823.62)
Add: Deferred tax charge/(reversal) for the year	**(354.26)**	758.93
	3,600.61	1,774.33
Economic cost% (Average Treasury Bill Rate + 2 % risk premium)	**10.14%**	11.51%
Economic cost	**5,134.62**	5,707.74
Economic Value Addition	**(1,534.01)**	(3,933.41)

Market Value Added (MVA)

The market value of People's Leasing shares increased compare to previous year with the performance of the Colombo Stock Exchange. Compared to the previous financial year, market value of the share has increased by 25% to reached a market capitalisation of Rs 49,501.03 million as of 31 March 2026.

For the Year	2025/26 Rs. Mn	2024/25 Rs. Mn
Market Capitalisation/Market Value of Equity	**49,501.03**	38,563.32
Less : Shareholders' funds	**47,526.88**	42,411.75
Market value added/(declined)	**1,974.15**	(3,848.43)

Chairman's Message

GRI 2-11



"The People's Leasing Group also delivered a solid financial performance during the year. Net Interest Income rose to Rs. 24.97 billion, an increase of 51.71% over the previous year, while Profit After Tax reached Rs. 5.92 billion. Total Group Assets expanded to Rs. 360.58 billion, and Group Equity strengthened to Rs. 56.06 billion."

Chairman's Message

Dear Shareholder

The year 2025/26 marked another important step in People's Leasing's journey of renewal and growth. As Sri Lanka's economy continued its recovery, our organisation strengthened the network of relationships that connects us with customers, employees, communities, regulators and shareholders. These connections remain the foundation of our resilience and our ability to create sustainable value.

Operating Environment

Following several years of economic uncertainty, Sri Lanka's recovery gained further momentum during the year, supported by improving macroeconomic stability, easing inflationary pressures, and increasing business confidence. These developments contributed to stronger credit demand, improved repayment behaviour, and a more favourable operating environment for the financial services sector. Against this backdrop, the Board remained focused on preserving financial strength while positioning the Company to capture emerging growth opportunities.

Financial Performance

The strong performance achieved during the year reflects the successful execution of our strategic priorities, improved operating conditions, and the dedication of our employees in supporting customers and business partners across the country. The Company's lending portfolio increased by almost 75.53% while Net Interest Income increased by 54.73% to Rs, 21.77 billion from Rs. 14.07 billion in the previous year. PAT for the year amounted to Rs. 5.08 billion, an 41.01% increase compared to the previous year.

Reflecting balance sheet strength shareholders' equity improved to Rs. 47.53 billion, up from Rs. 42.41 billion in the previous year. Capital adequacy ratios meanwhile remained well above regulatory thresholds, a testament to the company's disciplined risk management and robust governance framework.

The People's Leasing Group also delivered a solid financial performance during the year. Net Interest Income rose to Rs. 24.97 billion, an increase of 51.71% over the previous year, while Profit After Tax reached Rs. 5.92 billion. Total Group Assets expanded to Rs. 360.58 billion, and Group Equity strengthened to Rs. 56.06 billion.

People Centric

We continued to invest in employee development, leadership capabilities, digital skills, and workplace wellbeing, recognising that a motivated and empowered workforce remains essential to delivering exceptional customer experiences and sustaining long-term growth. Equally important is fostering a culture of collaboration, accountability, innovation, and continuous learning that enables our people to thrive and contribute meaningfully to the Company's success.

Strengthening Governance

Strong governance serves as the foundation that connects and strengthens our network of relationships with customers, regulators, employees, investors, and communities, ensuring that trust remains at the heart of everything we do.

As custodians of the Company's long-term success, the Board remains committed to maintaining the highest standards of governance, accountability, and ethical leadership. Throughout the year, we exercised prudent oversight of strategy execution, capital management, risk governance, regulatory compliance, and organisational transformation, ensuring that the Company remained resilient while pursuing sustainable growth opportunities.

Recognising the rapidly evolving financial services landscape, the Board continued to strengthen its focus on operational resilience, cybersecurity, digital governance, and emerging environmental and social risks. We also maintained close oversight of asset quality, liquidity, capital adequacy, and funding strategies, safeguarding the financial strength required to support future expansion and protect stakeholder interests.

Further strengthening the Company's governance architecture, several new Board Sub-Committees were established during the year to provide focused oversight on key strategic areas including Sustainability, Marketing, and Information Technology. In parallel, a range of Management Committees continued to support the effective oversight, coordination, and monitoring of critical operational, financial, risk management, and business functions across the organisation, ensuring timely decision-making and enhanced governance effectiveness.

Our governance approach extends beyond compliance. It is centred on fostering a culture of integrity, transparency, accountability, and responsible decision-making across the organisation. By balancing prudent risk management with strategic ambition, the Board seeks to ensure that People's Leasing remains a trusted financial partner, capable of creating sustainable value for shareholders while contributing meaningfully to the economic development of Sri Lanka.

Sustainability Focus

Sustainability remains an integral component of our long-term strategy and the manner in which we create value for stakeholders. As a financial institution serving entrepreneurs, businesses, and communities across Sri Lanka, we recognise that our responsibility extends beyond financial performance to supporting inclusive economic growth, responsible business practices, and environmental stewardship, through our support for SMEs, entrepreneurs, and underserved customer segments, we continue to promote financial inclusion and contribute to broader economic development.

The Board continues to oversee the integration of sustainability considerations into strategic planning, risk management, and business decision-making. We remain committed to responsible lending practices, promoting financial inclusion, strengthening customer resilience, fostering employee wellbeing, and supporting initiatives that contribute to the sustainable development of the communities we serve.

During the year under review, as a Top 100 listed company on the Colombo Stock Exchange, the Company was required to implement SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards and make mandatory sustainability-related financial disclosures within the Annual Report. Accordingly, the Company undertook the necessary initiatives during the year to strengthen governance structures, internal processes, and reporting mechanisms to facilitate compliance with the new reporting requirements. As part of this process, the Company identified its material climate-related risks and opportunities and has made the relevant mandatory disclosures in the Annual Report in line with the applicable standards.

As Sri Lanka advances on its path of economic recovery, financial institutions have an important role in enabling responsible growth. Through prudent financing, ethical business conduct, and a long-term perspective, we seek to create lasting value while contributing to a more resilient, inclusive, and sustainable economy. Sustainability is therefore not viewed as a separate agenda, but as an essential element of our corporate purpose and future success.

Shareholder Returns and Dividend Distribution

During the year, the Board of Directors declared a gross dividend of Rs. 1.40 per share, translating to a total payout of Rs. 3.05 billion. This includes the proposed final scrip dividend of Rs. 0.70 per share which is subjected to shareholder approvals at the AGM. The resulting payout ratio of 60.12% reflects the Board's balanced approach to capital allocation, rewarding shareholders while retaining sufficient capital to support future growth and maintain financial resilience.

Way forward

Looking ahead, we remain focused on sustainable growth, deepening customer relationships, advancing digital capabilities, and enhancing operational excellence. Guided by our purpose and strengthened by the trust of our stakeholders, we are confident in our ability to create enduring value while contributing meaningfully to Sri Lanka's continued economic progress.

Acknowledgements

As we conclude another year of progress, I extend my sincere gratitude to all those who contribute to the strength of People's Leasing. I thank my fellow Board members for their guidance and stewardship, our Chief Executive Officer and Management Team for their leadership, and our employees across the organisation for their dedication and commitment to excellence.

I am deeply appreciative of our customers, whose trust inspires us to continuously improve and innovate; our regulators, business partners, and funding institutions, whose collaboration supports our growth; and the communities we serve, whose progress remains central to our purpose.

Finally, I thank our shareholders for their continued confidence and support. Together, these enduring relationships form the living network that underpins our resilience, sustains our success, and enables us to create lasting value for all stakeholders.



Prof. Ajantha Samarakoon
Chairman

01 June 2026
Colombo

Chief Executive Officer's Review



"To support our new growth trajectory, we intensified our focus on people and processes, investing time in rethinking how our teams work and how our systems operate. Over the past two years, we reassessed structures and disciplines to ensure they truly enabled our people to deliver on the organisation's ambitions."

Dear Shareholder

I am pleased to present our performance for FY 2025/26, a year marked by renewed growth, stronger operational resilience, and meaningful progress across our strategic priorities. Underpinning these achievements was the mycelium-like strength of our people, processes, and partnerships, which enabled us to respond swiftly to changing market conditions and create sustainable value for our stakeholders.

Operating Environment

As elaborated in detail in the Chairman's message, stronger macroeconomic fundamentals enabled Sri Lanka's economy to record a strong recovery in 2025. This improvement had a positive impact on the financial sector, supporting stability and renewed growth momentum.

Credit appetite strengthened notably in 2025, supported by favourable macroeconomic conditions. Sector wide Loans and Advances expanded by a strong 56% year on year, driven by renewed demand for finance leases, vehicle loans, and gold loans. Deposit mobilisation also improved, with deposits growing by 19.8% as customers regained confidence in the stability of the financial system. Industry profitability strengthened in tandem, supported by improved NII and easing funding costs. Asset quality meanwhile showed a marked turnaround, with the sector's net Stage 3 loans ratio declining to 3.2% by end 2025 from 6.5% in the previous year, reflecting better repayment behaviour and more disciplined credit management across the industry.

Financial Performance

Against this favourable backdrop, People's Leasing delivered a strong financial performance, reflecting the effectiveness of its strategic focus and disciplined execution. The lending portfolio expanded by 75.53% to Rs. 275.74 billion, driven by healthy growth across key business segments, while deposits increased by 32.86%, strengthening the Company's funding base and liquidity position. Profit before tax rose by 47.86% to Rs. 8.56 billion, supported by higher business volumes, improved net interest margins, disciplined cost management, and robust recovery efforts. This strong performance translated into the highest Profit After Tax in the Company's history, reaching Rs. 5.08 billion for the financial year 2025/26. Asset quality continued to improve, with reductions in non-performing facilities and stronger collection performance contributing to lower impairment charges. These achievements were realised while maintaining prudent risk management practices and strong capital adequacy, reinforcing the Company's ability to pursue sustainable growth and create long-term value for stakeholders.

Accelerating Growth

Building on the momentum generated by the economic recovery, People's Leasing remained focused on converting emerging opportunities into sustainable business growth. During the year People's Leasing continued to push aggressively for new business, tighten collections, and expand into emerging opportunity spaces such as livelihood focused commercial financing to drive credit growth. At the same time, the Company placed strong emphasis on driving deposit mobilisation, particularly fixed deposits which gained solid traction and strengthened liquidity, enabling PLC to fund its accelerated growth agenda with greater stability and flexibility.

Realigning our Operations

To support our new growth trajectory, we intensified our focus on people and processes, investing time in rethinking how our teams work and how our systems operate. Over the past two years, we reassessed structures and disciplines to ensure they truly enabled our people to deliver on the organisation's ambitions.

Our People First Strategy

People's Leasing draws strength from a highly experienced talent base, creating a depth of expertise that sets us apart. Over the past two years, we placed greater emphasis on leveraging this collective experience, spending time with our teams, listening to their insights, and recognising the depth of expertise within the organisation. This understanding enabled us to empower our people more intentionally, placing greater trust in their capabilities, motivating them through training, open dialogue, and meaningful incentives, and leveraging their strengths to drive better outcomes. By reinforcing our inclusive, performance oriented culture and unlocking the potential of our internal talent, we have strengthened the organisation's readiness to move confidently into its next stage of growth.

Digitalisation Drive

Digitisation of operations has been identified as a key driver of future growth amidst a rapidly evolving operating environment. We take a holistic approach to digitalisation, going beyond process automation to reshape how people think about and engage with digital tools. By demonstrating how processes can be executed more efficiently through digital solutions and driving a shift in mind-set, we are building a culture that embraces technology as a catalyst for smarter, faster, and more effective ways of working. To support this transition, we continue to build capacity through targeted training, equipping our teams with the skills and confidence needed to adopt and champion digital ways of working.

GRI 2-22

Integrating Sustainability

We remain firmly focused on embedding Environmental, Social, and Governance (ESG) principles into every aspect of our business. As a financial institution serving predominantly SMEs and the informal sector, a core pillar of our sustainability agenda is advancing financial inclusion by ensuring that individuals and businesses with limited access to formal finance are given meaningful opportunities to participate in the economy. Meanwhile, we continue to offer ESG aligned financial products in line with the Sri Lanka Green Finance Taxonomy, creating tangible pathways for customers to transition to clean energy and adopt more sustainable practices. A key development in this regard during the year was the launch of an integrated financing solution combining electric vehicle leasing and rooftop solar funding, enabling customers to adopt sustainable technologies.

To advance our ESG agenda, ESG considerations are embedded in all major decisions, including credit assessments, and our staff receive continuous training to strengthen their understanding of ESG risks, opportunities, and responsibilities.

A key element of embedding ESG into our operations is strengthening data integrity, controls, and governance around sustainability-related disclosures. During 2025/26, the Company made significant progress towards the implementation

Chief Executive Officer's Review

of SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards, which became mandatory for Top 100 listed companies on the Colombo Stock Exchange during the year under review. Several important initiatives were undertaken during the year, including the establishment of dedicated governance structures such as the Board Sustainability Committee and Sustainability Steering Committee, formation of a cross-functional SLFRS S1 & S2 implementation team, strengthening climate-related risk identification and assessment processes, enhancement of internal data collection and reporting mechanisms, and conducting extensive Board and management-level awareness and capacity-building programmes. The Company also identified its material climate-related risks and opportunities and incorporated the relevant mandatory disclosures within this Annual Report in line with the new reporting requirements.

Awards and Accolades

Recognition received for digital innovation, customer service excellence, and sustainability leadership provides external validation of the strategic direction pursued by the Company. These accolades are a reflection of our sustained commitment to achieving excellence in every aspect of our operations. A full list of the awards and accolades received during the year is set out in pages 170 to 173 of the report.

Way forward

The evolving geopolitical tensions in the Middle East underscore the importance of resilience and adaptability in an increasingly interconnected world. While prolonged instability could contribute to higher costs and economic pressures that affect both businesses and households, we remain confident in our ability to navigate these challenges through prudent risk management, strong customer engagement, and disciplined execution. We continue to closely monitor developments and proactively support our customers in responding to changing circumstances.

Looking ahead, we remain optimistic about the prospects of the Sri Lankan economy and the financial services sector. As economic activity gathers momentum, we see significant opportunities to deepen our support for SMEs, entrepreneurs, and underserved communities, enabling broader financial inclusion and sustainable economic progress. Backed by a strong balance sheet, talented and committed employees, growing digital capabilities, and trusted customer relationships, People's Leasing is well positioned to accelerate growth, strengthen its market presence, and create enduring value for all stakeholders

Much like a living network in nature, our strength lies not in any single component, but in the connections that unite our customers, employees, partners, shareholders, and communities. By continuing to strengthen these relationships and fostering collaboration across our ecosystem, we are building a more resilient, innovative, and sustainable organisation, one that is well prepared to thrive in a changing world and create lasting value for generations to come.

Acknowledgements

In closing, I extend my sincere gratitude to our Board of Directors for their steadfast support and strategic direction. I also thank the Management team and every member of the People's Leasing family for their dedication, resilience, and unwavering commitment, which continue to propel our organisation forward.

We remain appreciative of the Central Bank of Sri Lanka and the Non Bank Financial Institutions Supervision Department for their consistent support and regulatory stewardship.

To our customers, shareholders, and stakeholders, your trust is our greatest asset and the foundation upon which we continue to build with confidence and purpose.



Sanjeewa Bandaranayake
Chief Executive Officer/ General Manager

01 June 2026
Colombo

STRATEGY AND FOCUS

Nurturing Shared Growth



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E S T

Value Creation Model of People's Leasing

People's Leasing's value creation model reflects how the Company transforms multiple forms of capital into sustainable value for stakeholders through a connected, resilient, and continuously evolving business model. Inspired by the concept of a living network, the model demonstrates how financial, operational, human, technological, and relationship-based strengths interact dynamically and interdependently to support long-term growth, resilience, and sustainable stakeholder value creation.

Operating within an increasingly complex and rapidly evolving external environment shaped by economic conditions, regulatory developments, technological advancement, environmental risks, social expectations, and market competition, the Company continuously adapts its strategies, operating model, and resource allocation decisions to remain resilient, responsive, and future-ready. This adaptive approach enables People's Leasing to effectively manage risks, capture emerging opportunities, and sustain its relevance in a changing financial services landscape.

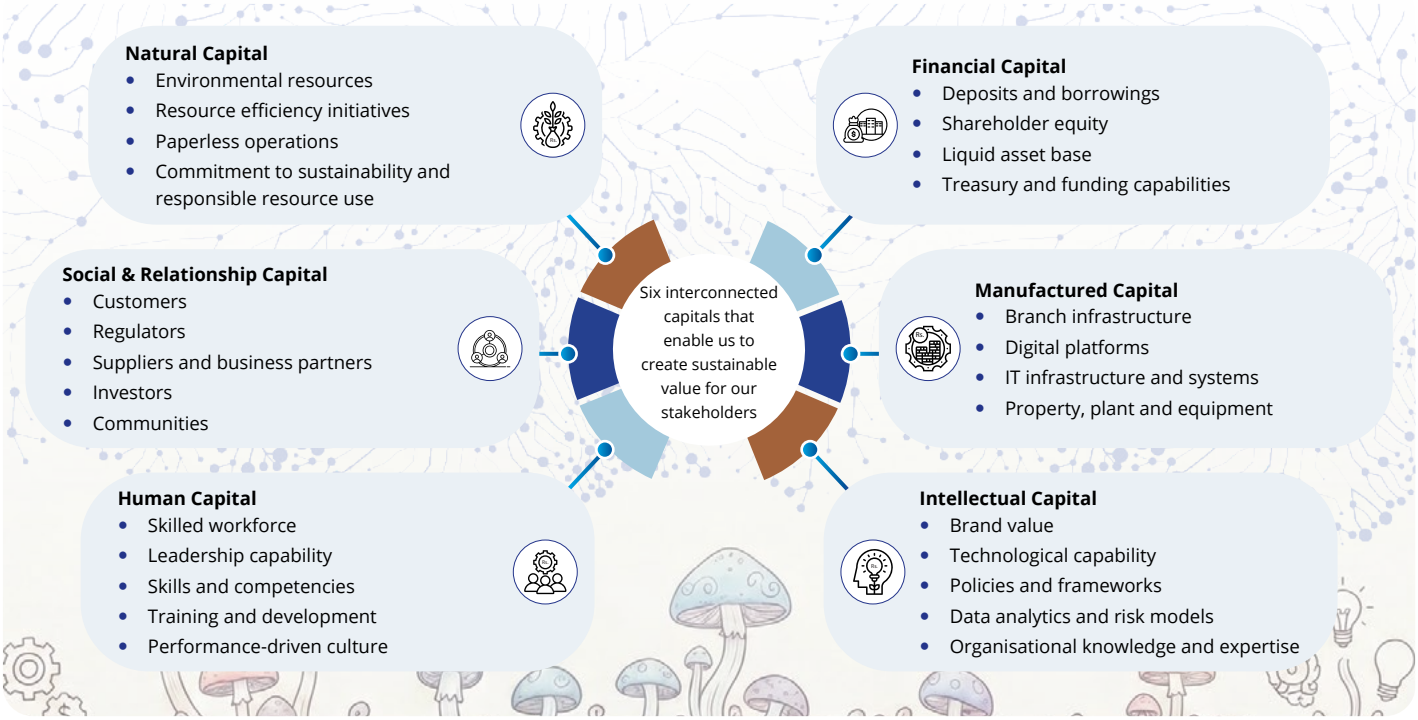
Core Value Creation Process

At the core of the model is the Company's role as a financial intermediary, where funds mobilised through deposits, borrowings, and shareholder capital are efficiently channelled towards productive economic activities through leasing, lending, gold loans, Islamic finance, margin trading, and treasury-related activities. Through this process of financial intermediation and maturity transformation, People's Leasing facilitates the efficient flow of capital across the economy while supporting entrepreneurship, business expansion, financial inclusion, and broader national economic development.

The Company's value creation process is guided by a set of interconnected strategic pillars comprising responsible growth, empowered people, building stronger relationships, commitment to environment and social responsibility and effective governance and risk management. These strategic pillars collectively guide decision-making, operational execution, risk management, stakeholder engagement, and capital allocation across the organisation, ensuring that growth remains balanced, responsible, and sustainable over the long term.

The process begins with six interconnected capital inputs that collectively form the foundation of the Company's operations:

Our Six Capitals



These capitals are transformed through the Company's core operational cycle:

- Mobilising funds
- Allocating capital
- Generating returns
- Reinvesting and growing sustainably

This interconnected process is supported by strong governance frameworks, disciplined risk management practices, treasury and liquidity management, customer relationship management, digital transformation initiatives, and sustainability-focused decision-making mechanisms, all of which collectively strengthen operational resilience, financial stability, and long-term sustainability.

The Company's value creation model further recognises that sustainable value generation extends beyond short-term financial performance. Through responsible lending, customer-centric service delivery, digital innovation, and strategic investments in people and infrastructure, People's Leasing seeks to create value across all stakeholder groups while preserving the long-term strength and resilience of the organisation.

Through this model, the Company generates a broad range of financial and non-financial outputs, including portfolio growth, deposit mobilisation, profitability, digital transactions, expanded customer reach, operational efficiencies, and sustainable finance initiatives. These outputs contribute towards broader organisational outcomes across all six capitals by strengthening profitability, operational capability, customer trust, employee development, environmental responsibility, brand value, and institutional resilience.

Furthermore, People's Leasing recognises that sustainable long-term success depends on maintaining a strong culture of accountability, ethical conduct, and continuous learning across the organisation. Through employee empowerment, leadership development, collaboration, and performance-driven practices, the Company continues to strengthen its human capital capabilities while fostering innovation, adaptability, and responsible business practices. This people-centric approach supports the Company's long-term strategic ambitions and reinforces its commitment towards sustainable stakeholder value creation.

Continuous Feedback Loop

The model also recognises that value creation is not static, but part of a continuous and interconnected feedback loop where stakeholder insights, performance outcomes, data analytics, and strategic reviews continuously influence decision-making, process improvements, innovation, and future capital allocation. This continuous learning and adaptation process enables the Company to remain agile and responsive amid changing market dynamics while continuously strengthening its operating model and stakeholder value proposition.

In addition, continuous monitoring, strategic performance evaluations, and stakeholder engagement mechanisms enable the Company to identify emerging risks and opportunities at an early stage. This proactive approach supports informed decision-making, enhances organisational adaptability, and strengthens the Company's ability to deliver sustainable value creation over the long term.

Creating Shared Value for a Sustainable Future

Beyond financial performance, the Company's value creation process contributes towards broader economic, social, environmental, and institutional impact. These include supporting capital formation, facilitating financial inclusion, enabling entrepreneurship and employment generation, strengthening stakeholder confidence, advancing responsible financing practices, supporting climate-conscious initiatives, and contributing towards sustainable national development priorities.

The Company also recognises that long-term value creation requires careful balancing of competing priorities, including growth and risk, profitability and sustainability, innovation and stability, as well as customer needs and responsible financing practices. Accordingly, strategic decisions are made with a strong emphasis on resilience, ethical conduct, sustainability integration, and long-term stakeholder value.

Moreover, the Company remains committed to creating shared value by integrating economic progress with social and environmental responsibility. Through sustainable financing initiatives, responsible business conduct, community engagement, and environmentally conscious operational practices, People's Leasing continues to contribute meaningfully towards inclusive economic growth and broader national development objectives.

By integrating strategic focus, sustainability principles, stakeholder engagement, disciplined governance, and continuous innovation into a single connected framework, People's Leasing continues to strengthen its position as a resilient and responsible financial institution committed to creating sustainable value for all stakeholders while contributing meaningfully towards Sri Lanka's long-term economic and social progress.

Value Creation Model

Inputs - Our 6 Capitals

Financial Capital
- Deposits, Borrowings, Equity
- Strong Liquidity Rs. 25.2 Bn
- Tier 1 Capital Ratio 22.94%
- Number of shareholders 9,896

Manufactured Capital
- Branch Network (110)
- IT Infrastructure & Systems
- Digital Platforms
- Property, Plant & Equipment Rs.1,788 Mn

Intellectual Capital
- Brand Value Rs.5.40 Bn
- Software Value Rs.34 Mn
- Plocies, Procedures & Frameworks
- Data Analysis & Risk Models

Human Capital
- 2679 + Employees
- Training and Skills Development
- Performance Culture
- Salaries & Benefits Paid Rs. 4.9 Bn

Social & Relationship Capital
- 324,966 Deposit Customers
- 129,763 Lending Customers
- Regulators Suppliers Communities & Shareholders

Natural Capital
- Energy Consumption 24,907 Gj
- Carbon Footprint 5,664 tCO_2e
- Communication Sustainable & Paperless Finance
- Resource Efficiency

External Environment

Economic Conditions | Regulatory Landscape | Technological Change | Environmental Risks | Social Expectations | Market competitions

Guided By Our Strategic Pillars

Responsible Growth | Empowered People | Building Stronger Relationships | Environment & Social Responsibility | Effective Governance and Risk Management

Our Core Process (Financial Intermediation)

Mobilise Funds
- Customer Deposits
- Borrowings
- Shareholders Funds

Reinvest & Grow
- Strengthen Capital
- Expand Portfolio
- Invest in digital & People
- Build Long-term Capability

Living Network
(Core Process)

Allocate Capital
- Loans (Lease, Vehicle, gold, Islamic
- Treasury Investment
- Margin Trading

Generate Returns
- Interest Income
- Fee & Commission income
- Trading Income
- Other Income

Risk Management | Treasury & Liquidity Management | Digital Transformation | Customer Relationship Management | Governance & Compliance

Feedback Loop (Continuous Value Cycle)

Outcomes Review | Insights & Analysis | Strategic Decisions | Capital Allocations | Improved Processes | Stronger Inputs & Better Outcomes

Driven By Purpose

Strengthened By Values

GRI 2-6

Outputs (What We Deliver)

- Portfolio Growth Rs. 118.65 Bn
- Deposit Growth Rs. 40.92 Bn
- Profit After Tax Rs. 5,081 Mn
- Digital Transactions Volume 1.4 Mn
- Customers 476,631 (Deposit + Lending)
- Branches - 112
- Market Share Growth Across Key Segments
- Sustainable Finance & Green Initiatives
- Widespread Presence Across Sri Lanka

Outcomes

Value Creations

- PAT increased to Rs. 5.08 Bn
- Portfolio increased to Rs. 275.74 Bn
- Share price increased to Rs. 22.40
- Green finance disbursements increased by 56 times
- Expansion of the customer base and branch network
- Employee growth, promotions, and training investments
- Reduction in customer complaints by 29.87%

Value Preservation

- Retained earnings increased to Rs. 23.47 Bn
- Shareholders' funds strengthened to Rs. 47.53 Bn
- Total Capital Ratio maintained at 18.88%, above the regulatory minimum
- Liquidity Ratio maintained at 19.74%
- Cost-to-income ratio improved to 51.16%
- Strengthened stated capital to Rs. 20.51 Bn
- Strong governance structure and Board oversight

Value Erosion (Risks)

- Increase in carbon footprint to 5,819 tCO_2e
- Rising technology and cybersecurity risks
- Disputes related to digital transactions increased to 1,663
- Staff retention ratio decreased to 78.42%

Impact, Stakeholder Value & Feedback Loop

Economic Impact

- Credit expansion
- Capital formation
- Supporting economic activity through financing
- Wealth creation
- Efficient capital development

Social Impact

- Financial inclusion
- Empowering individual & businesses
- Employment generation
- Community development

Environmental Impact

- 66% reduction in energy intensity (YoY)
- Strengthened paper reduction initiatives
- ESG consideration in lending decisions
- Responsible operations with lower environmental impact

Institutional Impact

- Compliance & governance excellence
- Strengthened stakeholder trust & confidence
- Binding a resilient financial ecosystem

Stakeholder Value

- Shareholders - Sustainable returns,dividend and Long term capital appreciation
- Customers - Access to affordable and recoverable financial solution
- Employee - Fair Compensation,Career growth
- Regulators - Compliance transparency and financial policy
- Society & Community - Economic development
- Environment - Reduced footprint and invaluable financing solutions

Trade-Off (Balancing Properties)

- Growth vs Risk
- Short-term vs Long-term
- Innovation vs Stability
- Customer Needs vs Responsible Finance

Balancing our priorities to create long-term value for all stakeholders while adopting to a dynamic external environment.

Delivered By Integrity

Creating Value For A Sustainable Future

Operating Environment

Key Global Economic Trends Influencing the 2025/26 Financial Year

The global economy remained resilient during the 2025/26 financial year despite increasing geopolitical uncertainty, evolving trade policies, and volatility across global financial and commodity markets. The following key trends shaped the global economic environment and influenced the operating context of People's Leasing throughout the year.

Key Global Economic Trends in 2025/26

Steady Global Growth	Technology & AI Investment	Evolving Trade Policy Landscape	Easing Inflationary Pressures	Accommodative Financial Conditions	Elevated Downside Risks
Global economic growth remained resilient, supported by strong performance in major economies, technology-driven investment, accommodative financial conditions, and private sector adaptability.	Continued investment in technology and artificial intelligence (AI), particularly across North America and Asia, supported productivity improvements, innovation, and global economic activity.	Global trade activity remained resilient despite ongoing shifts in trade policies, tariff adjustments, and geopolitical fragmentation. Bilateral trade agreements and technology-related exports continued to support global trade flows.	Global inflation continued to moderate during the year due to easing energy prices, softer demand conditions, and gradual normalisation of supply chains, although core inflation remained elevated in several economies.	Global financial conditions remained broadly supportive despite periods of market volatility and rising sovereign debt concerns. Liquidity conditions and investor sentiment generally remained resilient.	Geopolitical tensions, policy uncertainty, public debt vulnerabilities, and financial market volatility continued to pose downside risks to the global economic outlook.
Global GDP Growth: 3.3% in 2025 (estimated)	Strong momentum in global technology and AI-related investment	Global Goods Trade Volume Growth: Approximately 2.0% in 2025	Global Headline Inflation: 4.1% in 2025 3.8% projected for 2026 3.4% projected for 2027	Global financial conditions remained near accommodative levels	Policy uncertainty remained significantly higher compared to early 2025

Impact on People's Leasing

These global economic trends influenced the Company's operating environment, business performance, and strategic direction during the 2025/26 financial year.

Stable global economic activity supported demand for leasing and financing solutions	Continued technology investment reinforced the importance of digital transformation and operational efficiency	Changes in trade and supply chain dynamics influenced commercial sector activity and asset demand	Easing inflation and interest rates supported affordability, customer confidence, and repayment capacity	Supportive financial conditions strengthened liquidity and funding access	Heightened uncertainty reinforced the importance of prudent risk management, resilience, and operational agility

Geopolitical Developments

The escalation of geopolitical tensions and conflict in the Middle East during early 2026 further heightened global economic uncertainty, impacting commodity markets, inflation expectations, energy prices, and financial market stability, thereby increasing downside risks to the global economic environment.

NBFI Sector Performance in 2025

The NBFI sector demonstrated strong growth during the year, supported by favourable macroeconomic conditions and rising credit demand.

Credit Growth
56% YoY growth in Loans and Advances driven by growth in both Finance leases and vehicle loans as well as gold loans.

Deposit Growth
19.8%
YoY growth in Deposits

Profitability
Stronger NII and reduced funding costs contributed to the sector's improved PAT during the year

Asset Quality
Reduction in Net stage 3 loans ratio to 3.2% at end 2025 from 6.5% at the end 2024 reflecting improved asset quality

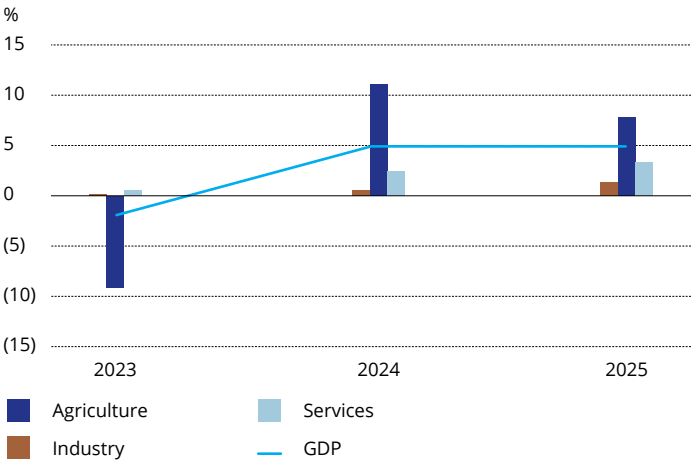
Industry Drivers

Resilient GDP Growth Momentum

- Sri Lanka's economy grew by 5% in 2025, demonstrating a notable strengthening of macroeconomic stability and resilience amid elevated global uncertainties, domestic challenges, and the temporary setbacks arising from the Ditwah cyclone in November 2025.

- All three major sectors contributed meaningfully to overall economic expansion in 2025 with industry remained the primary driver of growth. Services also witnessed a growth due to the continued expansion in financial services and transport activities. Meanwhile, Agriculture recorded a notable improvement, with sectoral growth in 2025 outpacing that of 2024.

Real GDP Growth



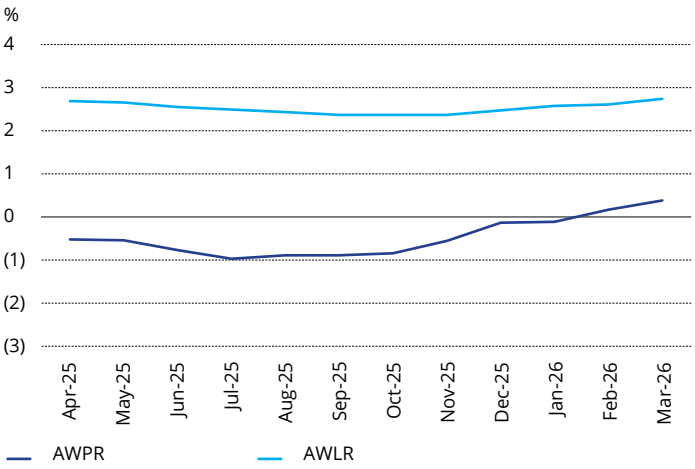
Impact to People's Leasing

- Strong economic growth supported higher demand for leasing, lending, and SME financing solutions.
- Growth in the industrial sector enhanced financing opportunities in transportation, construction, and equipment-related segments.
- Expansion in the services sector improved business activity, customer cash flows, and repayment capacity.
- Improved agricultural performance supported opportunities in agri-financing, gold loans, and rural market expansion.
- Strengthening macroeconomic stability improved customer confidence, deposit mobilisation, and overall market sentiment.
- Weather-related disruptions reinforced the importance of prudent risk management and operational resilience.

Relatively low and stable interest rates

- Overall market interest rates continued to adjust downwards in 2025, supported by the continuation of the accommodative monetary policy stance, a low-inflation environment, and lower risk premiums driven by improvements in the country's credit ratings. However, towards the latter part of the financial year, interest rates reflected a gradual upward adjustment amid evolving market conditions and changing liquidity dynamics.

Movement of Interest Rate



Impact to People's Leasing

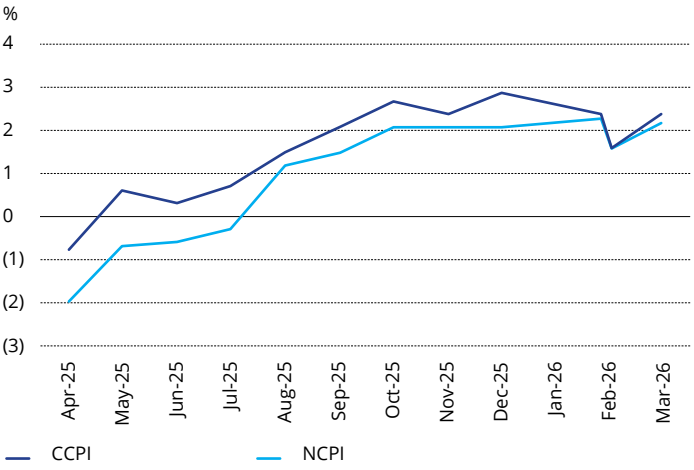
- The downward trend in interest rates supported stronger credit demand, although interest income came under pressure.
- Declining interest rates have softened deposit demand as customers seek higher yielding alternatives.

Operating Environment

Low but accelerating Inflation

- Following eleven consecutive months of deflation, headline inflation returned to positive territory in August 2025 and gradually accelerated thereafter.

CCPI & NCPI (YoY % Change)



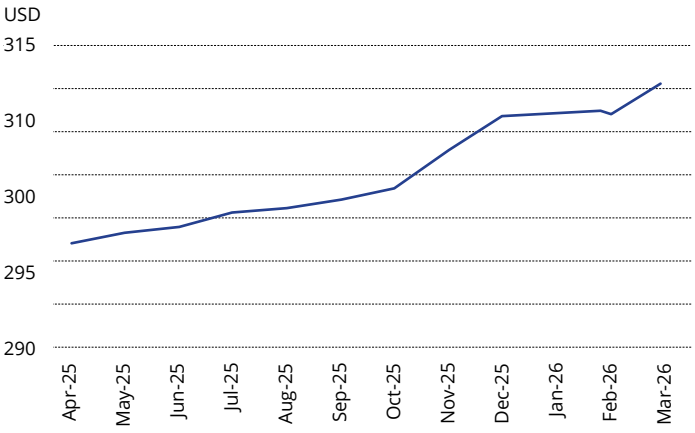
Impact to People's Leasing

- Low inflation during most of the financial year supported customer affordability, business activity, and financing demand across key market segments.
- The gradual acceleration in inflation towards the latter part of the year increased pressure on operating costs, funding costs, and customer repayment capacity.

Depreciation of Rupee

- Following two years of sustained appreciation, the Sri Lankan Rupee depreciated across all major currencies in 2025, including over 5% YoY decline against the US dollar,

Exchange Rate Movement – USD Dollar



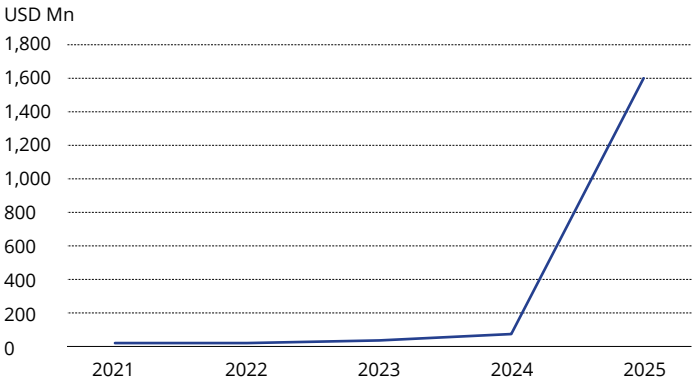
Impact to People's Leasing

- The strengthening of the export sector increased demand for export linked credit, particularly among small scale exporters seeking working capital to support rising order volumes.
- Currency depreciation exerted upward pressure on inflation and operating costs, affecting overall business and customer cash flow conditions.

Removal of Restrictions on Vehicle Imports

- Sri Lanka officially lifted its five-year ban on vehicle imports on February 1, 2025
- In November 2025 CBSL revised and simplified the LTV structure for unregistered vehicles, capping financing at 70% for commercial vehicles and 50% for private vehicles

Personal Vehicle Imports



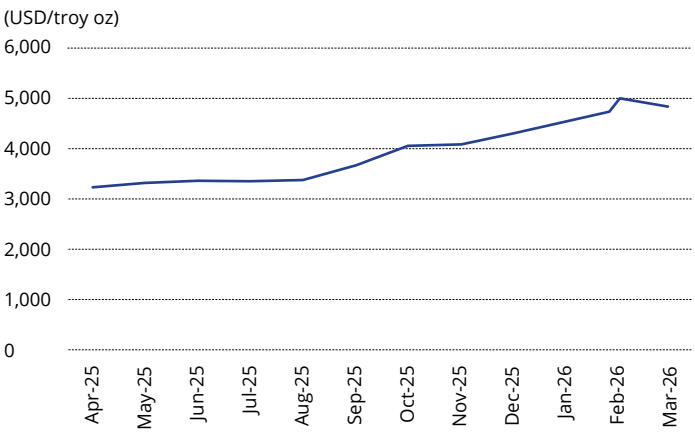
Impact to People's Leasing

- The removal of vehicle import restrictions created renewed growth opportunities for vehicle leasing and asset financing businesses.
- The revised LTV framework by CBSL reinforced prudent lending practices while influencing financing structures and customer affordability.

Higher Gold Prices

- Gold prices in 2025 trended upward, remaining elevated throughout the year amidst global uncertainty.

World Gold Prices



Impact to People's Leasing

- Higher gold prices supported increased demand for gold loan products and strengthened growth opportunities within the gold financing segment.
- Elevated gold values improved collateral coverage and reduced credit risk exposure within the gold loan portfolio.

Mega Trends Impacting Our Business

Tightening Regulatory and Compliance Landscape

Stricter capital adequacy norms, enhanced governance expectations, and intensified supervision by the Central Bank are pushing financial Institutions toward stronger risk management, transparency, and disciplined growth.

Increasing Focus on Sustainability and ESG Aligned Finance

Stakeholders are placing greater emphasis on responsible lending, green financing, and social impact, prompting financial Institutions to integrate ESG considerations into product design, risk frameworks, and reporting.

Digital Transformation and Fintech Disruption

Rapid adoption of digital payments, mobile first customer behaviour, and the rise of fintech platforms are accelerating the shift toward automated credit processes, digital onboarding, and data driven lending models.

Consolidation and Sector Restructuring

Industry consolidation, driven by regulatory pressure, capital requirements, and the need for scale is reshaping competitive dynamics and encouraging mergers, acquisitions, and strategic partnerships within the industry.

Outlook

The escalation of the Middle East crisis is likely to have broad based implications for the global economy, with knock on effects on Sri Lanka through its impact on exports, tourism, remittances, and external financing conditions. Although the Sri Lankan economy has demonstrated commendable resilience amid strengthening macroeconomic fundamentals, a prolonged conflict could heighten economic vulnerabilities, in turn creating a more challenging operating environment for the financial sector. The potential impact of our key drivers are discussed below.

Credit Growth

Credit growth momentum is expected to continue amidst stronger macroeconomic fundamentals in Sri Lanka. However, a prolongment or escalation of tensions may exert downward pressure on credit demand by weakening external sector performance and dampening borrower confidence.

Asset Quality

Heightened downside risks for asset quality given potential delays in recoveries and increased impairment requirements following the impact of Cyclone Ditwah, as well as possible pressures on the repayment capacity of households and corporates arising from spillovers of ongoing geopolitical tensions.

Liquidity

While liquidity conditions are expected to remain broadly stable, supported by strong capital buffers within the industry, rising credit demand and potential spill-over effects arising from the Middle East conflict may exert pressure on market liquidity, necessitating closer monitoring of liquidity levels and funding conditions.

Stakeholder Engagement

GRI 2-29

Stakeholder engagement is a core pillar of People's Leasing's governance framework and value creation philosophy. As a systemically important, regulated financial institution, the Company recognizes that sustainable growth and long-term resilience depend on maintaining transparent, trusted, and constructive relationships with stakeholders who influence and are influenced by its operations. Accordingly,

People's Leasing adopts a structured and continuous approach to stakeholder engagement to understand stakeholder expectations, identify material matters, manage risks and opportunities, and integrate stakeholder insights into strategic decision-making.

People's Leasing adopts a decentralized stakeholder engagement framework, embedded across business units and functional areas, enabling timely and relevant interactions with stakeholders at operational and strategic levels. Engagement activities are guided by internal policies, regulatory requirements, and best-practice sustainability frameworks.

The Seven-stage Stakeholder Engagement Process

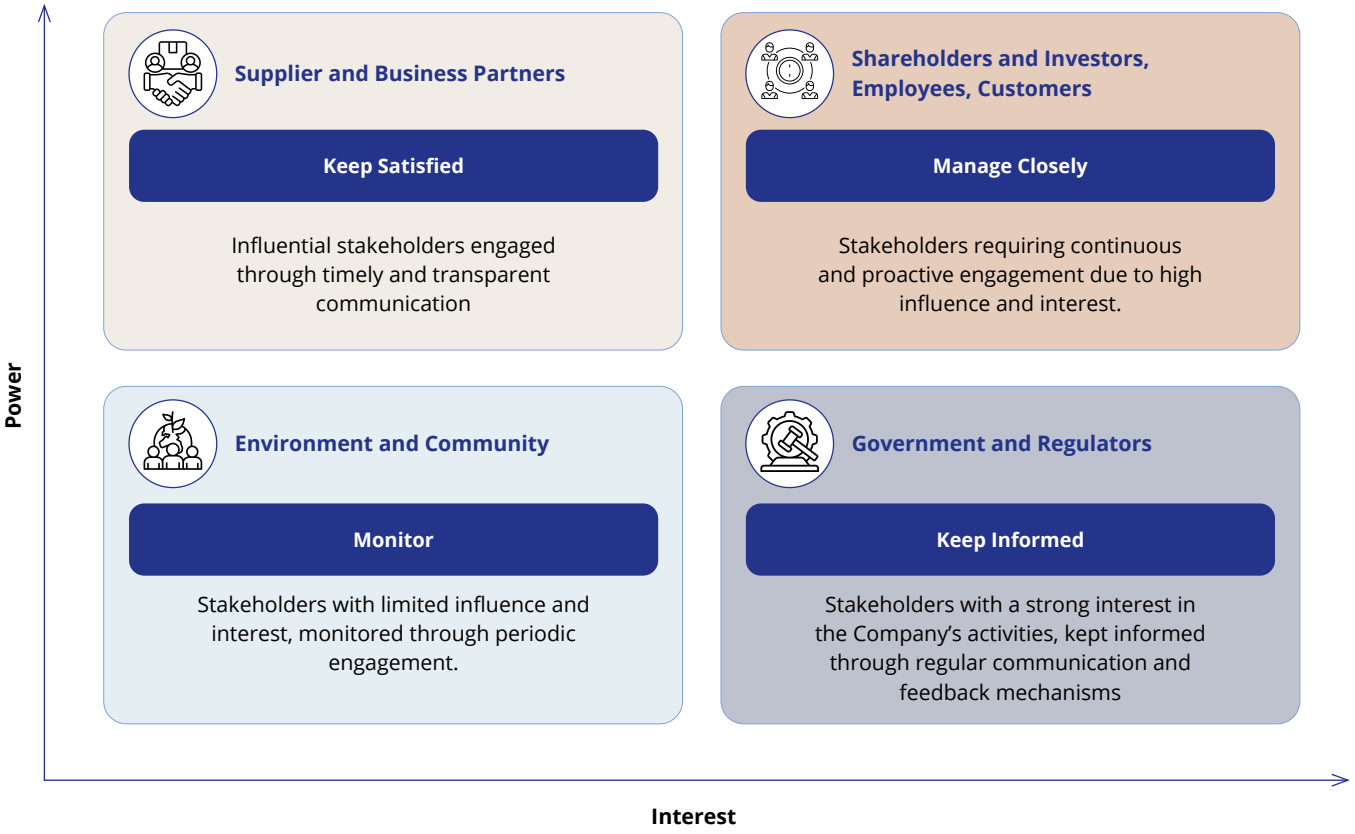
STAKEHOLDER ENGAGEMENT OBJECTIVES

- IMPROVED RELATIONS with stakeholders through trust, transparency, understanding, partnership and constructive engagement.
- INFORMED STRATEGIC PLANNING that integrates stakeholders' interests.
- Ensure ALIGNED GOALS AND EXPECTATIONS
- ESTABLISHED RESPONSIBILITY AND ACCOUNTABILITY of all parties.
- Develop and sustain company AWARENESS of broader social, economic and environmental RISKS AND OPPORTUNITIES.
- IMPROVED UNDERSTANDING BY STAKEHOLDERS of People's Leasing's position, issues, challenges and requirements with accurate information dissemination to stakeholders.
- Support CONSENSUS-BASED DECISION-MAKING
- SUPPORT SUSTAINABILITY and relevance of company activities towards value creation for all stakeholder.



1. Stakeholders are identified based on those who have the most impact to the organisation
2. Prioritise stakeholders based on the power interest matrix
3. Based on the results of the power-interest matrix, design suitable interaction and engagement plans for each stakeholder category
4. Execute stakeholder engagement plans
5. Understand stakeholder expectations and aspirations
6. Disseminate insights gained through stakeholder conversations to update "Material Matters" as needed
7. Monitor and report back to stakeholders regarding the progress made on their needs

Stakeholder mapping



Stakeholder Engagement

SHAREHOLDERS AND INVESTORS

We manage our business to deliver sustainable financial performance, transparent reporting, and strong governance to meet the expectations of investors and related stakeholders.

Associated Risks - Credit Risk | Liquidity Risk | Market Risk | Operational Risk | Information Security Risk | Strategic Risk | Reputation Risk | Sustainability Risk

Responsible Authority Driving Engagement: Company Secretary



Quality of Relationship-Satisfactory

Link to Material Topics

- Financial stability
- Talent attraction and retention
- Ethics and governance
- Driving Sustainable Growth through Sustainable Finance
- Advancing Financial Inclusion

Importance to People's Leasing

Similar to nutrient sources in a mycelium network, shareholders and investors act as vital sources of nourishment, providing the capital and confidence that sustain growth and long-term resilience of People's Leasing.

Engagement Channels and Frequency	Stakeholder Concerns and Expectations	Value Creation Commitments
• Annual General Meeting (Annually) • Annual Report (Annually) • Extraordinary General Meetings (As needed) • Interim Financial Statements (Quarterly) • CSE Announcements (As needed) • Press Conferences / Press Releases (As needed) • Proactively and directly engage investors (As needed) • Participation in various investor conferences (As needed) • Corporate Website (Continuous and Ongoing) • Social media platforms (Continuous and Ongoing)	• Shareholders and investors expect consistent financial performance, supported by prudent risk management and disciplined capital allocation. They also value transparent and timely disclosures, strong governance, and a clear long-term strategy that ensures resilience, sustainable returns, and continued value creation. Additionally, investors increasingly expect the integration of ESG considerations into decision-making.	• Responsible and ethical business conduct supported by strong ESG integration • Stable and sustainable earnings performance over the medium to long term • Delivery of satisfactory and sustainable returns to shareholders • Timely and accurate disclosure of price-sensitive and material information • High standards of transparency and accountability in financial reporting • Effective succession planning aligned with a clearly defined long-term growth strategy • Robust and proactive risk management framework supporting business resilience • Strong Board oversight and effectiveness in strategic and governance matters

Key Indicator	Outcome		
	2025/26	2024/25	2023/24
Dividend Per Share (Rs.)*	1.40	1.40	1.40
Dividend Payout (%)*	60.12	83.70	80.74
Cost to Income (%)	51.16	54.96	55.61
EPS (Rs.)	2.30	1.63	1.64
Shareholders (No)	11,299	9,896	9,983

* This includes the proposed final scrip dividend of Rs. 0.70 per share which is subjected to shareholders approval at the AGM

Key Issues for the year	Our Response	Future Targets
Sustainable returns amid evolving economic and regulatory conditions	Focus on balanced growth, cost discipline, and prudent risk management to support stable earnings and sustainable shareholder returns	Achieve consistent profitability across economic cycles while protecting shareholder value through disciplined capital allocation.
Enhanced credit quality and portfolio stability	Continued optimisation of credit evaluation processes supported by system-driven assessments and strengthened monitoring mechanisms.	Improve asset quality metrics and reduce credit risk through data-driven credit analytics and early-warning frameworks.
Long-term value creation and dividend sustainability	Adopted a disciplined approach to earnings retention and distribution to balance reinvestment needs with shareholder expectations	Deliver progressive and sustainable dividends supported by steady earnings growth and capital efficiency.

Quality of Relationship



Stakeholder Engagement

CUSTOMERS

Our team manages relationships with individual customers and corporate clients (lending customers and deposit customers) by delivering credit facilities, deposit products, and related financial services in a responsible and customer-centric manner.

Associated Risks -Credit Risk | Market Risk | Liquidity Risk | Operational Risk | Information Security Risk

Responsible Authority Driving Engagement: Branch/Business Unit Heads, Marketing Department

Quality of Relationship-Strong

Link to Material Topics

- Digitalisation of Services
- Customer Experience
- Ethics and governance
- Driving Sustainable Growth through Sustainable Finance
- Advancing Financial Inclusion

Importance to People's Leasing

Customers are central to People's Leasing's living network, forming the dynamic connections through which value flows across the system. Through their participation as lending and deposit customers, they sustain income generation, funding stability, and continuous growth, enabling the network to remain resilient, adaptive, and sustainable over the long term.

Engagement Channels and Frequency	Stakeholder Concerns and Expectations	Value Creation Commitments
• Meetings (As needed) • Branch teams (Continuous and Ongoing) • Direct communications with customers (As needed) • Customer get-togethers (As needed) • Call Centre (Continuous and Ongoing) • Corporate Website (Continuous and Ongoing) • Social media platforms (Continuous and Ongoing) • Emails (As needed) • Market surveys(Continuous)	• Customers expect accessible and reliable financial solutions that are tailored to their evolving needs, delivered with transparency, efficiency, and consistency. They value clear pricing, straightforward product information, and timely service with minimal turnaround times. Strong data security and privacy protection are essential, alongside ethical conduct and continuous innovation to enhance convenience, trust, and overall service quality.	• Customer-centric financial solutions aligned with evolving individual and corporate needs • Integrated branch and digital service delivery supporting customer-preferred engagement channels • Consistent service standards across all customer touchpoints • Transparent pricing and clear communication supporting informed decision-making • Secure and reliable transactions supported by strong data protection practices • Continuous improvement in service processes to enhance efficiency and turnaround times • Ethical conduct and service reliability strengthening customer trust and confidence.

Key Indicator	Outcome		
	2025/26	2024/25	2023/24
Deposit Customers	429,733	324,966	308,051
Lending Customers	151,889	129,763	104,865
Gold Loan Portfolio Growth (%)	105.85	85.15	26.56
Digital Transaction Volumes	1,417,158	1,022,963	1,012,196

Key Issues for the year	Our Response	Future Targets
Increasing demand for personalized and segment-specific financial solutions	Enhanced customer segmentation and product customisation to better align financial solutions with diverse customer needs, including retail, SME, and high-net-worth segments.	Further expand tailored product offerings using customer insights and data-driven decision-making. Introduce advanced advisory services and personalized digital engagement models for high-value customers.
Expectation of premium service experience among high-value customers	Strengthened relationship management and service delivery standards for priority customer segments to improve engagement and satisfaction.	Broaden product reach and enhance turnaround times through process automation and digital enablement.

Quality of Relationship



Stakeholder Engagement

EMPLOYEES

Our team of 3,251 employees, together with recognized trade union, play a critical role in delivering operational performance, service quality, risk management, and long-term sustainability of People's Leasing.

Associated Risks -Operational Risk

Responsible Authority Driving Engagement: HR Department

Quality of Relationship-Strong

Link to Material Topics

- Digitalisation of Services
- Financial stability
- Resource optimisation
- Employee Health and Wellness
- Talent attraction and retention
- Ethics and governance

Importance to People's Leasing

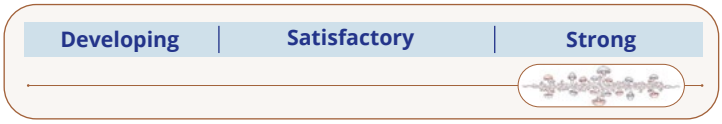
Employees are central to People's Leasing's living network, acting as the interconnected channels through which knowledge, skills, and operational capabilities flow across the organisation. They enable effective strategy execution, risk management, and service delivery.

Engagement Channels and Frequency	Stakeholder Concerns and Expectations	Value Creation Commitments
• Daily, weekly and monthly staff meetings • Weekly HR cluster meetings • Monthly meetings with trade union representatives • Monthly health and safety committee meetings • Bi-annual performance evaluations • Training initiatives (As needed) • Corporate Website (Continuous and Ongoing) • Social media platforms (Continuous and Ongoing) • Focus Group sessions (As needed) • Emails (As needed) • Employee grievance handling (As needed)	• Employees expect fair and competitive remuneration, job security, and a safe, inclusive, and respectful work environment. They also value opportunities for learning, career progression, and continuous skill development, alongside transparent performance management and timely resolution of concerns. Increasingly, employees expect flexible work practices and digital enablement to support productivity and work-life balance.	• Fair remuneration and benefits including employee health and wellness • Effective performance management and recognition. • A safe and inclusive work environment supported by opportunities for career progression. • Job security • Continuous upskilling enabling innovation and adaptability • Confidentiality and open door policy.

Key Indicator	Outcome		
	2025/26	2024/25	2023/24
Number of Employees	3,251	2,679	2,052
Employee Training Hours	82,629	79,660	84,599
New Recruits	1,128	964	359
Employee Salaries and Benefits	Rs. 7,374 Mn	Rs.4,865 Mn	Rs.4,248 Mn

Key Issues for the year	Our Response	Future Targets
Job security and financial well-being	Continued focus on sustainable workforce planning and periodic review of remuneration frameworks to support employee financial stability and motivation.	Strengthen long-term workforce sustainability through performance-linked rewards, career progression pathways, and cost-of-living–responsive remuneration reviews.
Expectation of a safe, inclusive, and respectful workplace	Reinforced the Company's commitment to equal opportunity employment by strengthening policies and awareness initiatives that promote dignity, diversity, and mutual respect across the organisation.	Further embed a culture of inclusivity and zero tolerance for harassment through continuous training, awareness programs, and leadership accountability.
Timely, fair, and transparent grievance resolution	Maintained a structured grievance handling mechanism to ensure employee concerns are addressed promptly, confidentially, and impartially in accordance with internal policies.	Maintained a structured grievance handling mechanism to ensure employee concerns are addressed promptly, confidentially, and impartially in accordance with internal policies.

Quality of Relationship



Stakeholder Engagement

GRI 207-3

GOVERNMENT AND REGULATORS

We maintain constructive relationships with the CBSL, CSE, SEC, and relevant national and international regulatory bodies through transparent engagement and timely regulatory compliance.

Associated Risks -Credit risk | Liquidity Risk | Operational Risk | Information Security Risk | Reputation Risk | Sustainability Risk

Responsible Authority Driving Engagement: Compliance Department, Company Secretary, Finance Department

Quality of Relationship-Satisfactory

Link to Material Topics

- Financial stability
- Ethics and governance
- Driving Sustainable Growth through Sustainable Finance
- Advancing Financial Inclusion
- Climate Action

Importance to People's Leasing

Government authorities and regulators form the structural framework within which People's Leasing living network operates, providing the rules and oversight that guide its stability and growth. Their role ensures disciplined functioning, regulatory alignment, and system-wide trust, enabling the network to operate with resilience, maintain market confidence, and achieve long-term sustainability.

Engagement Channels and Frequency	Stakeholder Concerns and Expectations	Value Creation Commitments
• On-site review by the CBSL (Annual) • Off-site review by the CBSL (As needed) • Dialogue with the policymakers and regulators (As needed) • Directives and circulars (As needed) • Review meetings (As needed) • Compliance reports (As needed) • Meeting (As needed) • Annual Report and public disclosures – Annually	• Regulators expect full and proactive compliance with applicable laws and directives, timely and accurate reporting, and adherence to high standards of governance and risk management. They also expect responsiveness to regulatory changes, alignment with national priorities, and adoption of industry best practices to ensure financial system stability and fair customer treatment.	• Regulatory compliance, supporting business continuity and stability. • Proactive regulatory engagement strengthening governance and risk management. • Collaboration with regulators and industry peers supporting sector resilience. • Alignment with national priorities and fair customer treatment

Key Indicator	Outcome		
	2025/26	2024/25	2023/24
Tax Paid	Rs. 4,728 Mn	Rs. 3,740 Mn	Rs. 3,845 Mn

Regulation/ Code	Adoption	Adherence
The Companies Act No. 07 of 2007	Mandatory	Full Compliant
Listing Rules of the Colombo Stock Exchange	Mandatory	Full Compliant
Finance Companies (Corporate Governance Direction No. 05 of 2021) of the Central Bank of Sri Lanka	Mandatory	Full Compliant
Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka	Voluntary	Full Compliant

Key Issues for the year	Our Response	Future Targets
Timely and accurate payment of statutory taxes and levies	Continued to prioritize timely settlement of all applicable taxes and statutory obligations in line with prevailing laws and regulations.	Maintain consistent compliance with tax obligations while strengthening internal controls over tax governance and reporting.
Compliance with evolving regulatory requirements and directives	Proactively monitored regulatory developments and aligned internal policies, systems, and processes to ensure full compliance with applicable laws and supervisory directives.	Achieve early and seamless adoption of new regulatory requirements through enhanced regulatory intelligence and compliance readiness frameworks.
Implementation and oversight of sustainable finance initiatives	Strengthened governance oversight for sustainability-related initiatives through structured management-level coordination and monitoring mechanisms.	Deepen integration of sustainable finance principles into business strategy, risk management, and reporting frameworks.

Quality of Relationship



Stakeholder Engagement

SUPPLIERS AND BUSINESS PARTNERS

We work closely with banks, financial intermediaries, brokers, agents, service providers, and suppliers to build sustainable partnerships that support our operational and service delivery requirements.

Associated Risks -Operational Risk | Information Security Risk | Reputation Risk

Responsible Authority Driving Engagement: Administration/Logistic Department

Quality of Relationship-Strong

Link to Material Topics

- Digitalisation of Services
- Financial stability
- Resource optimisation
- Relationship with Business Partners
- Ethics and Governance

Importance to People's Leasing

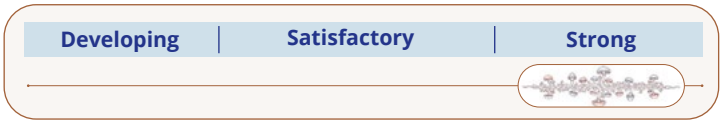
Suppliers and business partners are vital to People's Leasing's living network, acting as interconnected nodes that enable the smooth flow of services, expertise, and resources across the organisation. Much like a mycelium network, these relationships support coordination, adaptability, and operational resilience, ensuring efficient service delivery and strengthening the Company's ability to scale and sustain long-term value creation.

Engagement Channels and Frequency	Stakeholder Concerns and Expectations	Value Creation Commitments
• Meetings (as needed) • Supplier Registration Process (annual) • Supplier site visits (periodic) • Supplier Appraisals (periodic) • MOU's (as needed) • Field visits (As needed)	• Suppliers and business partners expect transparent and fair procurement practices, timely payments, clearly defined contractual terms, and stable, mutually beneficial long-term relationships.	• Operational continuity through responsible procurement practices • Cost efficiency and value for money through structured sourcing • Long-term trust and partnerships through transparent engagement • Reduced operational, reputational, and compliance-related risks • Scalable and reliable operations supported by stable supplier relationships.

Key Indicator	Outcome		
	2025/26	2024/25	2023/24
Amount Paid to Supplier	Rs. 204.84 Bn	Rs. 152.38 Bn	Rs. 76.39 Bn
Total Vehicle Suppliers	59,747	26,691	26,224
New suppliers screened and on-boarded	130	57	25

Key Issues for the year	Our Response	Future Targets
Long-term supplier partnerships and performance improvement.	Fostered collaborative relationships with suppliers to improve service quality, reliability, and mutual value creation.	Establish long-term strategic partnerships with key suppliers based on performance, sustainability, and shared value objectives.
Supplier alignment with environmental, social, and governance expectations	Strengthened supplier onboarding and assessment processes to encourage responsible business conduct across the supply chain.	Fully integrate ESG criteria into supplier selection, evaluation, and performance monitoring frameworks.

Quality of Relationship



Stakeholder Engagement

ENVIRONMENT AND COMMUNITY

We nurture healthy relationships with the communities around us and the broader society across the country, recognizing our responsibility to minimize environmental impact and contribute positively to social development.

Associated Risks -Operational Risk | Reputation Risk | Sustainability Risk

Responsible Authority Driving Engagement: Sustainable Finance Department



Quality of Relationship-Developing

Link to Material Topics

- Resource optimisation
- Ethics and governance
- Driving Sustainable Growth through Sustainable Finance
- Advancing Financial Inclusion
- Climate Action

Importance to People's Leasing

Strong engagement with the environment and community sustains People's Leasing living network by nurturing the broader ecosystem within which it operates. Much like a mycelium network that depends on a healthy environment to thrive, these relationships support the Company's social license to operate, strengthen trust and reputation, mitigate sustainability-related risks, and enhance long-term resilience and responsible growth.

Engagement Channels and Frequency	Stakeholder Concerns and Expectations	Value Creation Commitments
• Outreach initiatives • Carbon footprint data tracking exercise • Dialogue with institutions, community leaders and community • Sponsorships • Annual Report (Annually) • Interim Financial Statements (Quarterly) • CSE Announcements (As needed) • Press Conferences / Press Releases (As needed) • Corporate Website (Continuous and Ongoing) • Social media platforms (Continuous and Ongoing)	• Communities and environmental stakeholders expect responsible business practices that minimise environmental impact and contribute positively to social development. This includes efficient resource use, climate-conscious operations, transparent sustainability reporting, and initiatives that support community empowerment, financial literacy, and inclusive economic participation.	• Responsible and accountable sustainability practices • Enhances long-term business resilience by fostering stable and empowered communities • Reduces sustainability and operational risks through improved climate awareness and efficient resource use • Builds stakeholder confidence through transparent communication on sustainability performance and initiatives • Supports inclusive economic growth and social capital by engaging local enterprises and community partners.

Key Indicator	Outcome		
	2025/26	2024/25	2023/24
Company Carbon Footprint	5,819tCO_2e	5,664tCO_2e	3,974tCO_2e
Investment on Environment Conservation	Rs. 0.53 Mn	Rs. 0.36 Mn	Rs. 1.98 Mn
Green Disbursement	Rs. 33,447.41Mn	Rs. 580.08 Mn	-
Investment in community	Rs. 12.71 Mn	Rs. 0.71 Mn	Rs. 0.71 Mn

Key Issues for the year	Our Response	Future Targets
Expectation of responsible corporate citizenship.	Integrated community upliftment initiatives into the Company's sustainability agenda to ensure meaningful and measurable social impact.	Enhance monitoring and evaluation of community programmes to improve effectiveness and long-term value creation.
Long-term commitment to climate action and environmental responsibility	Advanced climate-focused initiatives by promoting sustainable financing solutions and strengthening environmental governance practices.	Scale up climate-related initiatives and embed environmental considerations across lending, operations, and decision-making.
Sustainable infrastructure and operational efficiency	Maintained focus on improving resource efficiency and environmentally responsible operations across key facilities.	Increase adoption of green building standards and energy-efficient infrastructure across the operational footprint.

Quality of Relationship

Developing | Satisfactory | Strong

Material Matters

GRI 3-3

Identifying material matters that have the greatest impact on our stakeholders and business is an important part of our value creation process. These material matters help us prioritise what is most relevant to the Company and guide our strategy, decision-making, resource allocation, and reporting practices.

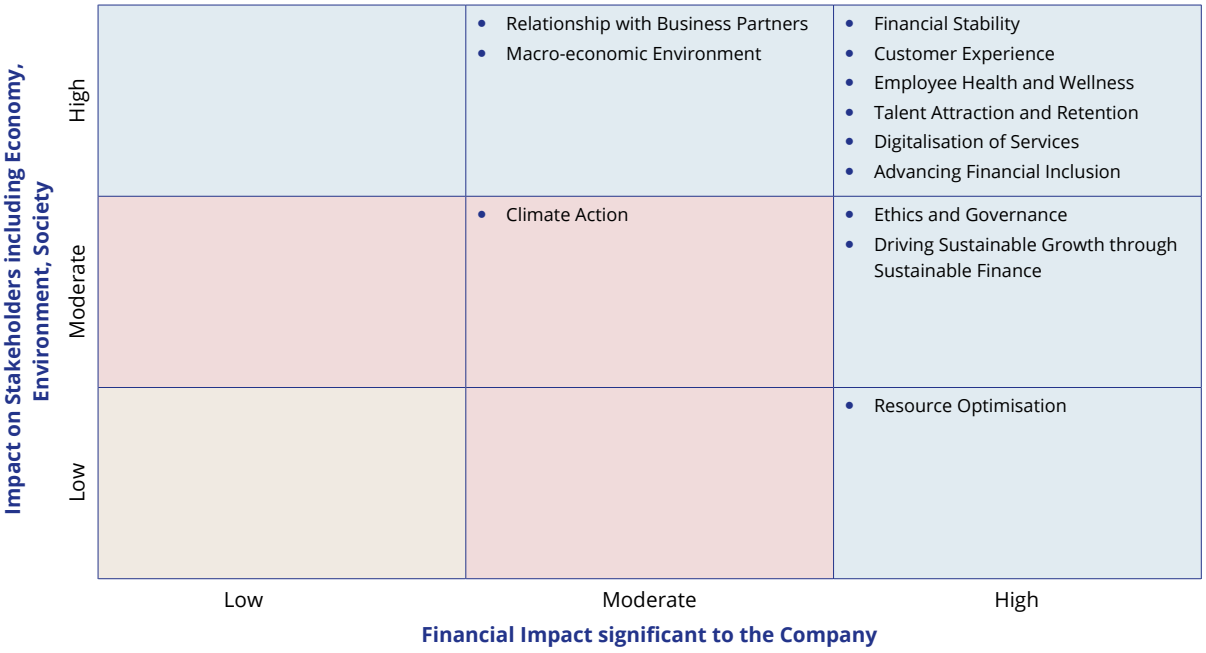
Process for determining material matters

We have in place a five-step process that ensures that the matters most important to our stakeholders are identified, incorporated and reported on throughout our value creation process. The process is diagrammatically illustrated below.

Step 1 Identification of list of impacts	Step 2 Prioritisation of Material Matters	Step 3 Impact Assessment	Step 4 Integration into Strategy	Step 5 Integration into Reporting
• In-depth examination of value chain • Stakeholder Analysis	• Matters are prioritised using a double materiality lens, assessing both our impacts on the economy, environment, society and human rights, and the effects of sustainability factors on our financial performance and long-term resilience	• Perform scenario analysis, develop forecasts and determine thresh-holds	• Incorporate identified material matters in to strategic decision making and resource allocation to support sustainable value creation	• Link identified material matters to GRI and SASB

Assessing Our Material Matters - Double Materiality Matrix

We prioritise material matters using a double materiality lens, based on their significance to PLC's financial performance and their impact on the broader economy, environment, and society. Matters in the top-right quadrant represent key strategic priorities that are central to our long-term value creation.



List of Material Matters

The list of material matters identified for the year FY 2025/26 are as follows;

Material Topic	Topic Boundary	Impact on Value creation Process	Stakeholders most impacted	Change Vs 2024/25	Management of Topic	Relevant GRI/SASB Indicator	Related SDG
Digitalisation of services	Within & outside the Organisation	Enhances PLC's value creation by improving efficiency, reducing costs, and enabling scalable operations, thereby strengthening financial capital. It also improves customer access, convenience, and experience, supporting financial inclusion and strengthening relationships. Additionally, digital tools enhance decision-making, risk management, and operational resilience, contributing to long-term sustainable growth. It mainly strengthens the value creation process itself by improving how PLC transforms inputs into value.	Customers Employees Suppliers Investors	↑ Changed Innovation in parallel with Market Demand and enhancing Digital Applications	Refer Pages 190-201	GRI 418	
Financial stability	Organisation	Financial stability strengthens PLC's value creation process by reinforcing financial capital through sustainable profitability, strong liquidity, and resilience to economic shocks. It supports effective resource allocation, operational continuity, and consistent lending activities, while enhancing stakeholder confidence and long-term business sustainability.	Investors Customers Employees Suppliers		Refer Pages 148-157	GRI 201 GRI 207	
Resource optimisation	Organisation	Resource optimisation enhances PLC's value creation process by improving operational efficiency, reducing costs, and enabling the effective use of financial and natural capital. It supports sustainable profitability, strengthens operational resilience, and contributes to responsible environmental management and long-term value creation.	Suppliers Investors Employees	↑	Refer Pages 206-214	GRI 302 GRI 303 GRI 305 GRI 306	
Employee Health and Wellness	Organisation	Employee health and wellness enhances PLC's value creation process by strengthening human capital through improved productivity, engagement, and employee retention. It supports a safe and supportive work environment, contributing to operational efficiency, service quality, and long-term sustainability of the Company.	Employees	Changed Health & Safety	Refer Page 179-188	GRI 403	

Material Matters

Material Topic	Topic Boundary	Impact on Value creation Process	Stakeholders most impacted	Change Vs 2024/25	Management of Topic	Relevant GRI/SASB Indicator	Related SDG
Talent attraction and retention	Organisation	Financial stability strengthens PLC's value creation process by reinforcing financial capital through sustainable profitability, strong liquidity, and resilience to economic shocks. It supports effective resource allocation, operational continuity, and consistent lending activities, while enhancing stakeholder confidence and long-term business sustainability.	Employees	Combined Brain Drain and best fit employees	Refer Page 179-188	GRI 401 GRI 404 GRI 405 GRI 406 GRI 407 GRI 408 GRI 409 FN-CF-270a.1	
Customer Experience	Organisation	Drives value creation by enhancing customer satisfaction, loyalty, and retention, leading to sustainable revenue growth, stronger relationships, and an improved competitive position.	Customers Employees		Refer Pages 190-201	GRI 416 GRI 417 GRI 418 FN-CF-220a.1 FN-CF-220a.2 FN-CF-230a.1 FN-CF-270a.4	
Relationship with Business Partners	Organisation	Strong relationships with business partners support value creation process by ensuring reliable service delivery, enhancing operational efficiency, and enabling access to new opportunities, thereby contributing to sustainable growth and long-term resilience.	Suppliers		Refer Pages 190-201	GRI 204 GRI 308 GRI 413 GRI 414	
Ethics and governance	Organisation	Ethics and governance underpin the Company's value creation process by promoting transparency, accountability, and responsible decision-making, strengthening stakeholder trust, ensuring regulatory compliance, and supporting sustainable long-term growth.	Investors Customers Employees Suppliers Government	↑	Refer Governance Report on Pages 216-291	GRI 205 GRI 410	
Macro-economic Environment	Outside the organisation	The macro-economic environment influences value creation by affecting demand for financial services, funding costs, asset quality, consumer spending patterns, and broader workforce dynamics, including skill migration. Effective monitoring and timely responsiveness to changing economic conditions enable the Company to manage risks, maintain operational resilience, and support sustainable long-term growth.	All Stakeholders		Refer Operating Environment on Pages 50-53	GRI 201	

Material Topic	Topic Boundary	Impact on Value creation Process	Stakeholders most impacted	Change Vs 2024/25	Management of Topic	Relevant GRI/SASB Indicator	Related SDG
Driving Sustainable Growth through Sustainable Finance	Outside the organisation	Aligns financial solutions with environmental and social priorities, enabling responsible lending, supporting green and inclusive economic activities, and strengthening long-term resilience, stakeholder trust, and growth opportunities.	Community Government Investors Customers		Refer Pages 206-214	GRI 201 GRI 417	
Advancing Financial Inclusion	Outside the organisation	Supports value creation process by expanding access to financial services for underserved segments, driving business growth, strengthening customer relationships, and contributing to inclusive economic development.	Community Government Investors	Changed Inclusive Finance & minimizing inequalities	Refer Pages 190-201	GRI 417	
Climate Action	Outside the organisation	Supports value creation process by reducing environmental impact, improving resource efficiency, and mitigating climate-related risks, while strengthening regulatory compliance, stakeholder trust, and long-term sustainability. It also demonstrates the Company's commitment to responsible corporate citizenship, further enhancing stakeholder confidence and reputation.	Community Government		Refer Pages 202-214	GRI 302 GRI 305	

Our Sustainability Approach

GRI 2-12, 2-13, 2-14, 2-23, 2-24

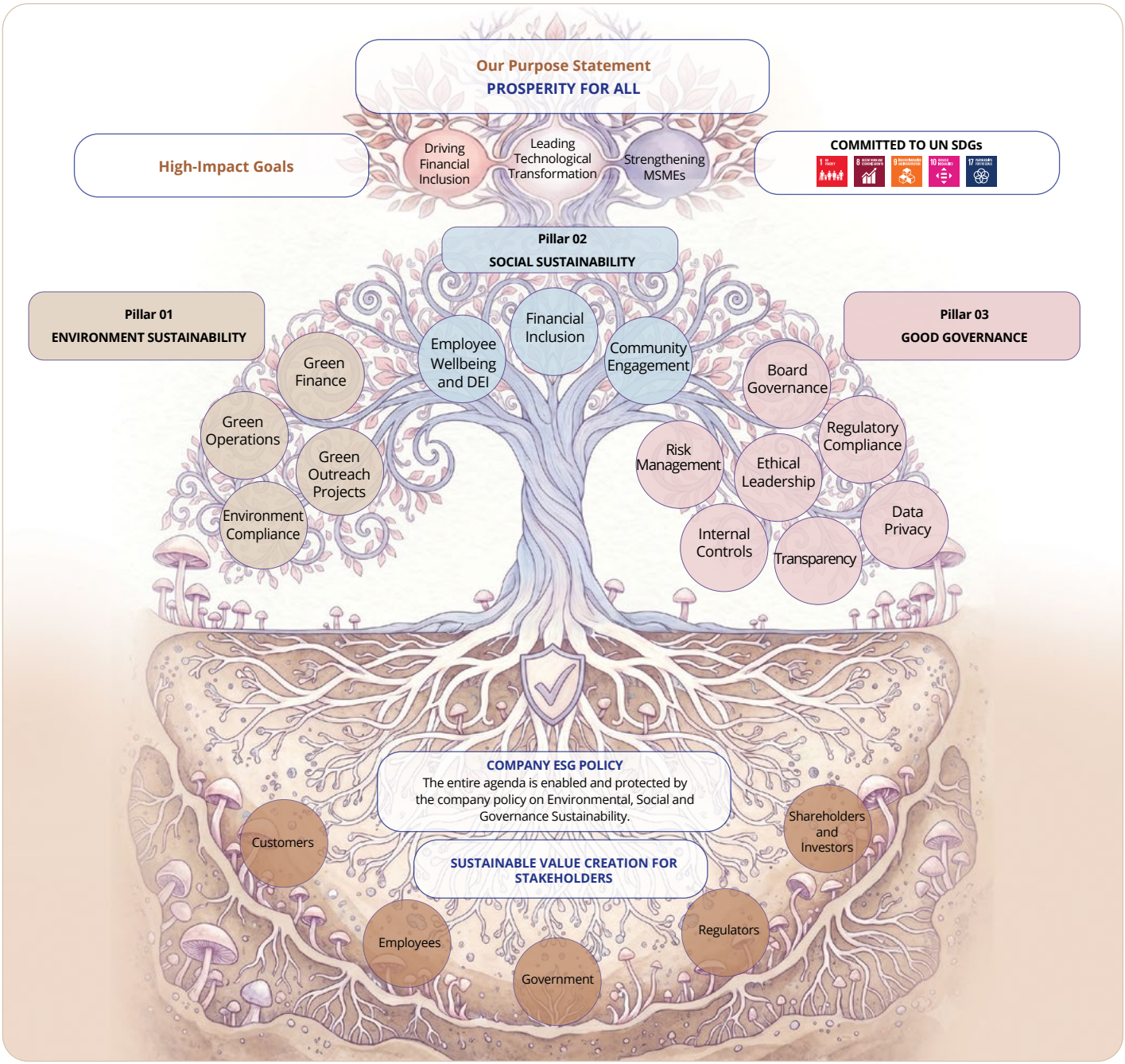
Embedding Sustainability into Our Core

As a leading Non-Banking Financial Institution in the country, People's Leasing & Finance PLC (PLC) is committed to driving responsible and inclusive growth by embedding sustainability at the core of its business strategy and across all areas of its operations. We balance strong economic performance with environmental stewardship and social responsibility to create long-term value for all stakeholders.

For over three decades, as an NBFI serving the financial needs of the informal sector, vulnerable communities and broader customer segments, we have consistently contributed to meaningful social growth reinforcing our role in advancing sustainable value creation, particularly through the social dimension of ESG.

We firmly believe that empowering livelihoods through a long-term strategic focus will strengthen Sri Lanka's broader sustainability agenda. This belief is central to our purpose of "Prosperity for All," as we continue to make a high-impact contribution to communities through our three key sustainability goals.

PLC Sustainability Overview at a Glance



Key Sustainability Highlights

During the year, the Company continued to strengthen its commitment to sustainable finance and responsible business practices, integrating Environmental, Social, and Governance (ESG) principles across its operations and decision-making processes.

Key highlights for the year included;

- Strengthened sustainability governance through structured oversight at both Board and Management levels with the establishment of the Board Sustainability Committee (BSC) and the Sustainability Steering Committee (SSC).
- Developed and formalized the Terms of Reference (ToR) for both the BSC and SSC, ensuring clear roles, responsibilities and mandates across governance structures.
- Enhanced institutional capacity on sustainability through participation in globally recognized sustainability development and training programmes.
- Roll out of SLFRS S1 and S2 Implementation Plan to support compliance with reporting standards.
  - Conducted targeted capacity-building sessions for both Board and Management on SLFRS S1 and S2 requirements, to strengthen understanding of climate and sustainability disclosures.
  - Identified Climate-Related Risks and Opportunities (CRROs) and the related assessment framework to ensure compliance with mandatory reporting requirements for 2025/26.
  - Advanced the measurement and disclosure of Greenhouse Gas (GHG) emissions in line with ISO 14064-1:2018 and the Greenhouse Gas Protocol for the PLC Group, with verification aligned to SLFRS S2 requirements.
- Launched the "Say No to PET Bottles" campaign, initiated at Board level and extended across the organisation, promoting the reduction of single-use plastics, including minimizing plastic bottle usage in Board meetings and training sessions.
- Strengthened initiatives to reduce operational emissions through energy efficiency improvements and increased digitalisation of core business processes.
- Continued integration of ESG considerations into credit evaluations and new supplier registrations through the implementation of an ESG due diligence checklist.

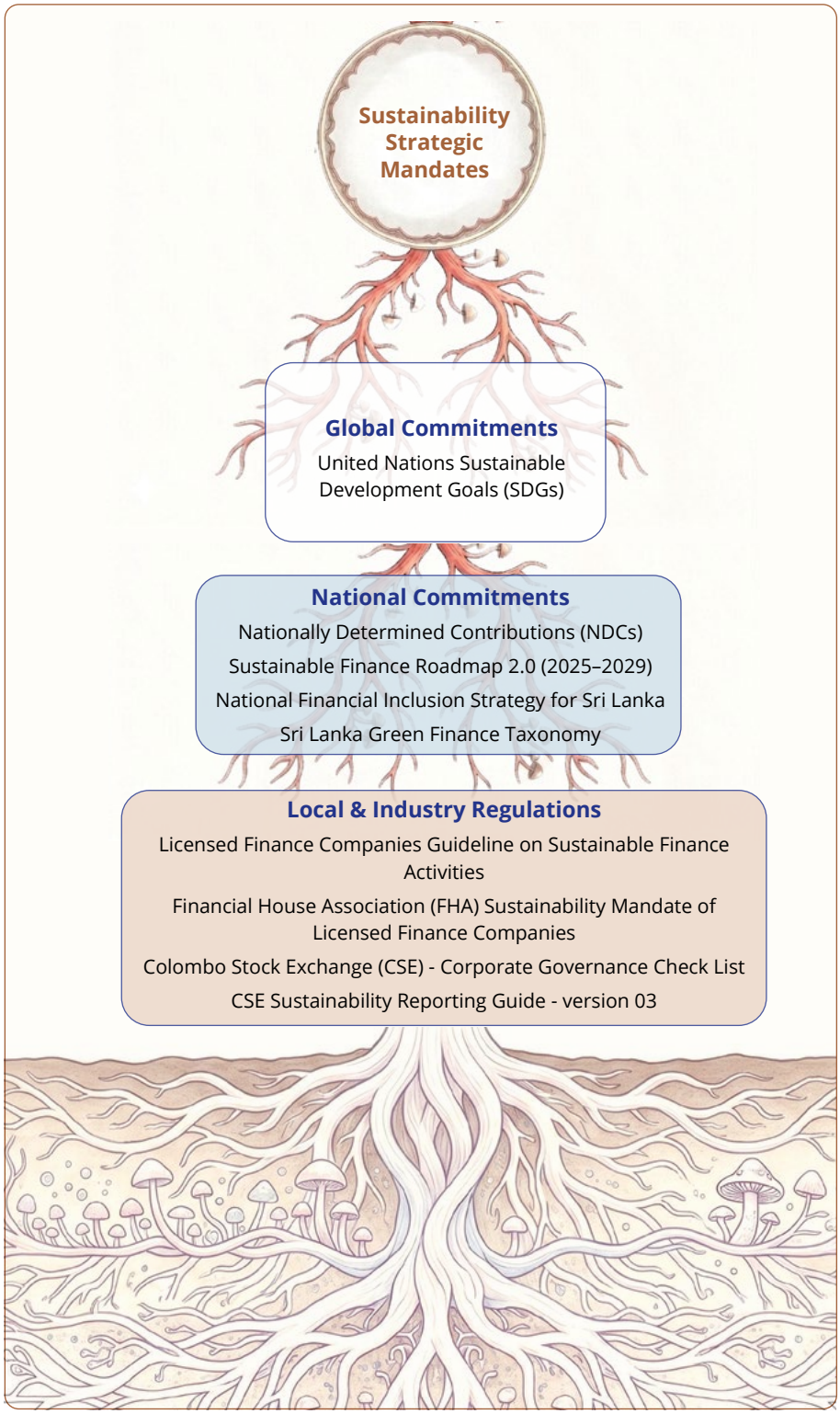


PLC has in place a Board approved Environment, Social & Governance (ESG) Policy, that sets out clear priorities across key pillars - environmental sustainability, social sustainability, and strong governance

Scan QR code for full policy

Our Sustainability Approach

Principles, Standards and Guidelines Informing Our Sustainability Agenda



Sustainability Reporting Standards & Frameworks

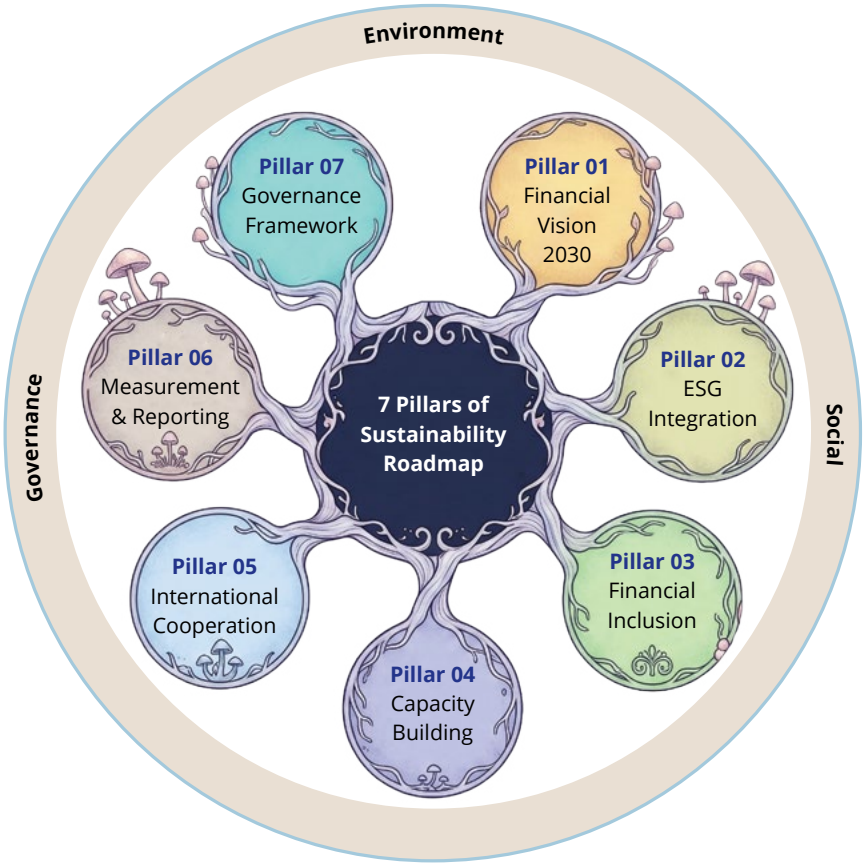
- GRI Standards issued by the Global Sustainability Standards Board (GSSB)
- SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2) issued by the Institute of Chartered Accountants of Sri Lanka
- Sustainability Accounting Standards for Commercial Banks – Sustainability Accounting Standards Board (SASB) of the IFRS Foundation
- Institute of Chartered Accountants of Sri Lanka Code of Best Practice on Corporate Governance
- Sustainability Standards and Certification Initiative (SSCI) of European Organisation for Sustainable Development (EOSD)

Climate & GHG Quantification

- ISO 14064-1:2018 Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removal
- Greenhouse Gas (GHG) Protocol

Sustainability Roadmap of PLC

At People's Leasing, our sustainability agenda is aimed at creating long-term value for our stakeholders while promoting inclusive economic growth and environmental responsibility. Our approach is structured around key focus areas, aligned with regulatory requirements and guided by our commitment to sustainable best practices.



Pillar 01: Financial Vision 2030: Innovate ESG Compatible Products

This pillar focuses on assessing the viability of and innovating ESG-compliant products, while actively promoting sustainable financing activities.

During the year under review, the Company continued to advance Sustainable Finance Activities (SFAs) by supporting environmentally and socially responsible financing initiatives. Sustainable finance remains a key priority in aligning the Company's financial services with broader sustainable economic development objectives.

In this regard, the Company introduced EV Lease/Loan products and a bundled Solar Lease offering. As the automotive industry transitions towards electric mobility, demand for electric vehicles (EVs) has been steadily increasing. As a strategic initiative, the Company offers a 100% Solar Lease facility to customers purchasing unregistered EVs through PLC, thereby encouraging clean energy adoption.

Furthermore, during the year under review, the Company provided leasing and loan facilities for EVs and solar products, demonstrating its commitment to advancing sustainable financing solutions.

UNDP Tuk Tuk Project

In addition, PLC supported the United Nations Development Programme (UNDP) initiative for an e-tuk tuk project, facilitating support for customers who have submitted the expression of interest to UNDP in converting conventional three-wheelers to electric.

eWheel Initiative

PLC also continued its engagement with Lanka e-Mobility Solutions (LeMS), where Phase 1 of the project involved converting internal combustion engine (ICE) three-wheelers into electric vehicles. Through this initiative, the Company provides financial assistance that promote low-carbon transportation and support the transition towards a greener mobility ecosystem.

Pillar 02: ESG Integration

Integrating Environmental, Social, and Governance (ESG) considerations into our decision making is a core element of responsible financing. The Company has already embedded ESG risk into its Enterprise Risk Management (ERM) framework.

During the year under review, Climate-Related Risks and Opportunities (CRROs) were identified and an assessment framework was developed as part of the first year of reporting. This has been reviewed and approved by the Board following the recommendation from BSC and the SSC.

In addition, the Company continues to apply ESG due diligence checklists in credit appraisal processes and new supplier registrations, ensuring that sustainability considerations are embedded across key operational decisions.

Furthermore, the Company is in the process of formalizing its Sustainable Finance Framework and has already established an ESG Policy to guide its sustainability and responsible financing initiatives.

Our Sustainability Approach

Pillar 03: Financial Inclusion

This pillar focuses on developing accessible, affordable and efficient financial products and services, while improving access to essential financial solutions, fintech tools, and financial literacy initiatives. It is one of the Company's key high-impact goals, reflecting its commitment to financial inclusion.

As a leading NBFI, the Company consistently prioritizes expanding access to finance, particularly for underserved and informal sector communities. In doing so, it also promotes financial and digital literacy among its customers to enhance awareness and responsible financial behaviour.

Financial transformation remains a key objective, with continued efforts to strengthen inclusive and digitally enabled financial services.

During the year under review, the Company introduced biodegradable card materials, enhanced accessibility features for visually impaired customers, and launched PLC Al-Safa specialized VISA Debit Cards, further reinforcing its commitment to inclusive and customer-centric financial solutions.

Pillar 04: Capacity Building

Building a Sustainability Mindset at PLC

At PLC, we believe that sustainability is more than a concept - it is a mindset shift. With this belief, we focus on embedding sustainability into our core operations in a structured and strategic manner.

As sustainability continues to evolve rapidly on the global stage , staying informed about national and international developments, emerging frameworks and new opportunities is essential. In this context, we place strong emphasis on continuously equipping our employees with relevant knowledge and insights.

To support this, we have provided both local and international learning opportunities, along with internal and external training programmes focused on sustainability. These initiatives are designed to strengthen employee awareness, technical understanding and practical application of ESG principles across the organisation.

Furthermore, we have continued our "ESG Awareness" Tuesday initiative, where awareness e-flyers are shared with all PLC staff every Tuesday by Sustainable Finance Unit. This ongoing communication platform plays a key role in educating, engaging and reinforcing sustainability awareness across the workforce.



Key sustainability capacity-building initiatives conducted during the year include:

- Internal session for Chief Managers - Branch Network on driving social impact through Sustainable Value Creation
- Chairman of the Board, Chairman of the BSC and the Chief Executive Officer/ General Manager participated in the Global Sustainable Finance Conference (GSFC) with the theme From Financial Technology to Technology Finance in September 2025 in Karlshru, Germany
- DGM-Head of Operations and employee from Sustainable Finance Unit participated in the Global Impact Leadership in Finance Industry workshop a three day workshop organized by European Organisation for Sustainable Development (EOSD) in Karlshru,Germany
- Board Members, Corporate Management and the Operational teams—including SSC, Risk, and Finance—participated in dedicated SLFRS S1 & S2 workshops delivered by external consultancy service providers.
- Sustainability related external training sessions for employees

Pillar 05: International Cooperation

This pillar focuses on learning, capacity building and mobilizing funds through collaboration with international bodies, knowledge sharing, and network development.

As a key initiative, the Company has joined the European Organisation for Sustainable Development (EOSD) Sustainability Standards and Certification Initiative (SSCI), with the aim of strengthening its business processes and strategies within a globally recognized sustainability framework.

During the year under review, and as part of its engagement with EOSD, the Company also participated in global sustainability initiatives, including the Global Sustainable Finance Conference (GSFC) and Global Impact Leadership in Finance Industry (GILIF) programmes. These engagements have enhanced internal capacity across all levels from staff to management and the Board strengthening the organisation's overall sustainability competency.

Progress on Sustainability Standards & Certification Initiative (SSCI)

The Sustainability Standards & Certification Initiative (SSCI) is a global framework designed to enable financial institutions to continuously develop, review, and enhance their sustainability commitments. It provides a holistic, robust, and evolving approach that is both globally recognized and locally relevant, aimed at strengthening institutional resilience and long-term profitability.

The SSCI "Octagon Model" covers eight key dimensions; Governance, Management, Technology, Business Model, Operations, Products, Stakeholder Relations, and Human Capital enabling a 360-degree approach to organisational sustainability. Through this framework, financial institutions are guided by top-tier financial and non-financial performance metrics, along with operational targets that support improved corporate performance and leadership in environmental, social, and economic sustainability.

The initiative, driven by the European Organisation for Sustainable Development (EOSD) in Germany, also equips certified financial institutions with enhanced crisis readiness and resilience, ensuring sustained stakeholder value under varying economic conditions.

During the year under review, the Company made significant progress in aligning with the SSCI framework by,

- Reviewing and refining the Company's Purpose Statement and High Impact Goals.
- Completing a Board and Corporate Management Competency and Diversity Matrix.

These initiatives reflect the Company's continued commitment to strengthening its sustainability governance and advancing toward globally recognized best practices.

Pillar 06: Measurement & Reporting

Sustainability Reporting and Disclosures

The Company continues to enhance its sustainability-related disclosures and reporting practices in line with evolving regulatory requirements and stakeholder expectations. Since 2008/09 company has been voluntarily reporting its Non-Financial Information in accordance with Global Reporting Initiative (GRI) and obtaining Independent Assurance of the same since 2008/09.

From Financial year 2025/26 onwards, the Company also progressed with the mandatory adaptation of the SLFRS S1 and SLFRS S2 Disclosure Standards, with detailed requirements and applications outlined in pages 81 to 109 of this report. In parallel, greenhouse gas (GHG) emission assessments were continued to support climate-related reporting obligations and strengthen data-driven decision-making.

Independent assurance continues to be obtained on GRI and IR frameworks, reinforcing the credibility and reliability of reported information.

SLFRS S1 & S2 Adoption

In line with the adoption of SLFRS S1 and SLFRS S2, the Company has strengthened its approach to identifying, assessing, and managing Sustainability-Related and Climate-Related Risks and Opportunities. These standards have been integrated into the Company's reporting framework to enhance comparability, decision-usefulness, and alignment with global best practices.

During the reporting period, the Company identified key Climate-Related Risks and Opportunities relevant to its operations, lending portfolio, and business environment. These were assessed through a structured framework and subsequently reviewed and approved by the Board Sustainability Committee and the Board of Directors. The Company will continue to refine its climate risk assessment methodologies and further embed climate considerations into strategic planning and operational decision-making.

To support effective implementation, the Company also conducted a Board Skills and Experience Gap Analysis to evaluate the Board's knowledge and expertise in relation to SLFRS Sustainability Disclosure Standards and the management of Sustainability-Related Risks and Opportunities (SRROs).

Going forward, the Company remains committed to continuously strengthening its sustainability reporting practices and enhancing alignment with SLFRS S1 and S2 requirements as part of its broader sustainability journey.

GRI 2-9

Pillar 07: Governance Framework

Sustainability Governance

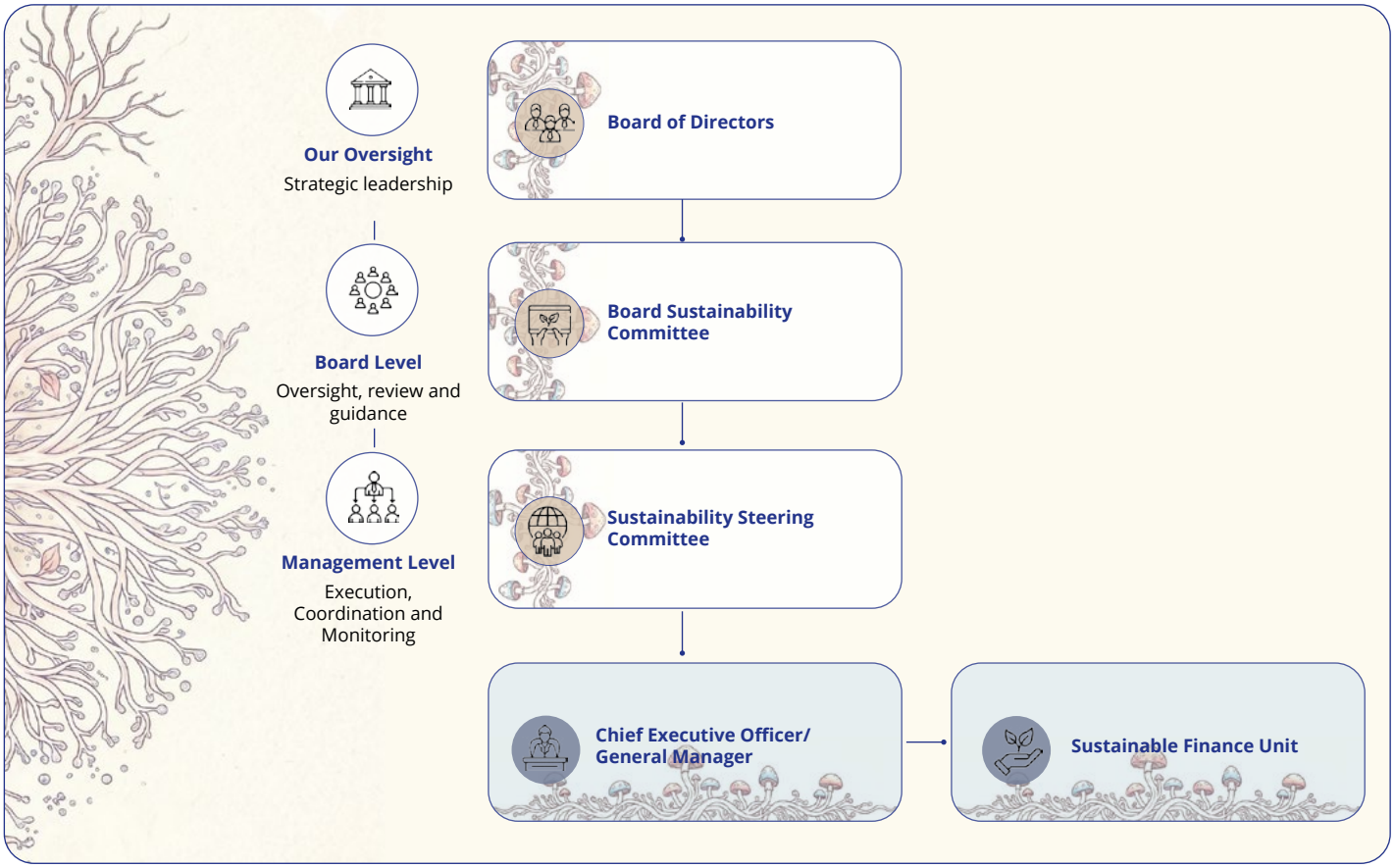
At People's Leasing, Sustainability governance is a key part of our corporate governance framework, ensuring Environmental, Social and Governance (ESG) considerations are embedded into our strategy, decision-making and operations.

During the financial year 2025/26, we further strengthened this framework through the establishment of Sustainability Committees at both Board and Management levels. These committees oversee our sustainability strategy, while supporting the management of related risks and the identification of emerging opportunities.

This structure provides clear oversight, enhances coordination across the organisation and ensures that sustainability remains an integral part of how we operate and create long-term value.

Our Sustainability Approach

Our Sustainability Governance Structure



Board Level Oversight

The Board of Directors holds the highest level of responsibility for sustainability governance at People's Leasing & Finance PLC. It provides strategic direction and oversight to ensure that Environmental, Social, and Governance (ESG) considerations are effectively integrated into the Company's long-term strategy, risk management framework, and value creation objectives. The Board ensures that sustainability priorities remain aligned with regulatory expectations, stakeholder needs and global best practices.

Board Sustainability Committee (BSC)

The Board Sustainability Committee (BSC) supports the Board of Directors in providing strategic oversight and governance of the Company's sustainability agenda. The Committee plays a critical role in ensuring that sustainability initiatives are effectively integrated into the Company's overall strategy and implemented in alignment with its long-term objectives.

The BSC provides guidance on emerging ESG trends, ensures compliance with applicable sustainability reporting standards and regulatory requirements, and oversees the review of the Company's sustainability strategy. It also monitors ESG performance and supervises key Sustainability-Related Risks and Opportunities (SRROs).

The Committee comprises four (04) Non-Executive Directors, including one (01) Independent Director and is chaired by a Non-Independent Non-Executive Director. Refer to pages 281 to 282 of the BSC Report.

Sustainability Steering Committee (SSC)

Sustainability Steering Committee (SSC) is a Management Level Committee for Sustainability headed by Chief Executive Officer/ General Manager of the Company. SSC was formally established during the financial year 2025/26 to provide strategic and operational leadership for the implementation of the Company's sustainability and sustainable finance agenda. It ensures the effective integration of ESG principles across all business functions and supports the achievement of the Company's sustainability objectives.

The key responsibilities of the Committee include:

- Providing strategic and operational direction for the Company's sustainability strategy and sustainable finance initiatives.
- Ensuring the integration of sustainability and ESG principles across all business units and operational processes.
- Identifying, monitoring, and managing Sustainability-Related Risks and Opportunities.
- Promoting responsible finance practices and ensuring alignment with applicable regulatory and reporting requirements.
- Monitoring sustainability performance and reporting progress, outcomes, and key developments to the Board Sustainability Committee (BSC).

The Committee is chaired by the Chief Executive Officer/General Manager and comprises committee members including:

- Chief Executive Officer / General Manager (Chairman)
- Chief Operating Officer
- Chief Information Officer
- Head of Operations
- Chief Risk Officer
- Chief Finance Officer
- Head of Human Resources
- Head of Leasing & Loans
- Head of Sustainable Finance

In addition, other relevant officers of the Company may be invited to participate in Committee meetings as required.

SSC plays a central role in the operationalisation of the Company's sustainability agenda. It ensures effective coordination across functions, monitors implementation progress, addresses execution challenges and drives continuous improvement in ESG performance. The Committee also fosters awareness, accountability and a culture of sustainability across the company.

Sustainable Finance Unit

Sustainable Finance Unit (SFU) is responsible for driving the Company's sustainability agenda. It supports the development and implementation of sustainable finance policies, frameworks, and tools across the organisation. The Unit ensures that ESG considerations are integrated into business operations and strategies.

It also identifies and promotes green and sustainable financing opportunities in line with regulatory requirements and global best practices, while fostering a strong culture of sustainability within the Company.

In addition, the Unit works closely with business units to implement ESG due diligence, monitor sustainability performance and support climate-related reporting in line with SLFRS S1 and S2 standards. It also plays a key role in building awareness and strengthening capacity on sustainable finance across the organisation. The Sustainable Finance Unit at PLC operates under the purview of the Chief Executive Officer/General Manager, with a dedicated team in place to support effective implementation of Company's Sustainability Agenda.

Awards & Accolades

- Special Recognition for Excellence in Sustainability Reporting at CA TAGS Awards 2025
- Merit Award in the Finance Sector under the Service - Large Category at the National Cleaner Production Awards 2025, organized by the National Cleaner Production Centre.
- Merit Certificate at the Sri Lanka National Energy Efficiency Awards 2025 organized by the Sri Lanka Sustainable Energy Authority.

Looking Ahead

The Company remains committed to continuously enhancing its sustainability performance through deeper integration of ESG principles, strengthening climate resilience, advancing sustainable finance initiatives and further improving stakeholder engagement.

Going forward, the Company will continue to focus on creating long-term sustainable value while contributing to economic growth, environmental stewardship, and social well-being. Key priorities include promoting financial inclusion, accelerating digital transformation and strengthening community engagement, while upholding strong governance practices.

Our Sustainability Approach

Creating Shared Value Through Inclusion, Well-being and Community Empowerment



Fostering Respect for Diverse Beliefs

- Religious and cultural observance programs
- Staff welfare initiatives
- Community religious and cultural sponsorships
- Multi-faith engagement activities promoting harmony and inclusivity



Reducing Environmental Footprint

- Reusable glass water bottles at Board and management meetings
- Promoting responsible Solid Waste Management
- Promoting paperless operations
- Supporting renewable energy adoption where feasible.



Ensuring Equal Access for All

- Wheelchair-accessible entrances and ramps at head office and branches
- Elevator access and handrails
- Supporting vulnerable and underserved communities through financial inclusion initiatives
- Delivering inclusive products and services that cater to diverse customer needs.



Enhancing Livelihoods Across Communities

- Financial literacy and entrepreneurship programs
- Community welfare and livelihood enhancement projects
- Supporting education and scholarship programs for disadvantaged students.
- Creating employment and income-generating opportunities



Creating a Family-Friendly Workplace

- Flexible work arrangements
- Promoting employee wellbeing
- Maternity, paternity, and parental leave benefits
- Financial assistance and welfare support for employees during family emergencies.
- Educational scholarships support for deceased employees' children



Promoting Information Accessibility

- Improving language accessibility by using multilingual communication
- Availability of Braille documents and customer information materials
- Signage designed for ease of understanding
- Digital accessibility initiatives
- Support for customers with hearing and visual impairments

SLFRS S1 & S2 Disclosure

SLFRS Sustainability Related Financial Disclosures (SLFRS S1 and SLFRS S2) of People's Leasing & Finance PLC for financial year 2025/26

This section presents Sustainability related financial disclosures of People's Leasing & Finance PLC (hereinafter referred to as "PLC" or "the Company") prepared in accordance with SLFRS Sustainability Disclosure Standards (SLFRS S1: General requirements for disclosure of sustainability-related financial information and SLFRS S2: Climate-related disclosures) (collectively referred to as "the Standards") issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

In first year of reporting, it explains how the Company integrates Climate Related Risks and Opportunities (CRROs) which could reasonably be expected to impact the entity's cash flows, access to finance and cost of capital over the short, medium and long term into its core business model and value chain.

It also details how these considerations are aligned with the Company's Governance, Strategy, Risk Management and Metrics & Targets during this first year of reporting.

01. Basis of Preparation

1.1 Reporting Entity, Organisation Boundary and Value Chain

1.1.1 Reporting Entity

People's Leasing & Finance PLC ("PLC" or "the Company") is a subsidiary of People's Bank and a public limited liability company listed on the Main Board of the Colombo Stock Exchange (CSE). The Company was established in 31st May 1996. In November 2012, PLC obtained a license from the Monetary Board of the Central Bank of Sri Lanka (CBSL) to conduct finance business under the Finance Business Act No. 42 of 2011. The Company's registered office is located at No. 1161, Maradana Road, Borella, Colombo 08.

1.1.2 Organisation Boundary

The organisational boundary of these disclosures is aligned with the Company's financial reporting boundary. Disclosures are therefore presented on a consolidated financial basis in consistence with the preparation of the Company's financial statements.

Accordingly, all subsidiaries within the PLC Group; namely People's Leasing Fleet Management Limited, People's Leasing Property Development Limited, People's Leasing Havelock Properties Limited, People's Micro Commerce Limited, People's Insurance Limited and Alliance Finance PLC (Bangladesh) have been considered in the identification of CRROs at group level. However, only those CRROs assessed as material under the Company's materiality thresholds have been disclosed in this report.

1.1.3 Value Chain

The Company operates within an interconnected value chain characterized by both dependencies and impacts as outlined in its Business Model for Sustainable Value Creation. The value chain includes all entities and stakeholders involved in the creation, delivery and use of financial products and services.

PLC utilizes multiple forms of capital including Financial, Human, Intellectual, Social and Relationship, Manufactured and Natural Capital to create value through its operations. At the same time, the Company's activities influence these capitals, resulting in value creation, preservation or in certain instances, impact.

In line with SLFRS Sustainability Disclosure requirements, PLC identifies and reports CRROs that could reasonably be expected to affect the company's prospects over short, medium and long term.

In assessing CRROs, the Company considers its upstream, operational and downstream activities of its value chain.

1.1.3.1 Upstream value chain (Inputs)

The upstream value chain represents the Company's external environment, comprising suppliers of goods, services and capital inputs that support its operations. This includes funding providers, technology partners and other service providers that enable the Company to access the financial and non-financial resources required to deliver its products and services.

CRROs may influence these upstream activities by affecting the availability, cost and reliability of inputs including access to funding, supplier stability and the evolving expectations around environmental and social performances.

In response, the Company continues to strengthen its engagement with upstream partners with an increased focus on sustainable procurement practices, digitalisation, ethical business conduct and alignment with environmental and social standards.

1.1.3.2 Own Operations

PLC's own operations represent the core activities through which the Company delivers financial services and creates value. These include leasing and loans, fixed deposits and savings, margin trading, gold loans, Islamic finance and other financial solutions provided to individuals and businesses across Sri Lanka.

Within its operations, PLC utilizes and integrates six forms of capital; financial, manufactured, intellectual, human, social and relationship and natural capital to support efficient service delivery and sustainable value creation. These resources are managed internally to ensure operational efficiency, customer satisfaction and long-term business continuity.

CRROs may impact the Company's operations through factors such as operational disruptions, changes in regulatory requirements, shifts in customer behaviour and the transition towards low-carbon practices. These impacts may arise from the Company's physical infrastructure including branch locations and head office operations as well as its digital systems and resource utilisation.

In response, PLC continues to strengthen its internal processes, governance frameworks and risk management systems while advancing digitalisation and resource efficiency initiatives to enhance operational resilience and support sustainable growth.

SLFRS S1 & S2 Disclosure

1.1.3.3 Downstream value chain (Outcomes)

PLC's downstream value chain represents the external environment where value is delivered to customers and where the outcomes and impacts of its financial services are realized. This primarily includes individuals, businesses and other entities that utilize the Company's financial products and services across various sectors of the economy.

Through its lending, leasing and other financial solutions, PLC indirectly influences the use of financed assets such as vehicles, equipment and properties as well as the broader economic activities of its customers. As a result, CRROs may arise from sectoral exposures, customer behaviors and the environmental performance of financed activities.

The Company's downstream partners mainly include borrowers, lease customers and deposit customers across retail, SMEs and corporate segments. These relationships form a key part of PLC's value creation process where the provision of financial services translates into economic activities and broader societal impact.

In managing downstream impacts, PLC continues to strengthen its credit assessment processes, portfolio monitoring and responsible financing practices with increasing consideration of environmental and social factors in decision-making. Climate risks may affect borrower resilience and portfolio stability while creating opportunities to advance sustainable finance, support low-carbon transitions and generate positive value for stakeholders and the environment.

1.2 Basis of Materiality

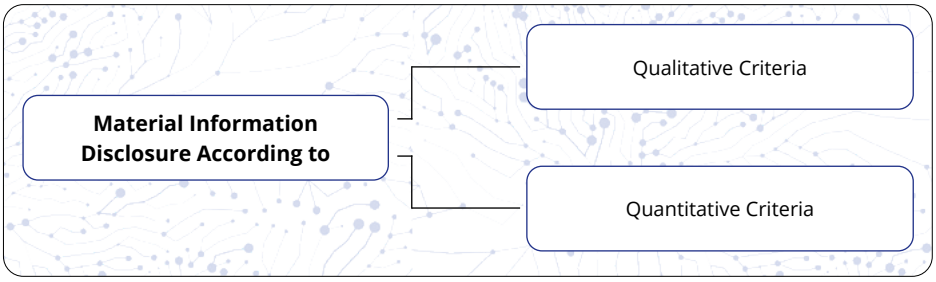
The Company discloses CRROs that could reasonably be expected to materially affect its prospects including impacts on cash flows, access to finance and cost of capital over the short, medium and long term. Accordingly, the Company applies the SLFRS S1 materiality principle to ensure that its sustainability-related financial disclosures focus on matters most relevant to its future prospects. The materiality assessment incorporates both quantitative and qualitative considerations. Quantitative factors include the magnitude of potential financial impacts, while qualitative factors consider the nature, likelihood and strategic relevance of identified CRROs.

While the SLFRS Sustainability Disclosure Standards are based on financial materiality, the Company has also considered impact materiality to provide a broader perspective on sustainability related matters, as further detailed in the "Material Matters" section.

Financial materiality

The financial materiality assessment integrates both quantitative and qualitative factors to determine the significance of potential financial effects arising from the CRROs, employing a scoring system that evaluate the likelihood and impact/severity of each CRRO.

The following thresholds were applied to determine the impact/severity of the CRROs during the reporting period.



1.2.1 Quantitative Materiality Threshold

The determination of severity of a CRRO has been carried out subsequent to establishing the materiality threshold of the Company. Materiality has primarily been assessed using quantitative financial criteria with reference to the Company's Profit before Tax (PBT) for the past three financial years. The average PBT derived from this period was used to evaluate potential financial losses against predefined threshold values.

Accordingly, a threshold loss value of ±3.83% from the average PBT has been considered as the benchmark for determining the magnitude of financial impact and quantifying the severity level of each CRRO.

1.2.2 Qualitative Materiality Threshold

In addition to the financial magnitude, the Company also considers the nature, likelihood, severity of impact and overall materiality assessment of CRROs. Furthermore, qualitative factors such as reputational damage arising from non-compliance with regulations, strategic relevance, stakeholder concerns, operational implications and alignment with the Company's long-term sustainability objectives are also taken into consideration in evaluating the significance of each CRRO.

By incorporating both financial and non-financial dimensions into the assessment process, the Company ensures a more holistic and comprehensive evaluation of material risks.

1.3 Functional Currency

The financial statements of the Company are presented in Sri Lankan Rupees (Rs.), being the functional currency of the primary economic environment in which company operates.

Financial information is rounded to the nearest thousand, unless otherwise stated. There were no changes to the Company's functional or presentation currency during the year under review. As well all sustainability-related financial disclosures are presented in Rs., consistent with the financial statements.

1.4 Sources of Guidance

In preparing these sustainability-related financial disclosures in accordance with SLFRS S1 and SLFRS S2, the Company has considered a range of internationally recognized frameworks, national policies and climate-related research to ensure a comprehensive and robust assessment of CRROs.

Key sources of guidance includes:

- SLFRS S1 : General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 : Climate-related Disclosure Standard
- National Disaster Management Plan 2030 issued by the Disaster Management Centre of Sri Lanka
- Sustainability Accounting Standards Board (SASB) Standards - 2023
- Global Risks Report 2026 (21st Edition) - World Economic Forum
- Sri Lanka Nationally Determined Contributions (NDCs) 3.0 (2025 - 2035)
- Global Climate Risk Index 2026 - Germanwatch
- Sixth Assessment Report - Intergovernmental Panel on Climate Change (IPCC)
- Climate Risk Country Profile - Sri Lanka - World Bank and Asian Development Bank (ADB)
- Sustainable Finance Roadmap 2.0 - Central Bank of Sri Lanka

1.5 Reporting Period

This report covers the financial year from 01st April 2025 to 31st March 2026 and is prepared in consistency with the Company's audited consolidated financial statements.

1.6 Time Horizon

PLC assesses material CRROs across short, medium and long-term time horizons to support informed decision-making and strategic planning. The current reporting period corresponds to the financial year 2025/26.

1.6.1 Basis of Defining the Time Horizon

The short-term horizon aligns with the Company's annual budgeting and operational planning cycle. The medium-term horizon reflects the Company's three year financial, capital and funding strategies. The long-term horizon extends beyond five years, enabling the assessment of emerging Sustainability Related Risks and Opportunities under a broader range of future scenarios and transition pathways.

Time horizon	Definition	Relevant Financial year period
Short Term	Within 01 year	2026/27
Medium Term	02 to 03 years	2027/28 - 2029/30
Long Term	More than 03 years	After 2029/30

1.7 Connected Information

This section uses cross-references and navigation icons as shown below to highlight the connections between the CRROs and the rest of the disclosures.

- Connections between different CRROs
- Connections within its climate related financial disclosures
- Connections across climate related financial disclosures, Annual Financial Statements and sections in the Integrated Report

SLFRS S1 and S2 section	Primary location of disclosures	Location of connected information
Governance	SLFRS S1 & S2 disclosures - Page 85 to 87	• Corporate Governance - Page 215 to 282 • Board Sustainability Committee Report - Page 281 to 282 • Board Integrated Risk Management Committee Report - Page 271 to 274
Strategy	SLFRS S1 & S2 disclosures - Page 87 to 92	Strategy & Resource Allocation - Page 105 to 111
Risk Management	SLFRS S1 & S2 disclosures - Page 93 to 97	Risk Management Report - Page 283 to 298
Metrics & Targets	SLFRS S1 & S2 disclosures - Page 97 to 104	Natural Capital Report - Page 202 to 214

SLFRS S1 & S2 Disclosure

1.8 Transitional Relief

The Company has applied the following transitional reliefs permitted under SLFRS S1 and S2 as issued by CA Sri Lanka in first year of reporting the SLFRS sustainability-related financial disclosures.

- SLFRS S1 | E5 - Disclosure of information only on CRROs
- In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only CRROs (in accordance with SLFRS S2)
- SLFRS S1 | E6 & SLFRS S2 | C3 - Disclosure of Comparative Information
- In the first annual reporting period in which the entity applies this standard, it is not required to disclose comparative information about its CRROs
- SLFRS S2 | C4 (b) - Disclosure of Greenhouse Gas Emissions
- Entities shall initially disclose only Scope 1 and Scope 2 emissions.
- SLFRS S1 | 34 & S2 | 15 (b) - Disclosure of qualitative information regarding anticipated risks and opportunities
- Entities are permitted to defer the disclosure of qualitative information regarding anticipated risks and opportunities for a period of two years following the mandatory application of the standard.
- SLFRS S2 | 22 - Disclosures on Climate resilience
- Relief period of two years are granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirement.

1.9 Significant Judgements, Uncertainties and Proportionality

In preparing sustainability-related disclosures in line with SLFRS S1 and SLFRS S2, the Company has applied professional judgement and estimates, considering the inherent uncertainty, forward-looking nature and data limitations associated with CRROs, particularly in areas where methodologies and data are still evolving. The Group operates within a dynamic financial environment where CRROs give rise to significant forward-looking uncertainties.

Uncertainties also arise from data limitations, the use of assumptions and reliance on external inputs such as emission factors, which are common in the measurement of greenhouse gas emissions and climate-related assessments.

In addressing these challenges, the Company has adopted a proportionality approach by prioritizing material areas and applying reasonable estimates where necessary while balancing the practicality and cost of data collection. The Company remains committed to continuously enhancing the quality, accuracy and scope of its disclosures as systems and processes evolve over time.

In fulfilling the requirements of SLFRS S2, the company recognizes the following contextual challenges:

- The inherently forward-looking nature of CRROs which gives rise to uncertainty regarding their timing, likelihood, and potential financial impact.
- Limited availability of consistent and granular climate-related data, particularly across diverse customer segments and SME portfolios.
- An evolving regulatory and policy landscape alongside changes in technology, market dynamics and consumer preferences which create uncertainty in assessing impacts on business models and borrower performance.
- Reliance on external assumptions, models and emission factors which may differ across methodologies and sources.
- Varying levels of climate resilience and adaptive capacity across sectors within the Company's leasing portfolio.
- The developing nature of internal systems and processes for capturing, validating and reporting climate-related information.
- Exposure to physical climate risks arising from extreme weather events and long-term environmental changes, the timing and severity of which remain uncertain and may affect operations, assets, and supply chains.
- Uncertainty surrounding opportunities related to green financing and low-carbon technologies, particularly due to the pace of market adoption, regulatory developments and technological advancements.
- Dependencies on critical infrastructure and third-party service providers where climate events may result in correlated operational disruptions and credit risks.
- Limited availability of customer-level, asset-specific and geographically disaggregated data, which constrains the precision of climate risk modelling.
- Rapidly evolving expectations from regulators, investors and international institutions, creating uncertainty in aligning with emerging global sustainability standards while maintaining credibility.

Key Areas of Measurement Professional Judgements

Category	Significant Judgement Applied
Materiality Threshold	Judgement was applied in determining which CRROs are material to the Company's leasing portfolio. This included assessing the potential impact of CRROs on credit risk, asset quality, customer repayment capacity and cost of funds, particularly in sectors such as transport, construction, manufacturing, and SMEs where climate exposure may indirectly affect cash flows.
Portfolio Exposure and Sector Sensitivity	The Company applied judgement in identifying sectors within its leasing and lending portfolio that are more vulnerable to physical and transition climate risks. This included assessing exposure to climate-sensitive industries (Such as transport, logistics, agriculture-linked SMEs) based on internal portfolio segmentation and external climate risk indicators.
Value Chain	All upstream and downstream activities which are prone to CRROs are mapped over the value chain based on operational control and material impact to the Company.
Time horizon classification	Short, medium and long-term time horizons were defined based on CRRO assessment framework and strategic planning cycle. These judgements directly affect how CRROs are disclosed and tracked over time.
Identification of CRROs	Physical climate risk projections are based on the published climate risk profiles of the country and vary significantly by region and scenario.
Quantifying the Financial Impact	Judgement was required in determining where quantitative estimation of climate-related financial impacts was not sufficiently reliable. In such cases, the Company applied qualitative assessments to describe potential credit risk deterioration, collateral value sensitivity, and sector-level vulnerability, ensuring consistency with available data and avoiding overstatement of precision.

Key Areas of Measurement Uncertainties

Category	Nature of Uncertainty
GHG Emission Quantification	Direct measurement is not feasible for all supplier categories and assumptions are updated as more accurate category benchmarks become available.
GHG Emission Factors	Estimations rely on third-party emissions factors published in the latest publicly available sources.
Physical Climate Risk Projections	Climate risk models for Sri Lanka vary significantly by region and scenario. Therefore, the most recent and most popular sources have been used in assessing the physical climate risks.
Regulatory and Policy Forecasts	Estimation of the potential impact of the applicable regulatory changes involve high uncertainty.
Likelihood of Occurrence of CRROs	The likelihood of occurrence of identified CRROs has been determined based on professional judgement considering the dependency of future events

2.0 Statement of Compliance

This report represents a complete set of Sustainability related financial disclosures for People's Leasing & Finance PLC for the year ended 31st March 2026. The Group's Sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by CA Sri Lanka.

02. Governance

This section outlines the governance structures, processes and control mechanisms established to monitor, manage and oversee the People's Leasing's SRROs.

GRI 2-12

2.1 Board Oversight Role

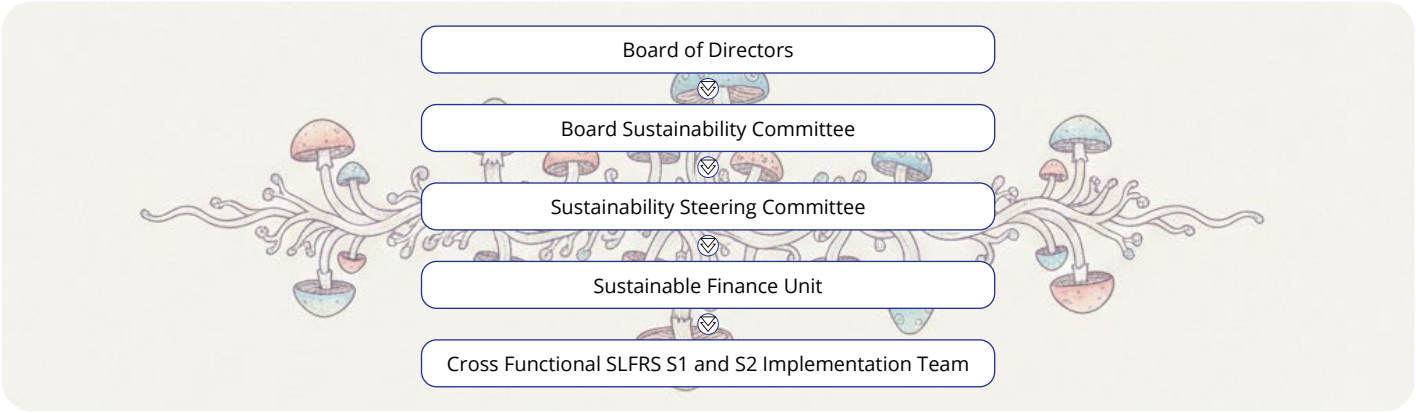
The Board of People's Leasing is actively engaged in reviewing the company's sustainability-related matters, initiatives and SRROs with the aim of embedding sustainability into business operations and strategic decision-making. This reflects the company's commitment to acting as a responsible corporate citizen.

Governance Oversight Structure

The Company has established a robust and structured governance framework to ensure effective oversight of sustainability-related strategies including sustainability reporting in accordance with SLFRS S1 and SLFRS S2 requirements. The Board of Directors holds overall responsibility for sustainability governance including the consideration of CRROs from the financial year 2025/26, thereby guiding the entity's strategic direction and decision-making towards sustainability.

Through this governance structure, the organisation promotes accountability, transparency and alignment with SLFRS S1 and S2 disclosure requirements while continuously strengthening its approach to sustainability risk management and reporting practices.

SLFRS S1 & S2 Disclosure



2.1.1 Responsibility

Board Sustainability Committee (BSC)

With the objective of clearly supporting the Board of Directors in providing strategic oversight and governance of the Company's sustainability agenda, PLC established the Board Sustainability Committee (BSC) during the financial year 2025/26, following approval by the PLC Board.

The BSC comprises four Board members, all of whom are Non-Executive Directors. The Company Secretary or any Assistant Secretary nominated by the Company Secretariat Department, serves as the Secretary to the Committee. In the absence of the appointed Secretary, the Committee may designate another officer, as approved by the Committee to act as Secretary to the BSC.

The BSC meets at least on a quarterly basis to discharge its responsibilities effectively. The BSC is responsible for providing oversight in the following key areas:

- Strategic oversight of sustainability matters
- Governance of Sustainable Finance Activities (SFAs)
- Oversight of ESG and SRROs
- Oversight of Sustainability related policies, reporting, and disclosures
- Monitoring of sustainability performance
- Strengthening Board capacity and competency on sustainability matters

The Committee also provides periodic updates to the Board on sustainability performance, SRROs and relevant regulatory developments.

Defined governance structures, committee mandates and regular reporting to the Board, ensure that there is Board oversight on the implementation of Environmental, Social and Governance (ESG) matters including the effective management of SRROs according to the TOR. For further details, please refer to the BSC Report on page 281 to 282.

2.1.2 Skills and Competencies

In line with the implementation of SLFRS S1 and SLFRS S2, the Company conducted a Board of Directors' Skills and Experience Gap Analysis to assess the knowledge, expertise and experience of the Board in relation to the SLFRS Sustainability Disclosure Standards and the management of SRROs.

To further strengthen competency and awareness, both external and internal knowledge-building sessions were conducted for the Board of Directors. A dedicated session for all PLC Board members was conducted by an external consultancy services provider on 06th March 2026 in line with the Company's SLFRS S1 and S2 implementation plan. The session focused on the implications and requirements of SLFRS S1 and SLFRS S2, enhancing the Board's understanding of sustainability-related governance, disclosures and climate-related considerations. Members of the Sustainability Steering Committee also participated in the session.

In addition, members of the Board participated in several sustainability related programmes and forums during the financial year, including:

- Board's Role in Mandatory Sustainability Reporting Programme by Sri Lanka Institute of Directors (SLID)
- Global Sustainable Finance Conference 2026 held in Karlsruhe, Germany, convened by the European Organisation for Sustainable Development

2.1.3 Inform, Address and Monitor

In the first year of adopting SLFRS S1 and SLFRS S2 during the year under reviewed, PLC identified two climate-related risks and one climate-related opportunities which were fully reviewed and recommended by BSC and approved by the Main Board.

The Company will continue to strengthen its approach towards managing those identified climate-related risks and opportunities as part of its sustainability journey. BSC meets quarterly to oversee the management of the SRROs and Sustainability related Strategies.

In addition, the Sustainable Finance Unit will provide periodic updates to the BSC upon the recommendations from Management Level Sustainability Steering Committee (SSC) for the review and approval of PLC Main Board on the progress of managing CRROs including related sustainability initiatives and developments.

2.2 Management Role

With the objective of strengthening the management of ESG and sustainability initiatives including the effective management of SRROs, the Company established a Sustainability Steering Committee (SSC) during the financial year 2025/26 with the approval of the Board of Directors.

The Committee facilitates the review and monitoring of identified CRROs while overseeing the Company's progress towards its sustainability journey and objectives. The Committee is chaired by the Chief Executive Officer/General Manager and comprises key members of the Corporate Management and business units to ensure effective implementation and integration of sustainability initiatives across the organisation.

The composition of the Committee is as follows:

- Chief Executive Officer/General Manager - Committee Chairman
- Chief Operating Officer
- Chief Information Officer
- Head of Operations
- Chief Risk Officer
- Chief Finance Officer
- Head of Human Resources
- Head of Leasing & Loans
- Head of Sustainable Finance

Head of Sustainable Finance serves as the secretary to the Committee.

Furthermore, a capacity-building session series on SLFRS S1 & S2 was conducted covering Governance, Risk Management, Strategy and Metrics and Targets. The session was delivered to members of the SSC along with representatives from the Risk and Control Department, Sustainable Finance Unit and Finance Department to strengthen understanding and support effective implementation of the standards across the Company.

2.2.1 Delegation

The SSC was established during the year under review with the approval of the Board of Directors. Following its establishment, the Terms of Reference (TOR) of the Committee were developed, reviewed and recommended by the BSC and subsequently approved by the Board.

The ToR clearly outline the Committee's purpose, objectives, roles, responsibilities and governance structure to ensure effective oversight and management of ESG and sustainability-related matters across the Company. The Committee comprises key personnel representing cross-functional areas including Risk, Finance, Products, Information Technology, Operations, Sustainable Finance and Human Resources.

SLFRS S1 & S2 Implementation Group

The SLFRS S1 & S2 Implementation Group is responsible for overseeing and coordinating the implementation of SLFRS Sustainability Disclosure Standards within the Company. The Group comprises representatives from the following key departments:

- Sustainable Finance Unit
- Risk and Control Department
- Finance Department

The Group is required to meet at least once every two months. During the year under review, two meetings were held.

In addition, the dedicated Sustainable Finance Unit continues to drive the implementation of the Company's sustainability agenda in coordination with the respective business units and stakeholders across the organisation.

2.2.2 Policies and procedures

The Company has established an Environmental, Social and Governance (ESG) Sustainability Policy, which will be further strengthened to effectively address and manage Company's SRROs.

In addition, ESG risk considerations have been integrated into the Company's Risk Management Policy. Furthermore, the Company evaluates ESG-related impacts through an ESG Due Diligence Checklist applied to credit proposals and new supplier registrations as company's one of the best practices.

03. Strategy

As part of its first year of reporting under the new sustainability disclosure requirements SLFRS S1 and S2, People's Leasing identified the following set of CRROs relevant to its operations for the financial year 2025/26.

Climate Related Risk 01 (CRRO1)

Adverse weather conditions

Climate Related Risk 02 (CRRO2)

Regulatory requirements on Climate related disclosures & frameworks

Climate Related Opportunity 01 (CRRO3)

Offering sustainable finance solutions

SLFRS S1 & S2 Disclosure

The following is a discussion of the identified CRRO's expected to affect the prospects of the Peoples Leasing's business model and value chain as well as the organisations strategy for managing these SRRO's.

CRRO 1	Adverse weather conditions	
CRROs impact on Prospects	Description	Adverse weather conditions such as floods, droughts and changes in weather patterns such as extreme rainfalls may affect the operations and customers of company. These events may disrupt business activities, reduce customers' repayment capacity and increase operational and credit risks. Climate-related weather events may also impact business continuity, financial performance and long-term sustainability.
	Physical Risk or Transition Risk	Physical Risk
	Time Horizon	Short term/Medium term/Long term
	Define time horizon	Refer Note 1.6
Business Model and Value Chain	Current Effects on Business Model and Value Chain	No material impact to current business model and value chain.
	Anticipated Effects on Business Model and Value Chain	Adverse weather conditions may disrupt customer operations, supply chains and economic activities, particularly in climate-sensitive sectors such as agriculture and transportation. In the long term, the Company may require additional investments in resilience, digitalisation and climate risk management to sustain business continuity and long-term growth. • Value Chain Impacts: Operational disruptions across branches, suppliers and key sectors such as agriculture and transport may lead to delays in service delivery, reduced efficiency and increased contingency costs across the value chain. • Financial Performance Impacts: A decline in borrowers' repayment capacity may increase credit risk, impairment provisions and operational costs, thereby putting pressure on profitability and overall financial performance. • Business Model Impacts: Economic disruptions may reduce demand for financial products and affect portfolio stability, requiring greater investment in resilience and adaptive strategies to sustain long-term growth and sustainability.
	Where is it Concentrated?	The impacts of adverse weather conditions are mainly concentrated in climate-sensitive sectors such as agriculture, transportation, SMEs and other businesses dependent on stable weather conditions. Exposure is also higher in geographical areas prone to floods, droughts, landslides and heavy rainfall as well as among customers and borrowers whose income is directly affected by weather-related disruptions.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	PLC will integrate climate-related risks into its strategy and risk management framework. The Company considers adverse weather risks in credit assessments, strengthens portfolio diversification and enhances monitoring of climate-sensitive sectors. Business continuity plans and digital service channels are being improved to reduce operational disruptions. Climate-related risks are also being gradually aligned with sustainability targets including SLFRS S1 & S2 reporting requirements and long-term resilience objectives.

CRRO 1	Adverse weather conditions	
	How the Company is Resourcing and Plan to Resource Activities	PLC is allocating resources to strengthen its management of climate-related risks including adverse weather conditions. This includes internal capacity building through training and awareness programmes, enhancing risk management systems and improving data collection and reporting capabilities. The Company is also investing in digital infrastructure and business continuity improvements to support operational resilience. In addition, cross-functional teams and governance structures are being strengthened to support the implementation of SLFRS S1 & S2 requirements and to ensure effective monitoring and management of climate-related risks.
	Progress (qualitative and quantitative)	Qualitative progress: Climate-related risks including adverse weather conditions have been identified and incorporated into governance discussions with increased internal awareness and capacity building on SLFRS S1 & S2 reporting requirements. Quantitative progress: The Company is gradually strengthening data collection on climate-sensitive exposures within its lending portfolio and enhancing monitoring of sectoral risks, while expanding digital service channels to improve operational resilience and reduce disruption impacts.
Financial Effects	Current year financial effects to PL, BS and CF	We have not identified material financial effects to the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer Note 1.8 Transitional Relief
	Climate resilience	Resilience Assessment Refer Note 1.8 Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer Note 1.8 Transitional Relief
Judgements and Uncertainties	Judgements	Refer page 84
	Uncertainties	

SLFRS S1 & S2 Disclosure

CRRO 2	Regulatory requirements on climate related disclosures/frameworks	
CRROs impact on Prospects	Description	Evolving climate-related regulatory requirements increasingly require the Company to strengthen its Greenhouse Gas (GHG) emissions quantification, measurement and disclosure practices, particularly in relation to Scope 3 financed emissions arising from lending and investment activities. In addition to compliance with applicable sustainability reporting frameworks including climate-related disclosure requirements, the Company may face increased complexity in data collection, monitoring, reporting processes and regulatory compliance obligations. Failure to effectively respond to these evolving climate regulations and stakeholder expectations may adversely impact the Company's reputation, access to sustainable finance opportunities and long-term business prospects.
	Physical Risk or Transition Risk	Transition Risk
	Time Horizon	Short term/Medium term/Long term
	Define time horizon	Refer Note 1.6
Business Model and Value Chain	Current Effects on Business Model and Value Chain	No material impact to current business model and value chain.
	Anticipated Effects on Business Model and Value Chain	Increased regulatory requirements may require changes to internal reporting systems, enhanced data collection processes and stronger coordination across departments. The Company may need to invest in new systems, skills and controls to ensure accurate and timely climate-related disclosures which may increase operational costs but improve transparency and stakeholder confidence. • Value Chain Impacts: Tracking Scope 3 emissions in category 15 of financed emission across suppliers and customers requires data gathering, systems, and capacity building, affecting operations and procurement decisions. • Financial Performance Impacts: Reporting and compliance increase costs but can create green financing opportunities and improve investor confidence, non-compliance may lead to penalties or reputational loss. • Business Model Impacts: Climate considerations must be integrated into business operations and lending, driving sustainable strategies and long-term resilience.
	Where is it Concentrated?	This risk is concentrated in financial reporting, sustainability reporting, risk management and regulatory compliance functions within the Company. It also affects all business units involved in data collection, portfolio reporting and ESG disclosures.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	The Company is progressively integrating SLFRS S1 & S2 requirements into its sustainability strategy and governance framework by strengthening climate-related disclosure and reporting processes. As part of this initiative, the Company plans to enhance its GHG emissions data collection and calculation processes through improved data management systems, standardized data gathering methodologies and strengthened internal controls, particularly in relation to Scope 3 financed emissions. The Company also aims to improve the accuracy, consistency and reliability of climate-related data while embedding climate reporting into risk management and decision-making processes in line with evolving regulatory expectations.
	How the Company is Resourcing and Plan to Resource Activities	The Company is allocating resources to build internal capacity including staff training, system enhancements and strengthening ESG risk management and GHG emission calculation. External expertise is also being utilized where required to ensure compliance with evolving disclosure standards specially in GHG emission reporting.

CRRO 2	Regulatory requirements on climate related disclosures/frameworks	
Strategy and Decision Making	Progress (qualitative and quantitative)	Qualitative progress: The Company has initiated alignment with SLFRS S1 & S2 requirements and strengthened internal awareness of climate-related disclosure obligations. Quantitative progress: Improved data collection processes and enhanced reporting structures are being developed to support consistent climate-related disclosures across the organisation.
Financial Effects	Current year financial effects to PL, BS and CF	We have not identified material financial effects to the current financial year.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer Note 1.8 Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer Note 1.8 Transitional Relief
Judgements and Uncertainties	Judgements	Refer page 84
	Uncertainties	

CRRO 3	Sustainable Financing	
CRROs impact on Prospects	Description	Sustainable financing refers to providing financial products and services that support environmental sustainability, climate resilience and low-carbon economic activities. PLC has the opportunity to expand its lending and investment portfolio by supporting green projects, renewable energy, energy efficiency, sustainable agriculture and climate-resilient businesses, thereby contributing to national and global sustainability goals. This opportunity is expected to strengthen the Company's long-term growth prospects, enhance portfolio resilience, improve access to sustainable finance markets and reinforce its reputation as a responsible financial service provider for sustainable future.
	Physical Risk or Transition Risk	Not applicable
	Time Horizon	Short term/Medium term/Long term
	Define time horizon	Refer Note 1.6
Business Model and Value Chain	Current Effects on Business Model and Value Chain	No material impact to current business model and value chain
	Anticipated Effects on Business Model and Value Chain	Sustainable financing can diversify the Company's product portfolio and create new revenue streams. It enhances customer engagement, strengthens long-term credit quality by supporting resilient businesses and improves access to international funding and ESG-linked capital. It also strengthens the Company's reputation and competitiveness in the financial services sector.

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CRRO 3	Sustainable Financing	
Business Model and Value Chain		• Value Chain Impacts: Supporting customers, suppliers and investors in adopting climate resilient practices strengthens relationships, promotes efficient resource use and enhances overall value chain resilience. • Financial Performance Impacts: Sustainable financing products and incentives for climate resilient practices can create new revenue streams, reduce credit risk, attract ESG focused investors and improve long-term profitability. • Business Model Impacts: Integrating climate considerations into strategy, risk management, and product development positions the company as a sustainable finance leader and drives low carbon, climate-resilient solutions for clients.
	Where is it Concentrated?	This opportunity is concentrated in sustainable lending portfolios, green finance products, SME financing for climate-resilient businesses, renewable energy projects and customer segments transitioning to low-carbon and resource-efficient operations.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	The Company is integrating sustainable finance into its core strategy by promoting green lending products, aligning with SLFRS S1 & S2 requirements and supporting National Determined Contributions and the assist in achieving UN SDGs. Risk management frameworks are being enhanced to identify and prioritize sustainable investment opportunities while ensuring proper assessment of environmental and credit risks.
	How the Company is Resourcing and Plan to Resource Activities	The Company is allocating resources to develop sustainable finance frameworks, build staff capacity in green financing and enhance product innovation. It is also strengthening public and private partnerships and leveraging external expertise to support sustainable project implementation.
	Progress (qualitative and quantitative)	Qualitative progress: The Company has initiated awareness and capacity-building on sustainable finance and integrated ESG considerations into lending discussions. Quantitative progress: Gradual growth in environmentally and socially responsible lending activities and increasing identification of potential green finance opportunities within the portfolio.
Financial Effects	Current year financial effects to PL, BS and CF	We have not identified material financial effects to the current financial year
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	We have not identified Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer Note 1.8 Transitional Relief
Climate resilience	Resilience Assessment	Refer Note 1.8 Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer Note 1.8 Transitional Relief
Judgements and Uncertainties	Judgements	Refer page 84
	Uncertainties	

04. Risk Management

This section outlines how Peoples' Leasing identifies, assesses, priorities and monitors the CRROs and how they are integrated to the overall risk management framework.

4.1 Processes and Policies used to identify, assess, priorities and monitor climate -related risks

People's Leasing manages climate-related risks through established internal policies and processes that are being progressively aligned with SLFRS S1 & S2 requirements.

ESG risk is already embedded within the Company's Enterprise Risk Management (ERM) framework. ESG factors are assessed during customer onboarding, credit appraisal, and supplier evaluation processes. In addition, the Company applies business continuity planning to manage operational disruptions arising from climate-related events. These processes are supported by governance structures, including risk management committees and sustainability oversight mechanisms.

Policies and procedures are continuously being strengthened to improve data collection, enhance risk assessment methodologies, and ensure consistent identification and monitoring of climate-related risks across the business.

Climate-related risks are identified through both physical and transition risk pathways, while climate-related opportunities are increasingly emerging through sustainable and green financing solutions over the short, medium, and long term.

The CRRO management process follows a structured approach:

- Identify
- Assess
- Prioritize
- Monitor
- Update and Improve Processes

4.1.1 Identification

During the year under review, the Company focused on identifying CRROs and strengthening the underlying assessment framework to meet the Sustainability Disclosure requirements of SLFRS S1 and S2.These initiatives strengthened the company's sustainability agenda and supports its transition towards a low carbon, climate resilient future.

I. Inputs and Parameters

PLC uses internal research and referenced sources (as indicated in Page 82-83) to identify Climate-Related Risks and Opportunities (CRROs) as part of its structured risk identification process.

In addition, the Company considers the following key inputs and parameters when identifying climate-related risks:

- Geographic exposure to climate-vulnerable areas, such as flood- and drought-prone regions - Disaster Management Centre (DMC), Sri Lanka
- Historical loss events and operational disruptions linked to extreme weather conditions
- Macroeconomic indicators influenced by climate variability and environmental changes - World Bank – Sri Lanka Climate Risk Country Profile
- External information, including regulatory updates, industry guidance, and climate risk frameworks

These inputs support the early identification of both physical and transition climate-related risks and enhance the Company's ability to integrate climate considerations into risk management and decision-making processes.

II. Use of Climate-related Scenario Analysis

People's Leasing is in the early stages of integrating climate-related scenario analysis into its risk management and reporting framework. At present, the Company does not use climate scenario analysis as part of its process for identifying climate-related risks. However, it is progressively building internal capabilities and frameworks to support future incorporation of scenario-based assessments into its risk identification and risk management practices.

At present, the Company uses qualitative assessments to understand potential climate-related impacts across different time horizons. Formal scenario analysis practices are being progressively developed in line with SLFRS S2 requirements, including the evaluation of possible future climate conditions and their impacts on the lending portfolio, business operations, and overall financial resilience.

As part of ongoing development, the Company aims to further strengthen scenario-based assessments to support more forward-looking climate risk management, strategic planning, and informed decision-making.

4.1.2 Assessment of CRROs

Nature of CRROs

The Company assesses the nature of CRROs by determining whether they arise from physical climate events or transition-related developments and by evaluating their potential impact on the Company's operations, customers, portfolio quality, financial performance and long-term sustainability.

The assessment considers both direct and indirect impacts across the value chain, including exposures arising from climate-sensitive sectors, operational disruptions, evolving regulatory requirements and changing stakeholder expectations.

The Company evaluates:

- Whether the CRRO is physical or transition related (Please refer Assessment table below)
- The extent of impact on customers, financed assets, operations, and service delivery
- Potential implications on credit quality, operational resilience, reputation, and profitability
- Geographic and sectoral concentration of exposures
- Strategic implications to the Company's business model and long-term objectives
- Interconnections between climate-related risks and existing risk categories within the Enterprise Risk Management (ERM) framework

Assessment of the likelihood

Description	Probability (No. of events per year)
Very Low	1
Low	2
Medium	3
High	4
Very High	5

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Assessment of the Magnitude/Exposure

Impact Dimensions

Determination of severity based on financial materiality threshold

The determination of severity is undertaken after establishing the Company's materiality threshold. Accordingly, People's Leasing has assessed the severity of CRROs with reference to its defined materiality framework, ensuring that the evaluation reflects the relative significance of each risk in the context of the Company's overall risk appetite and business operations.

Description	Quantitative Factor Loss value as a % of PBT	Qualitative Factor
Minimal	Below 1.0%	Negligible Damage - No material effect on operations, finances or reputation. Fully manageable within routine processes.
Minor	1.0%-2.5%	Limited Damage - Minor operational or financial loss, slight stakeholder concern. Manageable through standard controls.
Moderate	2.5%-4.0%	Moderate Damage - Noticeable impact on business performance, portfolio quality or stakeholder confidence. Requires active management measures.
Major	4.0%-5.0%	Significant Damage - Substantial operational disruption, financial loss or reputational harm. Requires senior management intervention and structured response.
Critical	Over 5.0%	Severe Damage - Threatens business continuity, major financial stability or organisational reputation. Immediate crisis response is essential.

Risk Heat Matrix (Likelihood vs Severity)

Severity \ Likelihood	Very Low	Low	Medium	High	Very
Critical	Low	Medium	High	Very High	Very High
Major	Low	Medium	High	High	Very High
Moderate	Very Low	Low	Medium	High	High
Minor	Very Low	Low	Low	Medium	Medium
Minimal	Very Low	Very Low	Very Low	Low	Low

Very Low	The current risk exposure level is well below risk appetite and no further actions are needed besides regulatory monitoring to ensure activities and controls take place as intended.
Low	The current risk exposure level is within risk appetite and no further actions are needed besides regulatory monitoring to ensure activities and controls take place as intended.
Medium	The current risk exposure level is within risk appetite, but is approaching excess levels; active monitoring is in progress and further mitigation is possibly required.
High	The current risk exposure is above acceptable levels and it must be the object of an action plan to reduce residual exposure in likelihood or impact, or escalation and risk acceptance by management.
Very High	The current risk exposure is much beyond risk appetite and must be subject to an urgent risk mitigation action plan.

Assessment Table

No	CRRO	Physical or Transition	Time Horizon	Likelihood	Severity	Overall Rating
01	Adverse Weather Conditions	Physical Risk	Short term Medium term Long term	Medium	Moderate	Medium
02	Regulatory requirements on climate related disclosures/ frameworks	Transition Risk	Short term Medium term Long term	Medium	Moderate	Medium
03	Offering Sustainable Finance Solutions	Opportunity	Short term Medium term Long term	Medium	Moderate	Medium

4.1.3 Prioritisation of CRROs

The Company prioritises climate-related risks within its ERM framework by assessing their potential impact on financial performance, operational continuity, portfolio quality, regulatory compliance and long-term business resilience. Climate-related risks are evaluated alongside other principal risk categories including credit risk, liquidity risk, operational risk, market risk, information security risk, strategic risk and reputational risk.

The prioritisation process considers:

- Magnitude and likelihood of potential impacts
- Financial materiality thresholds established by the Company
- Exposure concentration across sectors and geographic regions
- Potential impact on customers' repayment capacity and collateral values
- Regulatory and stakeholder expectations
- Potential cascading effects across multiple risk categories

The Company uses risk matrices, sector-level analysis, and risk registers to determine the relative significance of climate-related risks. Risks assessed as material are escalated through governance structures including the Sustainability Steering Committee (SSC), Executive Integrated Risk Management Committee (EIRMC), Board Sustainability Committee (BSC), and Board Integrated Risk Management Committee (BIRMC).

Climate-related risks are increasingly prioritised due to their potential to create interconnected impacts across credit, operational, strategic, and reputational risk domains.

4.1.4 Monitoring of CRROs

The Company monitors climate-related risks through its established governance structures, risk management processes, and internal reporting mechanisms integrated within the ERM framework.

Climate-related risks are monitored through:

- Periodic risk reporting and risk register reviews
- Monitoring of climate-sensitive sector exposures and geographic concentrations
- Branch-level operational risk self-assessments
- Environmental scanning and PESTLE analysis
- Business continuity planning and incident reporting mechanisms

SLFRS S1 & S2 Disclosure

- Continuous monitoring of regulatory developments and sustainability disclosure requirements
- Committee-level oversight through SSC, EIRMC, BIRMC, and the Board Sustainability Committee.

The Risk & Control Department (RCD), together with the Sustainable Finance Unit and relevant business units, continuously monitors emerging climate-related developments and their potential impact on the Company's operations, portfolio quality, liquidity, and financial resilience. Quarterly updates relating to climate-related risks are incorporated into the Company Risk Register and communicated to management and Board-level committees through dashboards, heat maps, and committee deliberations.

4.1.5 Changes in the Process during the year

During the financial year 2025/26, the Company further strengthened and formalised its climate-related risk management processes in line with the first-time implementation of SLFRS S1 and SLFRS S2 requirements.

Key enhancements introduced during the year include:

- Establishment of the Board Sustainability Committee (BSC) and Sustainability Steering Committee (SSC)
- Integration of climate-related risks into the ERM framework
- Inclusion of climate-related risks within the Company Risk Register
- Development of structured processes for identifying, assessing, prioritising, and monitoring CRROs
- Strengthening of governance oversight and reporting mechanisms relating to sustainability matters
- Enhanced internal awareness and capacity-building programmes on sustainability reporting and climate-related disclosures
- Improved data collection and reporting processes relating to climate-sensitive exposures
- Incorporation of climate-related considerations into business continuity planning and operational risk management
- Increased focus on sustainable finance and ESG-related opportunities within strategic discussions

As this represents the Company's first reporting period under SLFRS S1 and SLFRS S2, the Company will continue to enhance methodologies, systems, data quality, and monitoring processes over future reporting periods.

4.2 Processes and Policies used to identify. Assess, Prioritize and Monitor to Climate-related Opportunities

The Company identifies climate-related opportunities through its strategic planning, sustainability governance structures, market assessments, and ongoing monitoring of regulatory and industry developments.

Climate-related opportunities are assessed based on their potential to:

- Support sustainable business growth
- Enhance long-term financial performance and portfolio resilience
- Expand sustainable finance and green lending portfolios
- Improve operational efficiency and digital transformation
- Strengthen stakeholder confidence and reputation
- Support national and global sustainability objectives

The Company currently identifies sustainable financing as a key climate-related opportunity, particularly in areas such as renewable energy, energy efficiency, climate-resilient SMEs, sustainable transportation, and environmentally responsible financing solutions.

The processes used to identify, assess, prioritise, and monitor climate-related opportunities include:

- Strategic and sustainability-related discussions at Board and management level
- Environmental scanning and market trend analysis
- Assessment of evolving regulatory requirements and sustainable finance frameworks
- Integration of ESG considerations into lending and investment discussions
- Monitoring emerging customer demand for sustainable financial products
- Evaluation of potential financial and reputational benefits arising from sustainable financing activities

The Company also considers forward-looking climate-related developments when evaluating long-term strategic opportunities; however, detailed climate scenario analysis disclosures are currently provided in line with the transitional relief provisions under SLFRS S2.

The Sustainable Finance Unit, SSC, and relevant management committees continuously monitor the progress of climate-related opportunities and provide updates to the Board and management.

4.3 Integration of Climate Related Risk Processes into Enterprise Risk Management

The processes for identifying, assessing, prioritizing, and monitoring CRROs are progressively being integrated into the Company's overall ERM framework.

CRROs are considered within the Company's broader governance, strategy, risk management, and decision-making processes and are integrated into key risk categories.

The Company integrates climate-related considerations into:

- Risk identification and environmental scanning processes
- Risk registers and heat maps
- Credit assessment and portfolio monitoring activities
- Business continuity planning
- Stress testing and scenario analysis processes
- Governance and committee reporting structures
- Strategic planning and sustainable finance initiatives

The Risk & Control Department, Sustainable Finance Unit, Finance Department, and business units collaborate to ensure climate-related risks and opportunities are incorporated into the Company's overall risk management framework and reporting processes.

Governance oversight is provided through the Board, BIRMC, BSC, SSC, EIRMC, and other management committees to ensure climate-related matters are appropriately monitored, escalated, and integrated into strategic and operational decision-making processes.

05. Metrics and Targets

5.1Cross Industry Metrics

5.1.1 Greenhouse Gas Emissions (GHG)

Basis of Determination of Organisational Boundary and Operational Boundary
Organisational Boundary
People's Leasing & Finance PLC (PLC) has established its organisational boundary based on the financial control approach, in accordance with the requirements of the Greenhouse Gas (GHG) Protocol. Accordingly, all operations over which PLC has financial control are included within the reporting boundary.

Entities included under Organisational Boundary;

- Entity 01 : People's Leasing & Finance PLC (PLC) including the head office located at No.1161, Maradana Road, Colombo 08 and 112 Branches, 06 Vehicle Yards and 01 Holiday Homes
- Entity 02: People's Insurance PLC including the head office located at No 07, Havelock Road, Colombo 05 and its 18 Branches
- Entity 03: People's Micro Commerce Ltd including the head office located at No.290, Highlevel Road, Nugegoda, and its 13 Branches
- Entity 04: Peoples' Leasing Fleet Management Ltd head office located at 19/4, Puwalingam Place, Ganartha Pradeepa Road, Colombo 08
- Entity 05: People' s Leasing Havelock Property Ltd head office located at No.1161, Maradana Road, Colombo 08
- Entity 06 People's Leasing Property Development ltd head office located at No.1161, Maradana Road, Colombo 08
- Entity 07: Alliance Finance PLC head office located at Level 10, Laila Tower, 8 South Gulshan Avenue, Dhaka 1212, Bangladesh and Principal Branch and Uttara Branch

This boundary definition ensures that all entities and operations under PLC's financial control are consistently accounted for within the Greenhouse Gas (GHG) inventory. The seven entities listed above will be referred to as the PLC Group in the GHG emissions inventory report for the financial year 2025/26.

Operational Boundary

The operational boundary is defined as all direct and indirect emissions arising from relevant inventory categories generated through the company's operational activities. This encompasses Scope 1, Scope 2 and Scope 3 emissions, as detailed below:

Scope 1 - Direct Emissions

- These are emissions from sources owned or controlled by the company.
- Stand by Generators & LP Gas
- Refrigerant gas Leakage & Fire extinguisher gas Leakage
- Business travel - company owned vehicles

Scope 2 - Indirect Emissions

- Grid electricity

Scope 3 - Other Indirect Emissions

These are all other indirect emissions occurring in the company's value chain, both upstream and downstream. They are usually the largest and most complex category.

- Municipal Water
- Transmission & Distribution loss
- Freight transport
- Waste Disposal
- Business Travel- Hired Vehicles
- Business related air travels
- Employee commuting

Methodology used for the measurement and disclosure of GHG Emissions

People's Leasing & Finance PLC measures and discloses its greenhouse gas (GHG) emissions in accordance with the GHG Protocol and the disclosure requirements of SLFRS S2. The Company applies the financial control approach to define its organisational boundary, thereby accounting for 100% of emissions from all entities and operations over which it has full financial authority and control.

Emissions are categorized into Scope 1, Scope 2, and Scope 3. The Company uses emission factors from the GHG Protocol, IPCC guidelines, and other locally relevant sources, and reports emissions in $MtCO_2e$ (metric tonnes of CO_2 equivalent).

Data collection is carried out through coordination with relevant internal units and The Company has calculated the GHG emission with the services from Climate Smart Initiatives (PVT) Ltd (Climate SI) in line with globally and locally accepted standards.

Furthermore, in line with the transition relief provisions (refer note 1.8), PLC has not yet disclosed scope 3 emission - financed emissions. This report has been prepared in accordance with the requirements of SLFRS S2.

Summary of GHG Emissions of PLC Group

Scope	2025/26 (tCO_2e)
Scope 1	841.10
Scope 2	2,849.96
Scope 3 (Note: Refer Transitional Relief)	2,947.19
Total	**6,638.25**

GHG Scope 1, 2 and 3 Emissions

Scope	Greenhouse gas emissions (metric tones CO_2e) 2025/26			
	Scope 1	Scope 2	Scope 3	Total
Consolidated accounting group	841.10	2,849.96	2,947.19	6,638.25
Other investee (investment in associate, joint ventures)	N/A	N/A	N/A	N/A
Total (Operational control approach)	**841.10**	**2,849.96**	**2,947.19**	**6,638.25**

SLFRS S1 & S2 Disclosure

Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Generator	Invoices/ actual consumption and running hours	• Diesel (Stationery Combustion)- CO_2 - 74,100kgCO_2/TJ • Diesel (Stationery Combustion)- CH4 - 10 kgCH4/TJ • Diesel (Stationery Combustion)- N_2O -0.6 kgN2O/TJ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 1	Stationary combustion	LPG	Invoices	• LPG (Stationery Combustion) - CO_2 - 63,100kgCO_2/TJ • LPG (Stationery Combustion) - CH_4 - 5kgCH4/TJ • LPG (Stationery Combustion) - N_2O - 0.1kgN_2O/TJ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 1	Mobile combustion	Company owned vehicle	Central Accounts	• Diesel (Mobile Combustion)- CO2 -74,100kgCO2/TJ • Diesel (Mobile Combustion)- CH4 - 3.9kgCH4/TJ • Diesel (Mobile Combustion)- N2O - 3.9kgN2O/TJ • Petrol (Mobile Combustion)- • CO_2 - 69,300kgCO2/TJ • Petrol (Mobile Combustion)- CH4 - 33kgCH4/TJ • Petrol (Mobile Combustion)- N2O - 3.2kg N2O/TJ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf	
Scope 1	Fugitive Emissions	Fire Extinguishers (CO2)	Service records/ Invoices		https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 1	Fugitive Emissions	Refrigerant Leakages	Service records/ Invoices	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%20 2016%29_1.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 2	Electricity Consumption	Grid Electricity Consumption	Central Accounts of CEB sheets	• 0.4173kgCO_2e/kWh (Sri Lanka) https://www.energy.gov.lk/images/energy-balance/energy-balance-2022.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 2	Electricity Consumption	Grid Electricity Consumption	Central Accounts	• 0.62 kgCO_2e/kWh (Bangladesh) https://unfccc.int/sites/default/files/resource/Updated%20BUR1%20Report_15_11_2023.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Mobile combustion	Employee commuting (private/hired)	Actual travelling details collected through survey	• Diesel (Mobile Combustion) - CO_2 74,100kgCO_2/TJ • Diesel (Mobile Combustion) - CH_4 - 3.9kgCH_4/TJ • Diesel (Mobile Combustion) - N_2O - 3.9kgN_2O/TJ • Petrol (Mobile Combustion) - CO_2 - 69,300kgCO_2/TJ • Petrol (Mobile Combustion) - CH4 33kgCH4/TJ • Petrol (Mobile Combustion) - N2O - 3.2kgN2O/TJ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Mobile combustion	Employee commuting (public)	Actual travelling details collected through survey	• Bus - 0.01516 kgCO2e/passenger km • Train - 0.0079 kgCO2e/passenger km • Staff van – 0.209 kgCO2e/passenger km • Reference - Indian GHG programme	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Purchased goods and services	Municipal Water consumption	Municipal water consumption bills/ invoices	0.35 kWh/m3 http://www.climatechange.lk/Documents/A_Guide_for_Carbon_Footprint_Assessment.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Fuel- and energy related activities	Transmission & Distribution loss	Central Accounts of CEB sheets	T & D loss factor Sri Lanka - 9.5 % https://www.ceb.lk/front_img/img_reports/1751344341Statistical_Digest_2024.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Fuel- and energy related activities	Transmission & Distribution loss	Central Accounts	T & D loss factor Bangladesh -- 7.793 % https://www.ceicdata.com/en/bangladesh/environmental-energy-production-and-consumption/bd-electric-power-transmission-and-distribution-losses--of-output	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

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Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 3	Mobile combustion	Freight transport	Central accounts	• Diesel (Mobile Combustion)- CO2 -74,100kgCO2/TJ • Diesel (Mobile Combustion)- CH4- 3.9kgCH4/TJ • Diesel (Mobile Combustion) - N2O - 3.9kgN2O/TJ • Petrol (Mobile Combustion) - CO2 - 69,300kgCO2/TJ • Petrol (Mobile Combustion) - CH4 -33kgCH4/TJ • Petrol (Mobile Combustion) - N2O -3.2kgN2O/TJ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Waste generated in operations	Waste Disposal	Waste disposal data collected by the organisation	Waste disposal emissions factors are based on waste type and disposal method https://assets.publishing.service.gov.uk/media/6846a4f55e92539572806125/ghg-conversion-factors-2025-full-set.xlsx	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Mobile combustion	Business Travel- Hired Vehicles	Central Accounts	• Diesel (Mobile Combustion) - CO2 - 74,100kgCO2/TJ • Diesel (Mobile Combustion) - CH4 - 3.9kgCH4/TJ • Diesel (Mobile Combustion) - N2O - 3.9kgN2O/TJ • Petrol (Mobile Combustion) - CO2 - 69,300kgCO2/TJ • Petrol (Mobile Combustion) - CH4 - 33kgCH4/TJ • Petrol (Mobile Combustion) - N2O -3.2kgN2O/TJ https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 3	Business travel	Business air travels	Air travel tickets	https://www.icao.int/environmental-protection/environmental-tools/icec	https://ghgprotocol.org/sites/default/files/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf

5.1.2 Climate-related Physical Risks

The Group has not assessed the amount and percentage of assets and businesses vulnerable to climate related risks for the financial year 2025/26.

5.1.3 Climate-related Transition Risks

The Group has not assessed the amount and percentage of assets and businesses vulnerable to climate related risks for the financial year 2025/26.

5.1.4 Climate-related Opportunities

The Group has not quantified the amount and percentage of assets and businesses aligned for the climate related opportunities for the financial year 2025/26.

5.1.5 Capital Expenditure

There is no specific capital expenditure incurred or planned for the future as at 31st March 2026.

5.1.6 Internal Carbon Pricing

The Group has not yet adopted internal carbon pricing as at 31st March 2026. PLC will apply carbon pricing in its decision making as part of a forward looking action plan, where applicable.

5.1.7 Remuneration

The Group has not yet linked any remuneration of key management personnel to climate related performances as at 31st March 2026.

5.2 Industry Specific Metrics

This section presents the Sustainability Accounting Standards Board (SASB) Index prepared in accordance with the Commercial Banks Sustainability Accounting Standard (Version 2023-12), outlining the Company's disclosures across the defined climate-related topics and metrics relevant to the financial services sector.

Sustainability Accounting Standards Board (SASB) Index (Version 2023-12)

Commercial Banks Sustainability Accounting

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	People's Leasing's Response	
					Data for FY 2025/26	Management Framework
Customer Privacy	Number of account holders whose information is used for secondary purposes	Quantitative	Number	FN-CF-220a.1	476,631 customers (from lending, gold loan, deposits and savings)	People's Leasing & Finance PLC (PLC) significantly strengthened its data protection and cybersecurity framework, ensuring alignment with the Finance Business Act No. 42 of 2011 and maintaining a multi-layered security system anchored by ISO 27001 certification. The Company achieved several critical technical and operational milestones during the reporting period: Outcomes: These integrated efforts resulted in zero substantiated complaints regarding breaches of customer privacy or data loss for the financial year For more details refer - Social and Relationship Capital - page 196
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	Presentation Currency	FN-CF-220a.2	ZERO breaches of customer privacy.	People's Leasing strictly adheres to data protection laws and restricted access protocols. Monitoring is conducted through periodic privacy drills and customer-visible data permissions. The report indicates zero substantiated complaints concerning breaches of customer privacy for the period

SLFRS S1 & S2 Disclosure

Topic	Metric	Category	Unit of Measure	Code	People's Leasing's Response	
					Data for FY 2025/26	Management Framework
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected 3	Quantitative	Number, Percentage (%)	FN-CF-230a.1	There are no reported data breaches during the financial year 2025/26	
	Card-related fraud losses from (1) card not-present fraud and (2) card-present and other fraud	Quantitative	Presentation currency	FN-CF-230a.2	N/A	Although the People's Leasing introduced Islamic ATM and Women's ATM card solutions during the year, no monetary losses were recorded from card-related fraud. Security is maintained through robust digital infrastructure and ongoing monitoring
	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a		Governance is exercised through Board and management-level committees overseeing IT strategy and cybersecurity. In FY 2025/26, the Company implemented a 24x7 Security Operations Centre (SOC) and Network Operations Centre (NOC) for real-time monitoring and proactive threat detection. Additionally, an enterprise-grade SIEM solution was deployed, and the Data Leakage Prevention (DLP) solution was upgraded with automated classification capabilities	
Selling Practices	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Quantitative	Percentage (%)	FN-CF-270a.1	Significant portion of the total employee expenses for the year was on account of performance-based rewards	At People's Leasing, the performance management process ensures that every employee's contribution is directly aligned with corporate strategy through a structured cascading approach, where strategic objectives are translated into individual Key Performance Indicators (KPIs). Specifically for marketing officers, remuneration consists of a fixed salary and bi-annual performance-based bonuses. Additionally, these staff members receive a variable component directly linked to their business target achievement. In FY 2025/26, the Company introduced a structured increment scheme to enhance transparency and ensure salary progression is objectively aligned with performance. Furthermore, KPIs for senior roles were realigned to better reflect evolving strategic objectives and regulatory requirements. This framework is supported by continuous monitoring, including formal mid-year and annual appraisals. For more details refer - Human Capital - page 181 - 182
Selling Practices	Approval rate for (1) credit and (2) prepaid products for applicants	Quantitative	Percentage (%)	FN-CF-270a.2		1) Credit Products: Approvals are managed through the Credit Management System (CMS), an advanced assessment tool that evaluates creditworthiness based on the "3Cs" (Client, Company, and Collateral) to ensure a 360-degree assessment of applicants. The PLC CORE Loan Origination System further streamlines the application and approval process to improve efficiency and responsiveness, (2) Prepaid Products: People's Leasing does not offer any prepaid financial products or services. While the Company introduced Islamic ATM and Women's ATM card solutions during the year, these are linked specifically to savings accounts and do not constitute stand-alone prepaid products For more details refer - Intellectual Capital - page 169

Topic	Metric	Category	Unit of Measure	Code	People's Leasing's Response	
					Data for FY 2025/26	Management Framework
	(1) Average fees from add-on products, (2) average APR of credit products, (3) average age of credit products, (4) average number of credit accounts, and (5) average annual fees for pre-paid products	Quantitative	Presentation currency, Percentage (%), Months, Number	FN-CF-270a.3	Regulatory Compliance & Transparency: People's Leasing strictly adheres to Central Bank of Sri Lanka (CBSL) mandated disclosure requirements for all financial products. All critical disclosures, including fees and interest rates, are communicated in a clear, transparent, and unambiguous manner. Inclusive Communication: To ensure full understanding across diverse customer segments, all marketing materials and product disclosures are developed in Sinhala, Tamil, and English. Pricing & APR Management: The Average Annual Percentage Rate (APR) for lending products is managed in alignment with movements in the Average Weighted Prime Lending Rate (AWPLR). Digital Disclosure Tools: The Company has integrated transparency features into its digital platforms, such as the "Total Cost Walkthrough" screen and rate lock timers within its apps, ensuring customers have a full understanding of costs during the application process. Product Structuring: Credit products are structured based on typical industry tenors; Leasing products generally average a period of 36 months, while Gold Loan products are short-term, typically 12 months. People's Leasing's lending customer base comprised 151,888 customers as at 31 March 2026 Pre-paid Products: The Company does not offer any stand-alone prepaid products. For more details refer -Social & Relationship Capital - page 192-196	
	(1) Number of customer complaints filed, (2) percentage with monetary or nonmonetary relief	Quantitative	Number, Percentage (%)	FN-CF-270a.4	A total of 54 customer complaints were received in FY 2025/26 All complaints were resolved to the full satisfaction of the customer as such no Monterey relief was provided as recompense	All complaints are logged through a centralized Complaint Handling System. New initiatives include real-time monitoring and escalation, dashboard analytics, and automated SMS notifications to customers upon closure
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Quantitative	Presentation currency	FN-CF-270a.5	Zero incidents of non-compliance concerning marketing, product information, or labeling	

SLFRS S1 & S2 Disclosure

Table 2: Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Disclosure reference and/or response
Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Quantitative	Number	FN-CF-000.A	N/A, PLC has not issued credit cards or pre-paid debit cards to its customers.
Number of (1) credit card accounts and (2) pre-paid debit card accounts	Quantitative	Number	FN-CF-000.B	N/A, PLC has not issued credit cards or pre-paid debit cards to its customers.

5.3 Climate-related Targets

At the initial stage, PLC has not yet set measurable targets and deadlines to the Climate related Goals. To support the achievement of its sustainability objectives, PLC has embedded a long-term plan integrated into its strategic framework from 2026 at achieving net zero, aligned with Sri Lanka's Nationally Determined Contributions (NDCs) and the United Nations Sustainable Development Goals (SDGs). These targets are aligned with global sustainability frameworks and net zero ambitions.

The targets are based on the Company's material ESG topics, stakeholder expectations, regulatory requirements, strategic direction, and industry benchmarks. They include both quantitative and qualitative indicators, particularly in areas such as climate action, sustainable financing, ESG screening, environmental management systems and sustainability reporting.

The target-setting process follows a structured ESG Procedure, which establishes clear baselines and integrates targets into departmental strategies. It is guided by the recommendations of the Sustainability Steering Committee and the Board Sustainability Committee, subject to approval by the PLC Board going forward.

Strategy and Resource Allocation

PLC's strategy is designed to ensure alignment with its long-term vision, stakeholder expectations, and evolving market conditions. It is informed by insights from structured stakeholder engagement, internal assessments of organisational strengths and weaknesses, and a rigorous analysis of external market dynamics, including emerging opportunities and threats. These insights are systematically translated into actionable strategies using the TOWS matrix. Strategic plans are then executed across business units through clearly defined objectives and key performance indicators (KPIs), supported by continuous monitoring and periodic reviews that enable timely course corrections and drive ongoing improvement.

Strengths

- Strong market positioning with "People's Brand
- Extensive branch network
- Experienced leadership and staff
- Loyal and high functioning workforce
- Strong financial position and stable asset quality
- Strong IT infrastructure and robust digital front end

Weaknesses

- Limited product innovation
- Gaps in digital infrastructure
- Sensitivity to interest rate volatility due to reliance on lending income
- High credit risk exposure
- Moderate use of advanced analytics

Tactical Strategies

- Leverage People's Leasing's key strengths including its strong brand reputation, skilled workforce, financial stability, and robust technological infrastructure to design inclusive and innovative financial solutions that deepen penetration in underserved communities and expand support for the SME segment.
- Leverage the Company's strong IT infrastructure, industry expertise, and robust risk management frameworks to strengthen credit assessment, monitoring, and early-warning mechanisms, thereby proactively mitigating credit risk.
- Increase the use of advanced analytics to improve credit underwriting, portfolio optimisation, and cross-selling opportunities.
- Continue to enhance Employee Value Proposition to retain talent.

Opportunities

- Expected boom in Sri Lankan economy specifically SME sector resulting in the heighten demand for credit
- Growing interest in digital financial services
- Existence unbanked and underbanked segments seeking financial assistance
- Shoot towards green financing

Threats

- Competitive pressures
- High staff attrition
- Cyber security threats

Strategy and Resource Allocation

Strategic Imperatives and Resource Allocation

The strategies developed using the TOWS analysis are distilled further, into five core areas that form the basis of PLC's strategic imperatives. Each of these strategic imperatives together with the tactical focus and resource allocation are discussed below.

Responsible Growth

We are committed to aligning our growth journey with Sri Lanka's economic progress by empowering the SME sector and advancing financial inclusion among underserved communities. Innovation, enhanced operational efficiencies, and a strong customer-centric approach will be central to achieving these objectives.

Related Material Matters	Key Risks *(refer risk management section on pages 283 to 298)*
• Financial stability • Macro-economic Environment • Digitalisation of services • Advancing Financial Inclusion • Driving Sustainable Growth through Sustainable Finance	• Pursuing responsible growth through SME financing and financial inclusion may increase exposure to credit and market risks arising from economic uncertainty, fluctuating repayment capacity, and changes in interest rates and market conditions, which could impact portfolio performance and sustainable growth.

Tactical Focus

- Customer Centric products and services
- Strengthen the balance sheet through prudent growth of the loan portfolio
- Operational efficiency and cost optimisation
- Integration of ESG criteria into the investment decision - making processes

Key Initiatives in FY 2025/26	Resource Allocation
• Increased efforts on lending including gold loans. • Ongoing additions to product portfolio. • Strategic expansion of customer touchpoints and improvements to service delivery via strategic relocations. • Streamlining of customer complaints framework. • Digitalisation initiatives and improvements to customer digital interface. • Strengthened the Company's balance sheet position through employee engagement, enhancement of the branch network, improved responsiveness to customer expectations, and continued support for SME growth and financial inclusion. • Focused on reducing maturity mismatches by encouraging longer-tenure fixed deposits to align with longer-tenure leases and loans, while expanding short-term lending products such as gold loans to better match short-term deposit profiles. • Strengthened the capital base to support sustainable and accelerated balance sheet growth. • Conducted targeted brand-building and engagement campaigns including "PLC AutoEX", a signature vehicle sales exhibition. • Launch of "ඕන දේකට PLC – PLC RAP" brand advertising campaign to build brand resonance with younger demographic. • Introduction of advanced encryption for fixed deposit and savings transactions, together with internal IT enhancements to reinforce deposit-related data protection.	• Rs. 18.9 Mn incurred on Branch expansion • Rs. 302,056 Mn new granting • Rs. 966.81 Mn spent on digitalisation efforts • Rs. 7,374.08 Mn monetary benefits provided to employees to boost employee morale

Impact			Capital Trade-off
Stakeholders Impacted 	41.01% YoY growth in profitability 65.13% YoY growth in total assets 75.53% YoY growth in Lending Portfolio Rs. 33,447.41 Mn disbursed through Green Financing Schemes Cost to Income ratio – 51.16%	**SDG's Impacted** 	Financial Capital (+) Social and Relationship Capital (+) Intellectual Capital (+)

Future Plans

- Branch expansion to underserved areas.
- Drive greater operational efficiencies through process improvements.
- Expand green financing products.
- Expand digital platforms to expand reach.
- Secure longer-tenure financing facilities to support sustainable business growth.
- Strengthen risk assessment frameworks for sustainable portfolio growth.
- Support the country's economic growth by empowering SMEs through accessible and customer-centric financial solutions that promote entrepreneurship, business expansion, and financial inclusion.

Strategy and Resource Allocation

Empowered People

We remain committed to empowering our people to build a future-ready workforce capable of driving sustainable change and supporting long-term business growth. This is achieved by fostering an inclusive and supportive environment where employees feel valued, respected, and motivated to perform at their best. We continue to invest in capability development, leadership enhancement, and employee well-being, enabling our people to adapt to evolving business needs while contributing meaningfully to the Company's strategic objectives.

Related Material Matters

- Talent attraction and retention
- Employee Health and Wellness

Key Risks *(refer risk management section on pages 283 to 298)*

- Operational risks arising from system failures, process inefficiencies, or operational disruptions may affect employee productivity, workforce development, and the Company's ability to build a future-ready workforce.

Tactical Focus

- Enhance the employee value proposition
- Customer Service Training
- Performance Management
- Leadership Development
- Foster a happy and engaging workplace where employees feel valued

Key Initiatives in FY 2025/26

- Implementation of a competency-based recruitment framework to attract and select the right talent with the required skill set.
- Reviewed and rectified identified salary anomalies across both executive and non-executive cadres.
- Standardisation of employee learning and capability development practices through a new Training and Development Policy.
- Introduced a comprehensive insurance cover to enhance employee welfare and financial security and increased the outdoor medical allowance.
- Introduced a structured increment scheme to promote greater alignment between performance and salary progression.
- KPIs of senior roles were reviewed and realigned to strategic objectives.
- Strengthened employee conduct and disciplinary framework by Merging of Code of Conduct and Disciplinary Policy.
- Introduction on an updated grievance policy.

Resource Allocation

- Training and Development Spend Rs. 42.44 Mn
- Monetary benefits to Employees Rs. 7,374.08 Mn
- 10% Salary increment for employees

Impact

Stakeholders Impacted



Employee Retention Rate-78.42%

No. of New Recruits – 1,128

No.of employee promoted-910

SDG's Impacted



Capital Trade-off

Human Capital (+)

Intellectual Capital (+)

Social and Relationship Capital (+)

Financial Capital (+)

Future Plans

- Digitalisation of HR Function.
- Introduce performance-aligned KPIs to ensure effective performance management and strengthen incentive structures.
- Enhance employee engagement levels through branch visits and digital communication channels.
- Build strong leadership pipeline via mentorships, job rotations, and professional growth initiatives.
- Align training and development programs with future skill requirements.

Building Stronger Relationships

Relationships remain at the heart of our business and are fundamental to the way we create sustainable value. We remain committed to strengthening our connections with customers, business partners, and the communities we serve, recognising that these relationships are essential to our long-term success and resilience. Our customers continue to shape our priorities and drive our business forward, while our business partners provide the vital support and collaboration that enable us to expand our reach and deliver value effectively. By fostering trusted, mutually beneficial, and enduring relationships, we continue to strengthen stakeholder confidence, enhance customer experience, support inclusive growth, and drive sustainable long-term value creation.

Related Material Matters

- Customer Experience
- Relationship with Business Partners
- Resource optimisation
- Ethics and governance
- Advancing Financial Inclusion

Key Risks *(refer risk management section on pages 283 to 298)*

- Operational risks such as service disruptions, process inefficiencies, or cybersecurity threats may affect customer experience and stakeholder confidence, while strategic risks arising from ineffective partnerships or failure to respond to changing customer and market expectations may limit growth opportunities and long-term value creation.

Tactical Focus

- Product Development
- Digitalisation
- Increase product awareness among employees and customers
- Stronger customer relationships
- Building a strong and reliable supplier network
- Greater Industry collaboration

Key Initiatives in FY 2025/26

- Continuously enhanced the core system to improve service efficiency and deliver faster customer service.
- Expanded customer reach through the opening of new branches and strategic branch relocations.
- Strengthened gold loan operations to cater to increasing customer demand.
- Entered into nine strategic Memorandums of Understanding (MOUs) with leading corporates across key industry sectors.
- Ongoing supplier engagement.
- Ongoing engagement with employees, customer, suppliers and business partners to create awareness on climate action.
- Partnerships for strategic CSR initiatives.

Resource Allocation

- Rs. 39.25 Mn spent on marketing and branding
- Strategic expansion of customer touchpoints and improvements to service delivery
- Additions to product portfolio
- Payments to suppliers – Rs. 204,841.94 Mn

Impact

Stakeholders Impacted

Improved customer satisfaction levels as indicative from higher customer retention

Increased customer base with new business volume of Rs. 302,056 Mn

111,196 number of new customers

100% ESG screening for new suppliers

Over 16 CSR strategic initiatives carried out during the year

SDG's Impacted

Capital Trade-off

Social and Relationship Capital (+)

Financial Capital (+)

Human Capital (+)

Future Plans

- Strengthen engagement channels with customers through improvements to customer service and digital service delivery.
- Work closely with suppliers to build capacity in ESG aspects.
- Drive closer industry collaboration.
- Establish regional centres to enhance support towards branch operations.

Strategy and Resource Allocation

Commitment to environmental and social responsibility

We, People's Leasing is committed to environmental stewardship and community upliftment through responsible business practices. By offering sustainable finance solutions, advancing eco-friendly initiatives, and supporting community-driven programmes, we seek to create positive and lasting value for future generations. We continue to integrate environmental and social considerations into our operations and lending practices, enabling us to minimise our environmental footprint while contributing to inclusive economic development. Through active engagement with communities and stakeholders, we aim to strengthen social resilience, promote responsible resource use, and support long-term sustainable growth.

Related Material Matters

- Advancing Financial Inclusion
- Driving Sustainable Growth through Sustainable Finance
- Resource optimisation
- Climate Action

Key Risks *(refer risk management section on pages 283 to 298)*

- Operational risks such as system disruptions or process inefficiencies may affect the effective implementation of environmental and social initiatives, while sustainability risks arising from climate change, regulatory changes, and evolving stakeholder expectations may impact long-term sustainability objectives and business resilience.

Tactical Focus

- Reducing the carbon footprint through responsible consumption of resources
- Promote financial inclusivity
- Efforts to drive greater water efficiency Waste management through 3 R principle
- Enhancing sustainable finance solutions to promote a greener economy
- Targeted community development initiatives aimed at community empowerment

Key Initiatives in FY 2025/26

- Invested in energy efficient technology such as LED lighting and energy efficient air conditioning across branch network.
- Optimising vehicle deployment to reduce travel-related fuel consumption.
- Continuation of paperless drive.
- Ongoing automation efforts.
- increasing the use of virtual meetings.
- Continued to explore renewable energy integration, including rooftop solar feasibility at selected locations.
- Calculation of group carbon footprint for the 12th consecutive year to measure and monitor our impact.
- Over 44 facilities granted through solar leasing scheme and 8,947 green leasing facilities for electric and hybrid vehicles.
- Ongoing engagement with employees, customer, suppliers and business partners to create awareness on climate action.

Resource Allocation

- Investments in energy efficient technology and Greener operations
- CSR Spend Rs. 13.23 Mn

Impact

Stakeholders Impacted



Carbon Footprint – 5,819 tCO_2e

100% of lending clients assessed for ESG considerations

Our CSR projects benefit people across the country.

SDG's Impacted



Capital Trade-off

Social and Relationship Capital (+)

Natural Capital (+)

Financial Capital (-)

Future Plans

- Expand sustainable finance product portfolio.
- Continue to integrate ESG considerations into all aspects of operation.
- Develop a Strategic CSR Agenda to align with the Company's long term. vision
- Conduct campaigns aimed at enhancing community level knowledge on financial and digital literacy.

Effective Governance and Risk Management

We are committed to upholding the highest standards of ethics, transparency, and accountability through robust governance frameworks and disciplined risk management practices. Supported by responsible leadership and strong oversight, these frameworks enable effective decision-making, safeguard stakeholder interests, and ensure long-term organisational resilience and sustainability.

Related Material Matters

- Ethics and governance
- Financial stability
- Digitalisation of services
- Customer experience
- Driving sustainable growth through sustainable finance

Key Risks *(refer risk management section on pages 283 to 298)*

- Effective governance and risk management support the proactive identification, assessment, and management of key risks including credit, market, operational, compliance, and sustainability risks.

Tactical Focus

- Risk base approach on governance
- Compliance with rules and regulations
- Strengthen the governance structure including cyber security
- Integration of sustainability related risks and opportunities into Risk Management Framework
- Enhancing Reporting Transparency

Key Initiatives in FY 2025/26

- Strengthened governance oversight through active involvement of the Board, Board Committees, and Management Level Committees.
- Set-up several Board Sub-Committees to overlook specific functions such as IT, Sustainability, Marketing etc.
- Enhanced the Integrated Risk Management Framework to improve identification, assessment, and monitoring of emerging risks.
- Strengthened the information security governance forming separate department as Information Security Department.
- Upgraded cybersecurity and information security measures, including real-time monitoring systems and enhanced data protection.
- Strengthen internal policies and procedures of the Company in line with the changes in the business context.
- Integrated climate-related risks into the risk framework, including updates to risk appetite and reporting mechanisms.

Resource Allocation

- Formed 3 new Board Sub-Committees
- Set up Management Level Committees
- Investment in training and awareness on SLFRS S1 and S2

Impact

Stakeholders Impacted

100% compliance with CSE Listing Rules

Compliance with the Finance Business Act Directions of the CBSL

SDG's Impacted

Capital Trade-off

Intellectual Capital (+)

Social and Relationship Capital (+)

Financial Capital (-)

Future Plans

- Fully integrate ESG risks into risk management.
- Embed an ethics-driven governance culture across the organisation through training and process enhancements.
- Continuously evolve governance frameworks with global standards.
- Establish new policies and procedures to strengthen internal controls.

MANAGEMENT COMMENTARY

Connections That Sustain



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148 Financial Capital
158 Manufactured Capital
166 Intellectual Capital
174 Human Capital
190 Social and Relationship Capital
202 Natural Capital

People's Leasing Business Line Review

People's Leasing and Finance PLC reflects the strength of a mycelium network interconnected, resilient, and adaptive. In FY 2025/26, this network drove strong, broad-based growth across all five business lines, supported by capable teams and trusted relationships. Serving a diverse, multi-generational customer base, the portfolio spans core financial services, digital solutions, and tailored offerings. Each is designed to expand access, empower customers, and support sustainable growth across an evolving financial ecosystem.

Rs. 275,738 Mn Total Portfolio	**+76%** Portfolio Growth (YoY)	**-42%** Stage 3 NPL Reduction	**Rs. 165,449 Mn** Total Deposit Portfolio
+33% Total Deposit Growth (YoY)	**Rs. 302,056 Mn** Total Granting	**+113%** Granting Growth (YoY)	

Loans and Leases

(Threads of opportunity)

Auto loans, leases, business loans, and diversified lending solutions.

Strategy

- Digital Outreach
- Green Finance Growth
- Portfolio Diversification
- ESG-Integrated Credit.

Rs. 202,484 Mn
Total Portfolio

+87.51%
Disbursement growth

Rs.4,055 Mn
Stage 3 NPL Reduction

Gold Loan

(Rooted in Every Community)

Accessible gold-backed financing for individuals and SMEs

Strategy

- Market Penetration
- Product Innovation
- Operational Excellence
- Portfolio Quality

Rs. 40,296 Mn
Gross Portfolio

+163.94%
Disbursement growth

Over 50,000
Active customers

Margin Trading

(Navigating the Network)

Connecting investors to Sri Lanka's equity market

Strategy

- Sector-Focused Growth
- Technology Upgrade
- Relationship Management
- Regulatory Compliance

Rs. 14,221 Mn
Total Portfolio

+47.36%
Portfolio growth

+60.34%
Interest Income growth

Islamic Finance

(Ethical Roots, Interconnected Growth)

Shari'ah-compliant solutions- 20 years of principled growth

Strategy

- Scale with Discipline
- Green Growth
- Liability Strengthening
- People & Culture

Rs. 19,040 Mn
Total Portfolio

+170.55%
Disbursement growth

Rs. 9,630 Mn
Islamic Deposits

Deposits

(Nourishing the Network)

Flexible savings and fixed deposit solutions island-wide

Strategy

- Low-Cost Savings Drive
- Digital Transformation
- Customer Deepening

Rs. 147,480 Mn
Fixed Deposit Portfolio

+41.73%
Saving growth

+44.89
FD Renewal Rate

People's Leasing Business Line Review

Loan and Leases

(Threads of Opportunity)



"People's Leasing and Finance PLC has extended loans, leases, and diversified lending solutions to individuals and businesses across Sri Lanka. Guided by disciplined credit principles and an unwavering customer-centric approach, the segment has built a reputation rooted in trust, accessibility, and resilience."

Contribution to Consolidated

Revenue

56.44%

Share of Group Assets

56.16%

Related Material Matters

Customer Experience

Financial Stability

Macro-economic Environment

Driving Sustainable growth through Sustainable Finance

Advancing Financial Inclusion

Product Portfolio

Leasing

Auto Loan

Business Loan

PLC Solar Lease

Self-e-Cash

Fast Track

Quick Cash

Overview

How we are rooted

Like mycelium extending purposefully through a fertile ecosystem, the Company's loans and leases portfolio, encompassing auto loans, leases, business loans, and diversified lending solutions, continued to broaden its reach across a stabilising economic landscape during FY 2025/26. Favourable macroeconomic developments, including declining interest rates, easing inflation, improved political stability, and the liberalisation of vehicle imports, created an enabling environment for disciplined credit expansion. The portfolio demonstrated resilience in navigating temporary disruptions, including those arising from Cyclone Ditwah, while sustaining its growth trajectory.

Within this evolving environment, the Company remained focused on advancing portfolio growth in a measured and sustainable manner, underpinned by a strong emphasis on asset quality, regulatory compliance, and customer centricity. Each extension of credit was approached with discipline and purpose, strengthening the network through trusted relationships, prudent risk management, and long-term value creation.

Delivering on our FY 25/26 Goals



Leverage favorable macroeconomic conditions to drive credit expansion.	Complete
Utilise the new Credit Management System for 24/7 service delivery.	Complete
Enhance operational efficiency through a skilled workforce.	In Progress
Implement digital platforms to facilitate convenient repayment of dues.	Complete
Improve accessibility and efficiency in collections	Complete

Strategy Focus

Where we directed our energy

The strategic focus of the Loans and Leases segment during FY 2025/26 was centred on disciplined and purposeful growth, extending its reach across the market through a set of interconnected strategic priorities.

Digitally Empowered Outreach

The segment strengthened its market reach through the deployment of a tablet-based digital marketing force, enabling on-site credit processing without requiring customers to visit branches. This initiative enhanced service accessibility, significantly improved turnaround times, and strengthened operational efficiency, allowing the segment to engage customers more effectively and capture growth opportunities across a broader geographic footprint.

Portfolio Diversification

Strategically broadened the lending portfolio beyond traditional vehicle financing by expanding into personal loans and bundled green financing solutions, combining electric vehicle leasing with rooftop solar funding. This strategic diversification expanded the customer base and enhanced revenue streams, while reducing concentration risk and strengthening overall portfolio resilience.

Deepening Relationships Across the Ecosystem

A continued focus was placed on strengthening relationships with customers, suppliers, and internal stakeholders. Portfolio growth was supported by a strong emphasis on asset quality, prudent credit practices, and a customer-centric approach, ensuring sustainable expansion and long-term value creation.

Culture as a Strategic Pillar

A strong organisational culture remained central to the segment's performance. Built on trust, open communication, and empowered leadership, the Company fostered an environment that encouraged accountability, collaboration, and continuous improvement. This culture supported employee engagement and enabled consistent delivery of strategic objectives.

Credit Quality Management

The segment maintained strong credit quality through prudential limits, continuous portfolio reviews, and disciplined underwriting practices. Recovery operations were further strengthened through specialised investigation and summons units, parallel civil and criminal legal actions, and streamlined disposal procedures for legally bonded vehicles supported by dedicated branch and head office recovery teams collectively reinforcing portfolio quality and overall risk management effectiveness.

Green Financing

In line with its commitment to environmental sustainability, the Company continued to integrate green financing solutions into its core product portfolio during FY 2025/26. Key initiatives included the launch of bundled electric vehicle and rooftop solar financing solutions, along with preferential financing for low-emission motorcycles and electric bikes, thereby expanding access to cleaner mobility options.

Further strengthening its sustainability agenda, the Company entered into a strategic partnership with a leading battery supplier to facilitate the conversion of conventional three-wheelers into electric vehicles, supporting the transition towards sustainable transportation. In addition, the rooftop solar financing portfolio was expanded through an enhanced partner network, aligning with national energy policies and supporting Sri Lanka's transition to a low-carbon economy.

These initiatives reflect the Company's commitment to integrating sustainability into its business model in a commercially viable and socially responsible manner, contributing to environmental objectives while delivering accessible and value-driven financing solutions to customers.

People's Leasing Business Line Review

Market Developments and Our Response

What we faced, how we responded

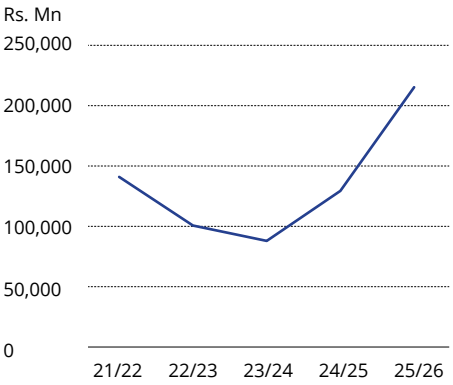
Key Developments in the Operating Environment	Impact on Operations	Our Strategic Response
Inflation stabilised and interest rates remained relatively low during the early part of the year, supported by the successful continuation of the IMF-linked economic reform programme, which contributed to improved macroeconomic stability and enhanced investor confidence.	Renewed borrowing appetite across retail and SME segments, creating favourable conditions for leasing and credit product expansion.	• Capitalised on improved macroeconomic conditions to drive disciplined credit expansion across key product segments • Expanded the personal loan customer segment to broaden retail lending opportunities.
Sri Lanka officially lifted its five-year ban on vehicle imports on 1 February 2025, resulting in a significant increase in vehicle registrations during the year.	Renewed and substantial business opportunities for leasing and related credit products, driving strong disbursement growth and deepening demand across the lending network.	• Strengthened strategic partnerships with vehicle importers to improve competitiveness and enhance deal flow. • Implemented the PLC Smart Force platform enabling flexible, location-independent credit processing to improve turnaround times and service efficiency.
The CBSL revised and simplified the LTV structure for unregistered vehicles in November 2025, capping financing at 70% for commercial vehicles and 50% for private vehicles.	Lower LTV limits increased borrowers' required equity contributions, constraining affordability and dampening market demand towards the latter part of the year elevated vehicle prices further led some customers to defer or reconsider purchase decisions.	• Enhanced collaboration with leading vehicle importers and diversified product offerings to maintain accessibility and competitiveness within the revised regulatory framework.
Increased competition from banks and other finance companies continued to exert pressure on pricing and margins across the lending landscape.	Margin compression and intensified competition for quality lending assets, requiring greater differentiation across service, speed, product innovation, and portfolio quality management.	• Continued to invest in training and development programmes for the marketing force and support teams to enhance productivity and service quality. • Reinforced portfolio quality through a dedicated recovery department at Head Office supported by branch-level recovery teams to ensure timely intervention and effective collections. • Integrated ESG assessment as a compulsory component of the credit evaluation process to strengthen risk governance and sustainability outcomes.

Performance Highlights FY 25/26

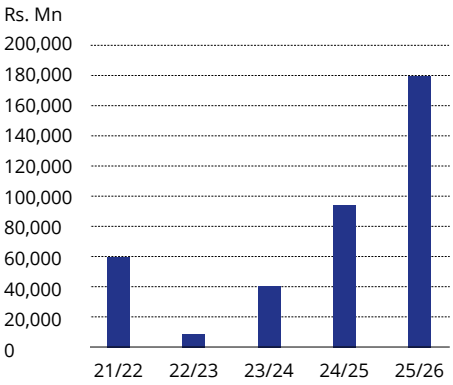
How we grew

The Loans and Leases segment delivered an exceptional performance during FY 2025/26, with the total portfolio increasing to Rs. 202,484.22 million from Rs. 119,572.88 million in the prior year, representing a growth of 69.34%. New disbursements surged to Rs. 177,670 million from Rs. 94,750 million a growth of 87.51% reflecting the collective strength of the Company's strategic execution, expanded market reach, and a strong recovery in credit appetite across key product segments. In line with its commitment to sustainability, the Company has actively promoted green financing, resulting in a more than 100% increase in disbursements compared to the previous year. Meanwhile, continued focus on asset quality and recoveries management resulted in a 44.12% reduction in Stage 3 NPLs from Rs. 9.18 billion to Rs. -5.13 billion, reflecting the Company's unwavering commitment to maintaining a healthy and resilient lending portfolio.

Loan & Lease Portfolio



Loan and Lease Disbursements



69.34%
Growth in Lease & Loan YoY

Rs. 33,447.41 Mn
Green Financing Granting
(2024/25- Rs. 580.08 Mn)

Integrating Sustainability (ESG)

Growing responsibly

	Key Initiatives	Impact/ Outcome	Capitals Impacted
Environmental	• Launched an integrated green financing solution encompassing electric vehicle leasing, three-wheel to electric three-wheeler conversions, and rooftop solar funding enabling customers to adopt sustainable technologies with ease.	• Increased customer adoption of green financing solutions. • Greater integration of ESG considerations into lending practices.	
Social	• Introduced tailored vehicle financing for SMEs. • Strategic efforts focused on improving accessibility of products among diverse Customer segments.	• Improved access to capital for SME and underserved segments.	
Governance	• Inclusion of a mandatory ESG assessment into the credit appraisal process to embed sustainability considerations in lending decisions.	• Enhanced risk governance of the credit evaluation process.	

People's Leasing Business Line Review

Way Forward

Where we grow next

	Risks	Opportunities	Strategic Focus
Short Term (1 year)	• Potential increase in credit risk arising from rapid portfolio expansion and higher retail lending exposure • Margin pressure due to intense competition from banks and finance companies • Affordability constraints caused by higher vehicle prices and revised LTV regulations.	• Recovery in economic activity and improving consumer confidence supporting higher demand for leasing and lending products. • Rising financing needs among SMEs and self-employed individuals supporting expansion in non-traditional lending segments. • Increasing adoption of digital financial services enhancing accessibility and customer engagement across the lending sector.	• Maximise utilisation of the Credit Management System to facilitate 24/7 service delivery through the Smart Force platform at customers' doorsteps. • Continue enhancing operational efficiency through workforce capability development. • Strengthen digital repayment and collections platforms to improve customer convenience and operational responsiveness.
Medium Term (2-3 years)	• Possible deterioration in asset quality if economic recovery weakens or borrower repayment capacity declines. • Regulatory changes relating to lending practices, capital adequacy, ESG compliance, or vehicle financing. • Increased competition from fintechs and digitally advanced financial institutions.	• Expansion of financial inclusion initiatives creating opportunities to serve underserved and emerging customer segment. • Growth in MSME financing demand driven by economic recovery and entrepreneurial activity. • Increasing demand for green financing solutions including electric vehicles, renewable energy, and energy-efficient technologies. • Advancement in data analytics, AI, and digital ecosystems improving industry-wide credit assessment and customer servicing capabilities.	• Expand financial inclusion by strengthening financing accessibility for micro, small, and medium-sized enterprises (MSMEs). • Establish strategic partnerships to expand green lending opportunities. • Further strengthen sustainable financing solutions and ESG-integrated lending practices. • Enhance analytics-driven credit decision-making and portfolio monitoring capabilities.
Long Term (3-5 Years)	• Evolving customer preferences potentially reducing the competitiveness of traditional lending models. • Regulatory tightening relating to ESG disclosures, consumer protection, and responsible lending practices. • Talent retention and capability challenges in an increasingly technology-driven operating environment.	• Greater financial inclusion through digital platforms expanding access to underserved and rural customer segments. • Rising public and investor focus on ESG and sustainable finance supporting the growth of responsible lending products. • Expansion of Sri Lanka's middle-income population and urbanisation driving long-term demand for consumer and business financing.	• Position the segment as a leading digitally enabled and sustainability-driven lending franchise in Sri Lanka. • Strengthen leadership in green mobility and renewable energy financing solutions. • Increase penetration into underserved and emerging customer segments through inclusive financing models.

Gold Loan

(Rooted in Every Community)



People's Leasing & Finance PLC has established a strong presence in gold-backed financing offering accessible, flexible solutions to individuals across Sri Lanka. Guided by disciplined portfolio management and a proactive marketing force, the segment delivers immediate financial solutions to a diverse and expanding customer base.

Contribution to Consolidated Revenue
10.61%

Share of Group Assets
11.09%

Related Material Matters
Customer Experience

Advancing Financial Inclusion

Financial Stability

Product Portfolio
One-month Special

Seasonal Scheme

Bulk Scheme

Guru Saviya

Overview

How we are rooted

Like mycelium extending seamlessly through fertile ground, the Company's Gold Loan portfolio continued to deepen its presence across the everyday financial lives of individuals and communities across Sri Lanka, offering accessible, fast, and flexible gold-backed financing solutions that address immediate liquidity needs with efficiency and reliability.

During a year characterised by rising gold prices and increased demand for short-term financing, the segment focused on expanding its market presence through targeted outreach and innovative product offerings. These initiatives enhanced accessibility and ensured that solutions were closely aligned with evolving customer requirements. Supported by disciplined portfolio management and strengthened branch-level execution capabilities, the segment delivered strong growth during FY 2025/26, while maintaining a firm commitment to asset quality, transparency, and customer trust.

Awards and Accolades

- GOLD AWARD received for the Gold Cash Product - ICSDB Excellence Awards conducted by the SLIIT Business School
- GOLD AWARD received for the Gold Cash Product – National ICT Awards conducted by NBQSA 2025

Strategy Focus

Where we directed our energy

The strong growth of the Gold Loan portfolio during FY 2025/26 was driven by a well-coordinated set of strategic initiatives aimed at expanding market reach, enhancing customer engagement, and maintaining portfolio quality.

People's Leasing Business Line Review

Deepening Market Reach

Customer outreach was strengthened through cross-selling initiatives, door-to-door campaigns, and gold sale promotions conducted in collaboration with reputed jewellers. These efforts were complemented by targeted island-wide geo-fencing campaigns using digital platforms such as Facebook and SMS, enabling the segment to expand its presence across new geographies and customer segments with measurable impact.

Innovative Product Offerings

A range of purposefully designed schemes was introduced to meet the diverse and evolving needs of the customer base, including seasonal schemes for farmers, bulk schemes for high-volume customers, and a one-month special scheme tailored for customers with immediate financial needs. This targeted approach ensured greater accessibility and product relevance across different customer segments.

Operational Excellence

Operational efficiency was enhanced through the implementation of the PLC CORE system for loan approvals and the delegation of credit authority to branch-level staff, significantly improving turnaround times and service delivery standards. In addition, the recruitment and training of experienced gold loan marketers strengthened execution capabilities at the branch level.

Portfolio Quality Management

Portfolio performance was closely monitored through the Central Gold Loan Unit (CGLU) coordinators, enabling timely interventions, effective collections, and consistent quality standards. This disciplined approach ensured that portfolio growth was supported by strong risk management and asset quality controls.

Market Developments and Our Response

What we faced, how we responded

Key Developments in the Operating Environment	Impact on Operations	Our Strategic Response
Sustained Long-Term Gold Price Outlook	Global gold prices are projected to remain on an upward trajectory over the next five years, supported by continued central bank accumulation, geopolitical uncertainty, and sustained safe-haven demand, reinforcing the long-term growth potential of gold-backed lending in Sri Lanka.	• Expanded the active customer base from 35,000 to 50,000 through targeted recruitment and structured branch-level training. • Introduced new product schemes to broaden accessibility across diverse customer segments. • Strengthened the 110-branch network to capitalise on the long-term growth potential of the gold loan market.
Gold prices experienced a significant increase during FY 2025/26, notwithstanding some volatility throughout the year	Demand for gold loans continued to grow strongly against the backdrop of higher local gold prices, creating fertile ground for accelerated portfolio expansion.	• Deepened market penetration across new geographies and customer segments by capitalising on rising gold-backed lending demand. • Digital customer acquisition was strengthened through targeted island-wide geo-fencing Facebook and SMS campaigns. • Aggressively pursued cross-selling initiatives to expand business opportunities. • Enhanced faster, superior service delivery through strengthened branch empowerment and operational capabilities.
Intensified Competition and entry of new market participants.	Increased levels of competition in the gold loan space, intensifying pressure on customer acquisition and retention across the segment.	• Strengthened branch capabilities by recruiting experienced gold loan marketers. • Enhanced digital accessibility for Gold Loan customers through PLC Touch-app and People's bank CDM network. • Streamlined internal processes, including the loan approval process to drive greater efficiency. • Differentiated product offerings through tailored gold loan schemes for teachers, government officers, self-employed individuals, cultivators, farmers, and high-volume customers, alongside seasonal solutions designed short-term financial needs

Performance Highlights FY 25/26

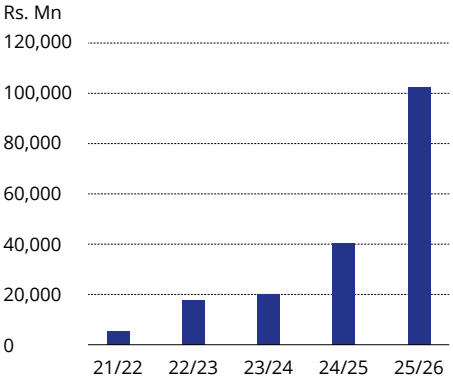
How we grew

The Gold Loan portfolio delivered an exceptional performance during FY 2025/26, with new disbursements increasing significantly to Rs. 102,207 million from Rs. 38,724 million, reflecting a growth of 163.94% compared to the previous financial year. The total gross portfolio more than doubled, rising to Rs. 40,295.77 million from Rs. 19,499.71 million, representing a growth of 106.65%, with several branches surpassing the Rs. 1 billion portfolio milestone.

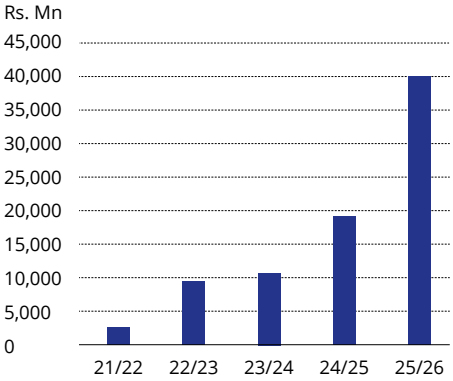
Gold loan income also recorded strong growth, increasing to Rs. 5,639.17 million from Rs. 2,421.15 million, a growth of 132.91%.

These results underscore the effectiveness of the Unit's strategic execution, expanded market reach, and disciplined portfolio management, supported by strong branch-level performance and sustained customer satisfaction.

Gold Loan Granting



Gold Portfolio



106.65%
Growth in Gold loan portfolio (YoY)

163.94%
Growth in Gold loan granting (YoY)

Integrating Sustainability (ESG)

Growing responsibly

	Key Initiatives	Impact/ Outcome	Capitals Impacted
Environmental	Enabled customers to repay gold loans via the PLC TOUCH App and People's Bank CDM network. Increased focus on digitalisation platforms to promote the business and create awareness of products.	• Reduction in paper consumption through the shift to digital payment and processing channels. • Decreased customer branch visits, lowering transportation-related carbon emissions. • Reduced environmental footprint of gold loan operations through paperless transaction processing. • Broader promotion of digital-first financial services, supporting the Company's commitment to sustainable operations.	
Social	Built gold loan schemes tailored to the specific needs of farmers, cultivators, teachers, government officers, self-employed individuals, and SME customers ensuring accessible and flexible gold-backed financing solutions for a diverse and expanding customer base across Sri Lanka.	• Enhanced financial inclusion and accessibility by extending purpose built gold-backed financing solutions to diverse customer segments.	
Governance	Strengthened monitoring the Gold Loan operations through process improvements such as Customer Due Dilligence Validation.	• Enhanced risk governance of credit evaluation process. • Stronger compliance.	

People's Leasing Business Line Review

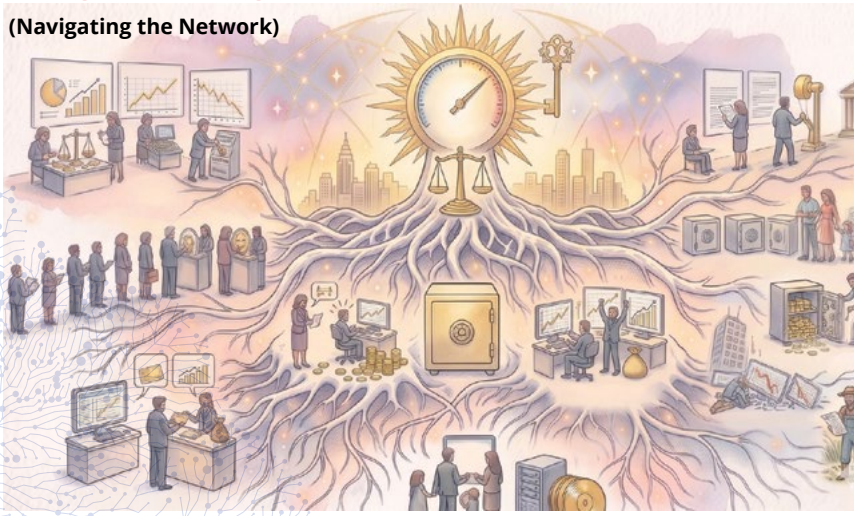
Way Forward

Where we grow next

	Risks	Opportunities	Strategic Focus
Short Term (1 year)	• Gold price volatility impacting portfolio exposure • Presence of counterfeit gold articles entering the market. • Competitive pressure from banks and finance companies on pricing.	• Growing demand for gold-backed financing solutions across diverse customer segments • Rising gold prices increasing collateral values and lending capacity	• Continuously monitor portfolio exposure against prevailing gold market prices using intelligence from reputed sources including the World Gold Council and KITCO • Intensify branch inspection visits to verify the authenticity of gold articles • Strengthen collateral integrity and risk management • Enhance performance-driven incentive schemes to improve productivity • Strengthen the unit concept across the branch network to improve accessibility and customer reach
Medium Term (2-3 years)	• Gold price fluctuations • Intensifying competition-system capacity constraints • Shortage of experienced assessors and gold loan marketers to support expanded operations	• Significant opportunity to grow the portfolio and customer base through targeted business promotions and cross-selling • Expansion into new branch locations to deepen geographic reach	• Introduce a target allocation mechanism benchmarked against branch catchment demographics • Review and strengthen system capacity • Recruit young talent and provide structured training in gold article assessment, operational expertise, and performance driven culture development • Open new branches with dedicated gold loan operations to extend network reach
Long Term (Over 3 Years)	• Sustained gold price volatility. • Competitive intensity. • System scalability constraints. • Ongoing shortage of specialist talent in gold assessment and marketing.	• Potential to establish market leadership in gold-backed financing • Opportunity to deepen community trust and financial inclusion through an expanded and digitally enabled gold loan network across Sri Lanka	• Continue to monitor portfolio exposure against gold market movements • Sustain investment in system infrastructure and digital capabilities • Expand the branch network strategically • Build a deeply community-rooted gold loan operation recognised for speed, fairness, reliability, and trust across every corner of Sri Lanka

Margin Trading

(Navigating the Network)



People's Leasing & Finance PLC has built a trusted margin trading proposition connecting investors to capital market opportunities through disciplined, relationship-driven, and digitally enabled solutions. Guided by robust risk management practices and dedicated relationship managers, the segment serves corporate, retail and high-net-worth investors across positioning itself as one of the key players in the Non-banking Financial sector in Sri Lanka.

Contribution to Consolidated
Revenue
2.54%

Share of Group Assets
3.94%

Related Material Matters
Customer Experience

Advancing Financial Inclusion

Financial Stability

Product Portfolio
Equity Margin Trading

Equity & Debenture Margin Trading

Overview

How we are rooted

The Company's Margin Trading portfolio continued to expand its reach across Sri Lanka's equity and listed debenture market , functioning much like a mycelium network that connects investors to capital market opportunities through interconnected and responsive pathways. Through a disciplined, relationship-driven, and digitally enabled proposition, the segment facilitates the seamless flow of capital, information, and expertise, strengthening trust and responsiveness across every client engagement.

The Colombo Stock Exchange recorded strong performance during FY 2025/26, supported by improving macroeconomic conditions and renewed investor confidence, which contributed to increased participation among corparate, retail, and high-net-worth investors. Against this backdrop, the Company focused on delivering measured portfolio growth, underpinned by robust risk management practices and strict adherence to regulatory requirements, resulting in a strong performance for the year.

Strategy Focus

Where we directed our energy

The Margin Trading segment maintained a focused and disciplined strategic approach during FY 2025/26, targeting high-performing sectors such as banking and finance, tourism, power & energy, construction to support quality portfolio growth. This was complemented by ongoing efforts to strengthen operational efficiency and client relationships, reinforcing confidence and enabling sustained participation in the capital market.

People's Leasing Business Line Review

Targeted Sector Focus

By concentrating on high-performing and resilient sectors, the segment ensured that portfolio growth was not merely broad but purposeful, channeling resources into areas of genuine strength and opportunity, and building a portfolio anchored in quality rather than volume alone.

Operational Excellence Through Technology

IT systems were upgraded to enable real-time margin monitoring and faster trade execution, empowering clients to respond swiftly and confidently to market movements. This investment in digital capability reduced friction, improved responsiveness, and enhance the overall client experience across every interaction with the platform.

Proactive Relationship Management

Dedicated relationship managers maintained proactive engagement with clients throughout the year, providing customised reporting, portfolio optimisation insights, and personalised support to enable informed decision-making and active market participation. This relationship-driven approach strengthened client confidence and ensured a high level of service and responsiveness across the portfolio.

Portfolio Quality and Regulatory Compliance

Portfolio integrity was maintained through enhanced credit risk assessment frameworks and continuous collateral monitoring, with strict adherence to SEC and CSE regulatory requirements at all times. This disciplined approach ensured that portfolio growth was supported by robust risk management, transparency, and accountability.

Market Developments and Our Response

What we faced, how we responded

Key Developments in the Operating Environment	Impact on Operations	Our Strategic Response
The Colombo Stock Exchange performed strongly during FY 2025/26, supported by robust macroeconomic fundamentals and improved investor sentiment	Increased participation by local corporate, retail, and high-net-worth investors in the Colombo Stock Exchange, creating meaningful opportunities for disciplined portfolio expansion across key market segments	Pursued targeted portfolio growth in high-performing sectors particularly banking, finance, tourism, power, energy and construction, while actively managing collateral and liquidity risks to ensure portfolio quality was maintained alongside volume growth
Expansion of online trading platforms improved accessibility and broadening client engagement across the investor base	Growing client expectations for faster execution, real-time visibility, and seamless digital interaction with the margin trading platform	Streamlined key operational processes including client onboarding, collateral valuation, and daily margin calculations, improving efficiency, reducing turnaround times, and delivering a more responsive and seamless customer experience
Increased regulatory scrutiny and compliance requirements across the margin trading space, necessitating enhanced controls and monitoring frameworks	Heightened compliance obligations requiring stronger internal oversight, reporting discipline, and adherence to SEC and CSE regulatory standards	Maintained strict and consistent adherence to all SEC and CSE regulatory requirements; enhanced internal reporting discipline and compliance oversight to meet elevated regulatory expectations

Performance Highlights FY 25/26

How we grew

The Margin Trading portfolio recorded a strong 47.36% year-on-year growth to reach Rs. 14,221.47 million as at 31 March 2026 from Rs. 9,650.57 million in the prior year, generating interest income of Rs. 1,352.58 million a growth of 60.34% from Rs. 843.38 million in FY 2024/25. This strong performance reflecting the Company's ability to effectively capitalise on favourable equity and Listed Debenture market conditions and growing investor activity throughout the year.

Indicator	FY 2025/26 Rs. Mn	FY 2024/25 Rs. Mn
Margin Trading Portfolio	14,221.47	9,650.57
Interest Income	1,352.28	843.38

Portfolio growth **+47.36%**

Interest income growth **+60.34%**

Integrating Sustainability (ESG)

Growing responsibly

	Key Initiatives	Impact/ Outcome	Capitals Impacted
Environmental	• Upgraded IT systems enabling real-time digital reporting, online client onboarding, and paperless trade processing across margin trading operations.	• Reduced paper consumption and decreased physical branch visits, lowering the overall environmental footprint of margin trading operations.	
Social	• Proactive client engagement through dedicated relationship managers providing customised portfolio guidance. • Expanded accessibility of margin trading solutions to retail and high-net-worth investors.	• Improved financial literacy and investment awareness among retail investors. • Enhanced accessibility to capital market participation for a broader and more diverse investor base across Sri Lanka.	
Governance	• Strict adherence to SEC and CSE regulatory requirements. • Strengthened credit risk assessment frameworks, regular collateral monitoring, and enhanced internal compliance controls.	• Confirmed regulatory compliance and transparency. • Reduced conduct risk through robust internal controls. • Enhanced investor confidence through fair, accountable, and transparent service delivery.	

Way Forward

Where we grow next

	Risks	Opportunities	Strategic Focus
Short Term (1 year)	• Market volatility due to global and local macroeconomic factors. • Relatively high funding costs limiting leverage usage. • Ongoing regulatory compliance requirements.	• Increased retail investor participation. • Stable equity market valuations. • Growth in high-performing sectors (banking, construction).	• Strengthen real-time risk monitoring and margin control systems.
Medium Term (2-3 years)	• Exchange rate fluctuations impacting funding and collateral values. • Credit risk from concentrated exposure in specific sectors. • Competition from alternative investment products.	• Gradual economic recovery. supporting higher market activity • Sector-specific opportunities (infrastructure, tourism, manufacturing). • Expansion of margin trading to new retail client segments.	• Implement advanced analytics for portfolio and risk management.
Long Term (Over 3 Years)	• Structural market risks and potential regulatory changes. • Sustaining client confidence during economic cycles.	• Growing capital market depth and liquidity. • Expansion of Margin Trading beyond traditional equity-backed facilities to include Margin Trading against listed debentures, supporting equity investments and improving market liquidity.	• Strengthen compliance and governance frameworks.

People's Leasing Business Line Review

Islamic Finance

(Ethical Roots, Interconnected Growth)



For two decades, Al-Safa Islamic Financial Services has grown as a trusted, principled presence within Sri Lanka's financial landscape weaving Shari'ah-compliant financing and deposit solutions into the lives of individuals and businesses, guided by an independent Shari'ah Supervisory Board.

Contribution to Consolidated

Revenue

4.47%

Share of Group Assets

5.28%

Related Material Matters

Customer Experience

Ethics and Governance

Macro Economic Environment

Financial Stability

Advancing Financial Inclusion

Product Portfolio

Ijarah

Musharakah

Wadi'ah Gold Safekeeping

Mudharabah Saving

Mudharabah Fixed Investment

Wakalah Fixed Investment

Overview

How we are rooted

Like the far-reaching yet interconnected structure of a living network, the Company's Islamic finance portfolio continues to expand through ethically grounded Shari'ah-compliant financing and deposit solutions delivered through a growing network of dedicated branches, window offices, and Wadi'ah Gold Safekeeping Centres, strengthening trust, integrity, and purposeful financial growth across the communities it serves.

Amid a resurgence in demand for Shari'ah-compliant financial products, the Company focused on consolidating its position within the Islamic finance landscape with strong Shari'ah Supervisory Board (SSB) oversight, robust governance, and a disciplined approach to compliance ensuring that growth is consistently anchored in transparency, integrity, and long-term sustainability.

Delivering on our FY 25/26 Goals

Extend Islamic Finance services across the branch network (30 branches to be covered in FY25/26)	■
Launch a Loyalty Card for Wadi'ah Gold Safekeeping customers.	■

■ Complete ■ In Progress ■ Incomplete

Awards and Accolades

Institute	Category	Award
Sri Lanka Islamic Banking and Finance Industry (SLIBFI) Awards 2025 (Held on 18.07.2025)	Islamic Banker/Employee of the Year	Silver
	Branch Executive of the Year	Gold
	Rising Personality of the Year (Male)	Bronze
	Rising Personality of the Year (Female)	Merit
	Islamic Finance Branch of the Year	Gold
	Islamic Finance Entity of the Year	Bronze
	Islamic Finance Window/Unit of the Year	Silver
	Islamic Finance NBFI of the Year	Silver
	Digital Marketing Campaign of the Year	Gold
	Marketing Campaign of the Year	Silver
	Standout Submission for the Year	Special Recognition
Islamic Finance Forum of South Asia (IFFSA) Awards 2025 (Held on 25.09.2025)	Branch Executive of the Year	Gold
	Islamic Banker/Employee of the Year	Silver
	Islamic Finance Branch of the Year	Gold
	Digital Marketing Campaign of the Year	Gold
	Islamic Finance NBFI of the Year	Silver
	Islamic Banking Window Unit of the Year	Bronze
	Celebrating 20 Years in the Industry	Special Recognition
National sales Awards (Held on 28.10.2025)	Front liners-Financial Service Provider	Merit

Strategy Focus

Where we directed our energy

The strategic focus of Al-Safa during FY 2025/26 was anchored in five interconnected priorities that collectively strengthened the it's reach, resilience, and ethical foundation, enabling sustainable and disciplined growth across the business.

Scale with Discipline

Expanded its footprint with purpose establishing regional credit hubs supported by service level-driven approval frameworks and strengthening the operational infrastructure to ensure that growth is underpinned by strong controls and portfolio quality.

Green Growth

Ijarah solar was positioned as the flagship ESG offering providing Sharī'ah-compliant solar financing aligned with the Sri Lanka Green Taxonomy, integrating environmental responsibility into lending activities and contributing to measurable carbon emission reductions.

Strengthening the Liability Base

To support sustainable expansion, the Segment focused on strengthening its funding base through the growth of Wakalah fixed investments and accelerated mobilisation of Mudharabah savings.

Digital onboarding initiatives and enhanced card benefits supported increased accessibility and depositor confidence

Product Innovation

Explored new Shari'ah-compliant product frontiers piloting innovative solutions and laying the groundwork for a medium-term Sukuk framework encompassing policy development, governance structures, and investor engagement to enhance product diversity and broaden funding options.

People & Culture

Recognising that sustainable growth is driven by people, the Company invested in structured Islamic finance training, targeted recruitment to support expansion, and KPI-linked retention initiatives.

The establishment of in-house Shari'ah supervision capabilities, together with employee well-being initiatives such as the "Legendary Mind" programme, further strengthened organisational capability and service quality

People's Leasing Business Line Review

Market Developments and Our Response

What we faced, how we responded

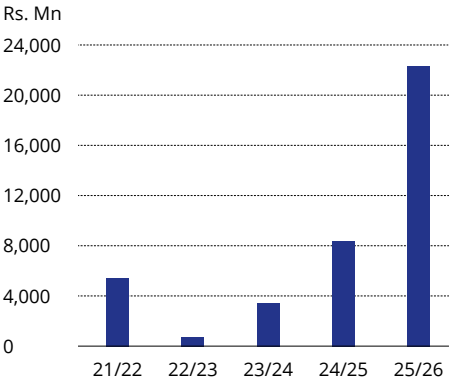
Key Developments in the Operating Environment	Impact on Operations	Our Strategic Response
Gradual stabilisation of the economy with and easing of Inflation and improving financial metrics.	Improved economic stability and renewed market confidence contributed to a resurgence of demand in Shari'ah-compliant financial products	• Launch of our flagship ESG product Ijarah Solar to capture emerging demand opportunities. • Expanded our Islamic financing windows across the network supported by targeted HR onboarding and capability building to enhance market presence. • Liability drive through digital onboarding and card benefits.
An increasing number of banks and NBFIs entering the Islamic finance space	Increased margin pressure due to increased competition in the Islamic Banking space	• Continued differentiation through superior service, faster turnaround times, enhanced digital capabilities, and strong Shari'ah assurance.
	Higher operating costs during rapid scale-up.	• Continued digitisation of onboarding and collections processes improved operational efficiency.
	Elevated risk of NPAs arising from increased disbursement volumes and accelerated portfolio growth	• Strengthened asset quality and NPA management processes supported proactive risk identification and portfolio monitoring, reinforced through early warning triggers, restructuring frameworks, CMS-driven collections, and dedicated recovery mechanisms.

Performance Highlights FY 25/26

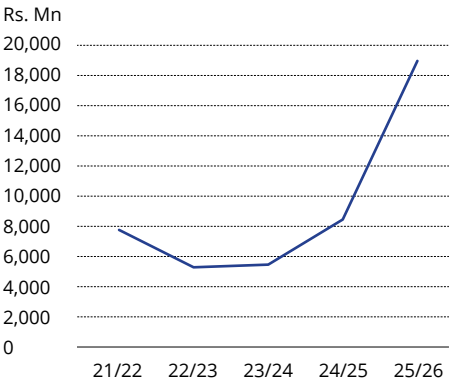
How we grew

New Islamic finance disbursements recorded a substantial increase to Rs. 22,179 million from Rs. 8,198 million, reflecting a growth of 170.55%, driven by rising demand for Shari'ah-compliant financing solutions, enhanced product offerings, and the continued expansion of the Company's network reach. Consequently, the Islamic finance asset base expanded significantly to Rs. 19,039.86 million from Rs. 8,440.41 million, recording a growth of 125.58%, supported mainly by the strong growth in Musharakah financing, increased Wadi'ah Gold safekeeping receivables, and steady expansion in Ijarah receivables. Financing income increased markedly by 118.94% to Rs. 2,379.06 million, supported by higher disbursement volumes and a more diversified product portfolio. Meanwhile, the Islamic deposit portfolio grew by 21.09% to Rs. 9,630.08 million, underpinned by healthy growth in Wakalah fixed deposits and Islamic savings deposits, reflecting continued depositor confidence in the Al-Safa proposition.

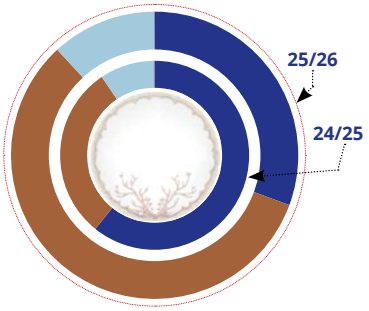
New Disbursements



Portfolio Movement



Composition – Islamic Finance Portfolio



	24/25	25/26
Ijarah	60.78%	30.64%
Musharakah	29.78%	57.50%
Wadi'ah-Gold Safekeeping	9.28%	11.80%
Other	0.16%	0.06%

Integrating Sustainability (ESG)

Growing responsibly

	Key Initiatives	Impact/ Outcome	Capitals Impacted
Environmental	Launched Ijarah Solar as a Shari'ah-compliant renewable energy financing solution Increased digitalisation of processes Strengthened procurement practices with inclusions such as approved supplier panels, energy efficient asset preference to ensure that procurement aligns with ESG expectations and reduces environmental risks across the supply chain.	• Furthering the nations green agenda by offering ESG compliant products • Reduction in energy costs • Reduction in paper consumption • Increased efficiency gains and customer convenience • growing green asset share	
Social	We continued to build technical and soft skills in Islamic financing through targeted training programs for our employees During the year, the Al-Safa Islamic Finance (AIF) Charity Fund disbursed Rs. 23 million in support of community initiatives, comprising Rs. 7 million towards healthcare, Rs. 4 million for education, and Rs. 12 million for emergency relief efforts following the Dithwa cyclone.	• Higher service quality • Improved employee retention rates • Socio-economic development of communities and stronger long-term relationships with the communities we serve.	
Governance	Conducted independent Shari'ah Supervisory Board (SSB) & annual Shari'ah audit	• Improved governance and risk management • Greater investor confidence	

People's Leasing Business Line Review

Way Forward

Where we grow next

	Risks	Opportunities	Strategic Focus
Short Term (1 year)	• Increased pricing pressure due to high levels of competition. • Staffing constraints amid rapid rollout. • Risk of rising NPAs amid heightened competitive and macroeconomic pressures.	• Demand growth for Ijarah Solar. • Increased demand for Mudharabah Savings products.	• Continue to extend Islamic Finance services across the branch network. • Introduce Wadi'ah Loyalty program to grow portfolio. • Conduct Ijarah campaigns targeted at SME clients. • Automation of early warning signs detection.
	Risks	**Opportunities**	**Strategic Focus**
Medium Term (2-3 years)	• Maintaining low Cost to Income Ratio while scaling. • Shifts in regulatory landscape. • Ensuring stable deposit mix.	• Potential for new products such as Sahim (Investment), Self-e Cash. • Cross-sell opportunities through People's Bank. • Opportunity to strengthen our leadership position within the Islamic NBFI segment through differentiated offerings.	• Launch Sahim & benevolent lending. • Expand supplier networks. • Leverage analytics to drive competitive data -driven pricing.
Long Term (Over 3 Years)	• Risk of limited capital market readiness for Sukuk. • Tech disruption. • Shortage of specialist talent.	• Potential opportunities to issue Sukuk to fund green and ethical assets. • Opportunities to expand structured Shari'ah - compliant margin trading solutions to meet evolving investor needs. • Opportunity to reinforce national brand leadership within the Islamic finance sector.	• Explore Sukuk feasibility & develop required documents. • Strengthen Shari'ah governance for new structures and products. • Strengthen alliances to drive growth in product engineering.

Deposits

(Nourishing the Network)



People's Leasing and Finance PLC has nurtured a deposit network as dependable as the communities it serves threading flexible savings and fixed deposit solutions into the lives of individuals and families across Sri Lanka, guided by transparent governance and genuine depositor confidence.

Attribution to Consolidated Interest Expense

Interest Expense

70.21%

Share of Group Liabilities

54.33%

Related Material Matters

Financial Stability

Customer Experience

Macro-economic Environment

Product Portfolio

FD Products

Normal Fixed Deposits

Senior Citizens Fixed Deposits

Senehasa Minor Fixed Deposits

Savings Products

Super Savings

Senior Citizen Savings

Premier Investment Plan

Senehasa Savings

Micro-finance Savings

Overview

How we are rooted

Like the silent, sustaining threads of a mycelium network, the Company's deposit portfolio forms a deep-rooted foundation that supports the strength of the broader financial ecosystem. Offering flexible, customer-centric savings solutions that balance competitive returns with security and reliability, the deposit base fosters trust and accessibility across the communities it serves.

Amid a gradually stabilising interest rate and macroeconomic environment, the unit channeled its energy into expanding its reach and deepening depositor engagement with depositor confidence and regulatory compliance remaining firmly anchored throughout, ensuring that growth is built on a foundation of integrity, stability, and long-term purpose.

Delivering on our FY 25/26 Goals



Strengthen the existing deposit portfolio	■
Roll out of targeted three-month campaign to promote awareness of Minor Savings.	■
Introduce a new product specifically designed for women, aiming to meet their unique financial needs and preferences.	■
Aligned with Children's Day, launch a dedicated promotional campaign to enhance visibility and engagement for its Minor Savings offerings	■

■ Complete ■ In Progress ■ Incomplete

People's Leasing Business Line Review

Strategy Focus

Where we directed our energy

The Company's deposit strategy during FY 2025/26 was centered on strengthening the scale, stability, and efficiency of its deposit portfolio, while enhancing customer engagement and digital accessibility.

Mobilising Low-Cost Savings

The Company continued to prioritise the mobilisation of savings deposits as a stable and cost-effective funding source. This approach strengthened the overall funding base, supporting lending and leasing activities while maintaining balance sheet resilience.

Strengthening Fixed Deposit Growth and Retention

Focused efforts were undertaken to grow the fixed deposit portfolio and improve renewal rates. Competitive interest rate revisions, flexible tenure options, and proactive engagement with maturing depositors contributed to higher retention and portfolio stability.

Advancing Digital Transformation

The Company accelerated the expansion of digital channels, promoting online transactions, digital account opening, and paperless processes. These initiatives improved operational efficiency, enhanced customer convenience, and supported environmental sustainability through reduced paper usage.

Deepening Customer Engagement

Deposit mobilisation efforts were strengthened across all branches through targeted campaigns, improved relationship management, and enhanced customer communication, ensuring a consistent and customer-centric service experience across the network.

Market Developments and Our Response

What we faced, how we responded

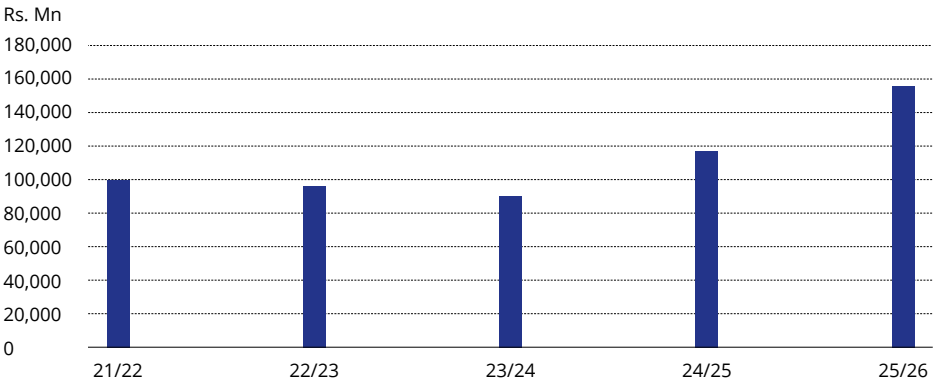
Key Developments in the Operating Environment	Impact on Operations	Our Strategic Response
Intensified Competition for Deposits -Banks and licensed finance companies aggressively raised deposit rates to attract and retain funds.	Elevated competitive pressure required tighter management of deposit pricing within profitability constraints while sustaining customer acquisition and retention.	• Executed targeted branch-level promotions across the branch network, leveraging cross-selling of complementary products to deepen existing customer relationships. • Emphasised core product strength, reliability, and service quality as key differentiators beyond rate reinforcing brand trust in a price-competitive environment. • Empowered branch staff to deliver efficient, excellence-driven customer service, ensuring a consistent and superior customer experience at every touchpoint.
Expansion in Credit Demand Requiring a Stable funding base-Strong lending portfolio growth across all business lines intensified the need for a stable and cost-effective deposit base to sustain disbursement capacity.	Deposit growth strategies had to be closely aligned with lending disbursement plans across all business lines to ensure effective asset-liability coordination and avoid funding constraints on credit growth.	• Prioritised deposit portfolio growth as a strategic funding imperative, ensuring a stable and cost-effective liability base aligned with asset growth plans. • Deployed branch-level targets and performance monitoring to drive disciplined deposit mobilisation in coordination with the lending business across all segments.
Declining inflation and interest rates following successive policy rate reductions by the Central Bank and improved liquidity conditions in the financial system.	Lower deposit and Treasury bill rates dampened demand for traditional savings and deposit products, with customers increasingly seeking alternative high-return, tax-free investment instruments	• Enhanced deposit offerings through competitive pricing, tiered FD structures, and preferential rates targeted at key customer segments. • Strengthened digital capabilities and introduced process improvements including standardised mandates, SMS alerts, and online tax certificate access to improve customer convenience and retention.
Improved economic stability and post-election market confidence, supported by improved liquidity conditions in the financial system.	Strengthened consumer sentiment supported recovery in deposit mobilisation.	• Intensified deposit mobilisation campaigns across all branches to capitalise on the improved savings environment. • Introduced new products including the Thyaga Minor Savings Account to attract new customer segments and expand the long-term depositor base. • Enhanced digital deposit capabilities to improve customer convenience.

Performance Highlights FY 25/26

How we grew

The Company recorded strong deposit growth during FY 2025/26, with the total deposit portfolio expanding by 33.66% over the previous year. This performance reflects effective pricing strategies, focused branch-level mobilisation, and sustained depositor confidence.

Deposit Portfolio

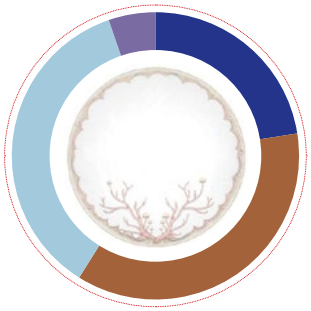


The Savings portfolio recorded particularly robust momentum, growing by 41.73% year-on-year to reach Rs. 8.34 billion as at 31 March 2026. This growth was underpinned by supported by focused mobilisation efforts and improved product accessibility that brought more depositors including micro-savers and underserved communities into the network.

The Fixed Deposit portfolio expanded by 33.23% year-on-year, reaching Rs. 147.48 billion as at 31 March 2026, driven by sustained depositor confidence and the Unit's proactive portfolio management and customer retention strategies.

A particularly noteworthy indicator of depositor loyalty was the fixed deposit renewal rate of 44.89% recorded in FY 2025/26, reflecting the continued confidence of customers in the Company's deposit offerings and their willingness to reinvest despite a competitive market environment.

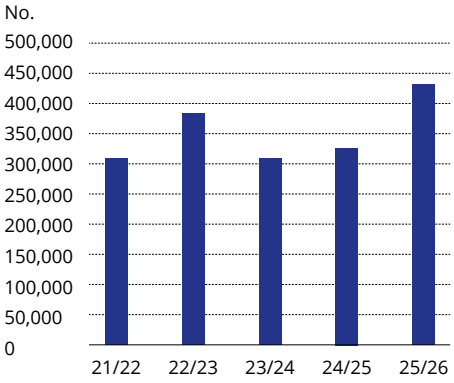
Deposit Base on Maturity 25/26



3 Month	22.50%
3 Month - 1 Year	36.41%
1-3 Year	35.82%
3-5 year	5.27%

While declining interest rates exerted pressure on margins, the resulting lower cost of funds supported overall funding efficiency. Proactive rate management ensured that the deposit portfolio remained both competitive and effective.

Number of Deposit Customers



People's Leasing Business Line Review

Way Forward

Where we grow next

	Key Initiatives	Impact/ Outcome	Capitals Impacted
Environmental	• Digitalisation of physical fixed deposit certificates into e-certificates, enabling a paperless FD issuance process. • Replacement of physical promotional materials with SMS based and e-flyer communications, reducing dependency on printed circulars and brochures	• Reduction in paper usage • Increased customer convenience and efficiency • Lower transportation emissions due to a reduction in branch visits	
Social	• Low minimum deposit requirements maintained to encourage savings among lower-income groups • Financial literacy programmes conducted for community beneficiaries • Ongoing customer education on savings habits as part of daily engagement activities • Staff training delivered across technical and non-technical areas	• Increased accessibility to deposit products among rural and underserved communities • Inculcating savings culture among low-income households and micro-savers • Professional development of our staff	
Governance	• Transparent interest rate structures with clear disclosure of rates, terms, and conditions; CBSL - mandated deposit insurance coverage • Robust regulatory compliance framework and internal controls governing deposit operations.	• Enhanced depositor trust and security • Regulatory compliance • Fair treatment of depositors	

Way Forward

Where we grow next

	Risks	Opportunities	Strategic Focus
Short Term (1 year)	• Sustaining competitive deposit pricing in a volatile market environment • Increased customer attrition risk due to aggressive competitor promotions • Limited digital adoption among traditional FD customers	• Increased demand for low-risk, stable savings instruments. • Increased preference for short-tenure and flexible FDs • Opportunities to leverage existing customer base for deposit mobilisation	• Optimize FD and savings interest rate structures to remain competitive • Strengthen renewal and rollover process for maturing deposits through proactive customer engagement and process efficiencies • Increase customer engagement via digital channels and branch interactions
Medium Term (2-3 years)	• Managing interest rate and liquidity risks • Balancing deposit growth while preserving margins	• Increased digitalisation among rural communities • Growth in cross-selling opportunities between leasing, loan savings, and FD products • Opportunity to utilize analytics-driven insights to enhance customer acquisition, retention	• Identify and engage more closely with High-value depositors • Introduce customer segment-based savings and FD products • Implement digital onboarding for savings accounts
Long Term (Over 3 Years)	• Rapidly evolving regulatory environment • Weakening long-term customer loyalty within a rapidly evolving digital-ecosystem	• Potential to reinforce market leadership in the deposits segment • Potential to deepen customer lifetime value through integrated financial offerings • Potential to drive inclusive growth by expanding access to financial services across the country.	• Develop long-term, goal-based savings solutions • Establish People's Leasing & Finance PLC as a trusted long-term savings partner • Build a data-driven personalisation engine for customer engagement • Aspire to market leadership in Fixed Deposits through innovation and scale

Subsidiary Review

People's Insurance PLC



Contribution to Total Subsidiary Profit After Tax
35%

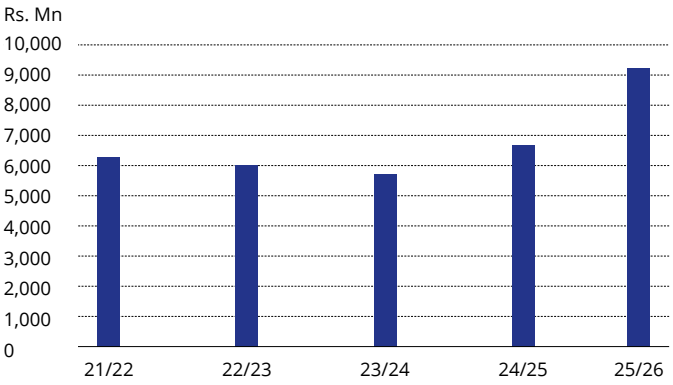
Share of Total Subsidiary Assets
30%

Related Material Matters
Financial Stability
Macro-economic Environment
Climate Action

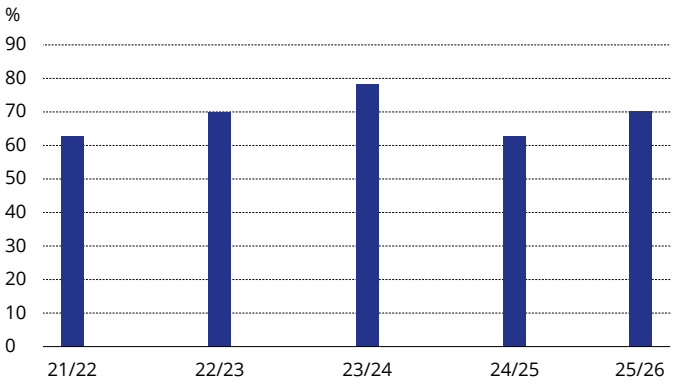
Profile

People's Insurance PLC is a non-life insurance provider registered under the Regulation of Insurance Industry Act, incorporated in 2009 to deliver comprehensive general insurance solutions. The company was listed on the Main Board of the Colombo Stock Exchange in 2016 and continues to serve a broad customer base through its general insurance offerings.

Gross Written Premium



Claims Ratio



Operating Context

- Increased economic activity due to the improving economic conditions in the country together with a growing awareness of insurance products, supported growth in the general insurance sector in 2025.
- Competitive pressures led to pricing volatility and margin compression in certain lines, while heightened claims activity, particularly in motor and property insurance due to cyclone Ditwah, saw many general insurers having to contend with high loss ratios in turn adversely impacting underwriting results.
- Structural constraints, such as low insurance penetration and affordability pressures continued to highlight the need to address underinsurance and protection gaps, especially in catastrophe-prone regions where economic losses remain largely uninsured.
- The industry experienced a significant acceleration in technological transformation during 2025, which created new avenues for general insurers to diversify product offerings, including climate-related covers and cyber risk insurance.

Subsidiary Review

Performance Highlights

- 37.65% increase in Gross Written Premiums (GWP)
- Achieved a Profit After Tax of Rs. 380 Mn.
- 11% increase in claims ratio

Awards Received During the year

- Best General Insurer Sri Lanka at The Global Economics Awards 2025
- Winner- Certificate of Excellence- Best General Insurance Company of the Year at 6th emerging Asia Insurance Awards 2025
- Overall Silver Winner under the Corporate Management Category and several other awards at The Institute of Chartered Professional Managers of Sri Lanka- Management Leadership Excellence Awards 2025
- Silver Award for Insurance Sector (Gross Premium up to Rs. 10 Bn) under insurance sector and Certificate of Recognition- Integrated Reporting at the TAGS Award 2025 organised by the Institute of Chartered Accountants of Sri Lanka
- Winner-Best Integrated Report Insurance Sector – State and Merit Award at the CMA Excellence in Integrated Reporting Awards 2025.

Strategic Action

- Continued to drive growth through island-wide promotional campaigns aimed at growing customer base.
- Enhanced service delivery through the launch of Sri Lanka's first AI chatbot in the general insurance sector, alongside further improvements to the Company's Call and Go facility.
- Significant IT investments were made to improve service delivery, operational efficiency and compliance. Key developments included the introduction of online systems for the issuance of inbound travel insurance and Condominium Insurance, the enhancement of monitoring systems with the introduction of cyber security heat maps and the implementation of Privileged Access Management (PAM) tool, SIEM and SOC log monitoring systems and operational improvements such as the Implementation of Inventory Management System, Online Marketing Dashboard and Payment Workflow System.
- Continued efforts to upskill workforce through targeted training and development and performance management.

Opportunities and Threats 2026/27

- Underwriting & Pricing Volatility particularly in the motor insurance segment
- Competitive Pressure & Margin Compression in motor and fire classes
- Catastrophe & Climate Exposure resulting from Increased floods and extreme weather events
- Regulatory & Capital Pressure due to increased scrutiny from Insurance Regulatory Commission of Sri Lanka and continued focus on maintaining solvency margin compliance
- Information Technology risks including cyber security threats and limitations of legacy systems
- Low Insurance Penetration in traditional segments and rural areas

Future Focus

- Develop skilled workforce and business growth.
- Enhance operational efficiency and completeness.
- Driving sustainable business growth.

Alliance Finance PLC



Contribution to Total Subsidiary Profit After Tax
15%

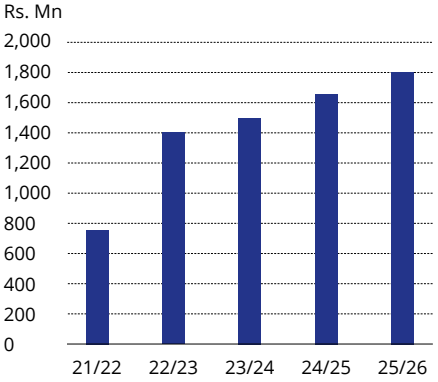
Share of Total Subsidiary Assets
29%

Related Material Matters
Financial Stability
Macro-economic Environment

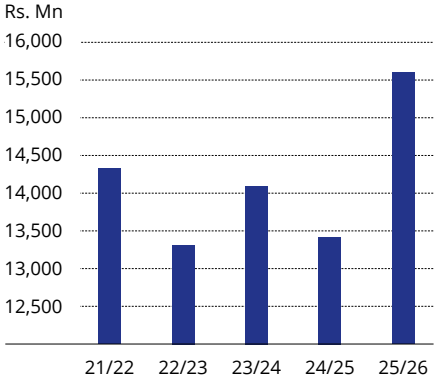
Profile

Alliance Finance PLC is a licensed non-bank financial institution (NBFI) regulated by Bangladesh Bank. It was incorporated in 2003, and previously operated under the names Alliance Leasing & Finance Company Limited and later Lankan Alliance Finance Ltd before becoming Alliance Finance PLC. The Company provides a broad range of financial solutions including deposit products, SME finance, retail finance, corporate finance and structured financial services, serving diverse customer segments across the country.

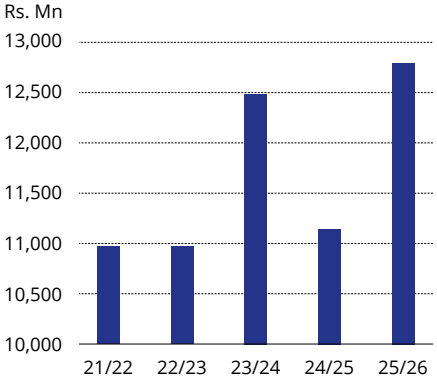
Revenue



Total Assets



Lease and Loans portfolio



Operating Context

- Following a policy rate increase by Bangladesh Bank, the finance sector continued to face higher funding costs, tight liquidity conditions, slower credit expansion of around 7.20%, and subdued demand as restrained consumer spending weighed on lending activity and overall financial sector growth.
- Improved foreign exchange management has helped restore some level of confidence in the market. However, rising non-performing loans and heightened default risks continue to affect both lending activities and depositor confidence.
- The financial sector in Bangladesh is also under increased regulatory scrutiny, with Bangladesh Bank reviewing 20 finance companies with elevated non-performing loans and weak liquidity, leading to the closure of 9 institutions, while also consolidating weak Islamic banks to strengthen overall financial stability.

Subsidiary Review

Performance Highlights

- Loans and Advances portfolio stood at Rs.12,784 Mn an 15% increase compared to FY 2024/25.
- 8% year-on year growth in interest income.
- Total Deposits reached Rs. 8,553 Mn, a 14% YoY increase.
- NPL ratio (Stage 3 – Portfolio) of 15% as of March 2025.
- Investment in Preference Shares amounted to Rs. 960 Mn.
- Borrowings through Bangladesh Bank Refinance Scheme totaled Rs. 2,960 Mn during 2025.

Strategic Action

- Amidst high levels of non-performing loans (NPLs) in the industry, the company adopted a balanced and cautious approach to lending, focusing on new and existing customers with proven track records. Priority was given to corporates, SMEs (particularly emerging corporates), leading MFIs (top 25), and selected retail customers, with emphasis on lease financing such as auto loans and home loans for corporates and high-net-worth individuals, aiming for moderate and quality asset growth.
- Explored investments in redeemable preference shares to enhance effective interest spreads while benefiting from a favorable tax structure.
- Increased efforts to mobilize retail deposits and selectively expand SME business, leveraging its strategic proximity to a large residential and industrial belt.
- Continued emphasis on asset quality and proactive collections to manage Non-Performing Loans (NPLs).
- Continued to invest in technology to drive process efficiencies. Key developments included the API integration of e-KYC with the Election Commission, network upgrades, Active Directory enhancements, and migration of surveillance infrastructure from legacy DVR to a high-definition NVR system.
- Integrated Environmental and Social Due Diligence (ESDD) as well as climate risk related issues into lending due diligence processes.

Opportunities and Threats 2026/27

- Moderate asset growth due to prevailing liquidity crunch in the market and increased levels of competition.
- Continued pressure in Net Interest income (NII) amidst a contractionary monetary outlook.
- The successful conclusion of the national parliamentary election and transition to a new government is expected to support political stability and create a more favourable environment for economic and business recovery in the medium term.

Future Focus

- Actively pursue refinancing opportunities offered by the Central Bank-Bangladesh, particularly in green, sustainable, and CMSME financing
- Diversify offerings by entering the digital loan segment as well as digital platform for ease of customers transactions
- Expand operations into brokerage, asset management, and investment banking services

People's Micro-Commerce Limited



Contribution to Total Subsidiary Profit After Tax
27%

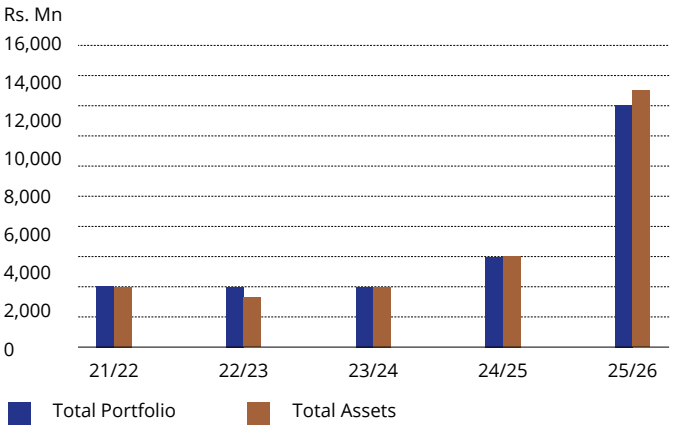
Share of Total Subsidiary Assets
26%

Related Material Matters
Financial Stability
Macro-economic Environment
Advantis Financial Inclusion

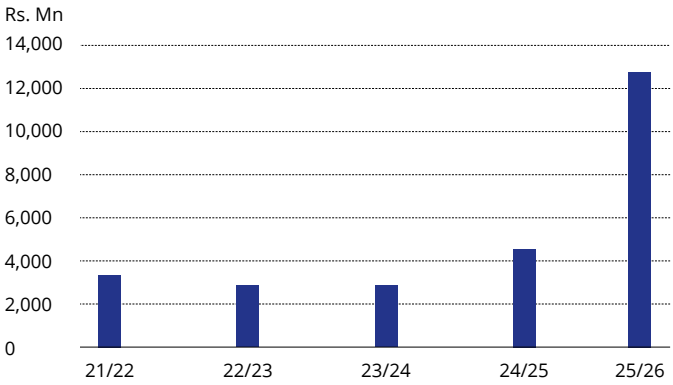
Profile

A fully owned subsidiary of People's Leasing & Finance PLC, People's Micro-Commerce Limited was established in 2010 to provide inclusive financial solutions to individuals and entrepreneurs who are underserved by conventional banking systems. Today the company serves over 100,000 customers, offering credit facilities, financial literacy programs, and access to value-added services such as savings and insurance through its Group Companies.

Total Assets & Portfolio



Revenue



Operating Context

- Gradually improving economic conditions supported renewed activity in the SME sector.
- Enhanced government focus, stronger policy support, and increased oversight for the SME sector.
- Increased levels of competition within the financial services sector.
- Customers remained cautious, with higher focus on repayment flexibility.
- Increased adoption of digital processes across operations.

Subsidiary Review

Performance Highlights

- Interest income increased by 116% to Rs. 2,320 Mn.
- Total operating income increased by 116% to Rs. 941 Mn supported by increased Fee and commission income.
- Profit After Tax for the FY 2025/26 amounted to Rs. 293.83 Mn, a 106% increase compared to the previous year.
- Ongoing focus on credit monitoring and portfolio management contributed to improved recovery performance as reflected in a lower NP ratio of 1.35%.

Strategic Action

- Strengthened brand visibility through focused digital engagement and targeted customer awareness campaigns.
- Strengthened geographical presence by expanding the branch network to 13 and enhancing employee capabilities.
- Continued to strengthen the product portfolio through tailored offerings such as a Mortgage loan for small scale entrepreneurs , the women-focused microfinance product 'Diriya Kantha Loan', and the Gold Plus Loan, designed to meet diverse customer needs.
- Launched the Easy Micro Loan to meet rising demand for quick, small-value financing, with digitalized loan application and evaluation processes enabling faster decision-making and improved branch-level turnaround times.
- Continued to digitize operations to improve service delivery and operational efficiency. Key developments included enabling secure remote access to core systems, and transitioning to a fully digitalized loan origination process which has helped reduce turn around times and improved customer convenience.
- Implemented a comprehensive digital documentation framework to minimize physical paper consumption, optimize storage efficiency, and reduce the organisation's environmental footprint.
- Strengthened loan monitoring mechanisms to improve recovery performance.
- Ongoing training and development inititaves and improvements to performance management to empower and motivate employees.

Opportunities and Threats 2026/27

- Growing demand for SME and microfinance solutions.
- Conducive interest rate environment.
- Expanding customer adoption of digital marketing platforms.
- Rising demand for EV products.
- Enhancing regulations will strengthen safeguards for the sector.
- Credit risk arising from customer repayment challenges.
- Competitive pressures in the financial services sector.
- Limitations in funding sources specially due to sector exposure or single borrower limits.

Future Focus

- Continue to focus on portfolio quality through enhanced monitoring, prudent credit evaluation, and timely recovery action.
- Prudent and sustainable business expansion.
- Continued improvement in digital capabilities to enhance customer experience and drive operational efficiencies.

People's Leasing Fleet Management Limited



Contribution to Total Subsidiary Profit After Tax
3%

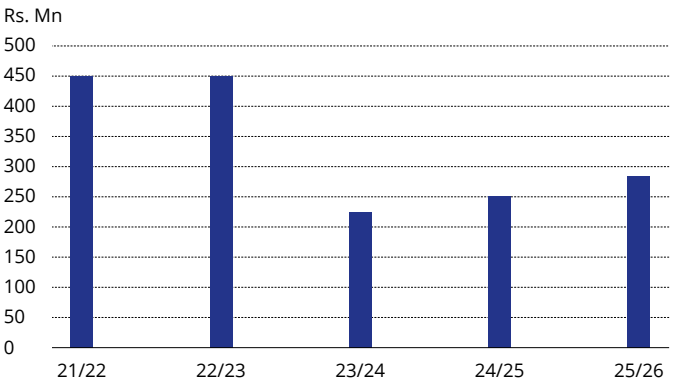
Share of Total Subsidiary Assets
1%

Related Material Matters
Financial Stability
Macro-economic Environment
Customer Experience

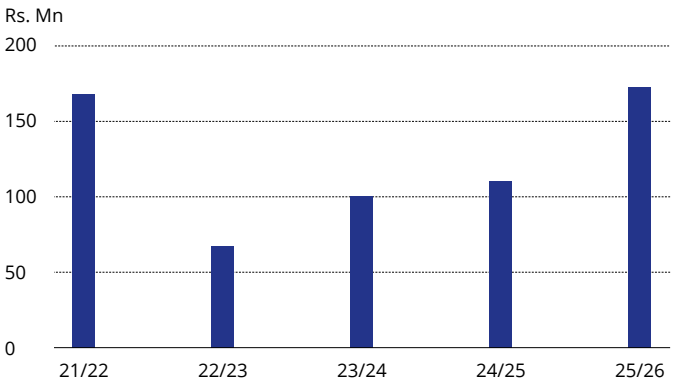
Profile

People's Leasing Fleet Management Limited is a wholly owned subsidiary of People's Leasing & Finance PLC, engaged in vehicle valuations and insurance claim assessments, serving both group entities and external clients.

Total Assets



Revenue



Operating Context

- Gradual economic stabilisation, easing inflation, interest rate adjustments, and developments in vehicle import policies significantly increased demand for vehicle valuations during the year.
- Increased activity in the used vehicle market and higher leasing volumes meanwhile further strengthened valuation requests.

Performance Highlights

- Higher valuation volumes during the year resulted in the Company recording a 38% growth in revenue compared to the previous year.

Subsidiary Review

Strategic Action

- Expanded PLC branch network valuation coverage from 55% to 75%, strengthening nationwide service accessibility and improving operational reach.
- Completed the full migration to the new valuation system, enhancing report turnaround time, accuracy, and overall operational efficiency.
- Implemented the zonal operational model for the Valuation Unit, improving resource allocation, coordination, and productivity across regions.
- Fully migrated to a new valuation system and introduced a mobile application for Valuation Officers, improving efficiency, accuracy, and report turnaround time.
- Initiated the process to implement digital issuance of vehicle valuation reports with authorized digital signatures, aiming to reduce paper usage and promote environmentally sustainable operations.
- Relocated to a new corporate office premises, improving the working environment, operational coordination, and overall corporate image.

Opportunities and Threats 2026/27

- Improving economic conditions creating higher demand for vehicle valuations and related assessment services.
- Expansion of branch network coverage providing greater market reach.
- Availability of excess funds for strategic investment and business diversification.
- Fluctuations in interest rates and vehicle import policies affecting valuation volumes.
- Dependence on the performance of the leasing and automotive sectors.
- Increasing competition within the valuation and assessment services market.
- Regulatory and compliance changes impacting operational requirements.

Future Focus

- Explore more profitable business opportunities to invest excess funds currently placed in fixed deposits, with the objective of diversifying revenue streams.
- Strengthen operational efficiency through system enhancements and process improvements, including the implementation of digital signature-based valuation reports.
- Expand valuation service coverage across PLC branches and strengthen the Company's market position within the valuation sector.

People's Leasing Havelock Properties Limited



Contribution to Total Subsidiary Profit After Tax
9%

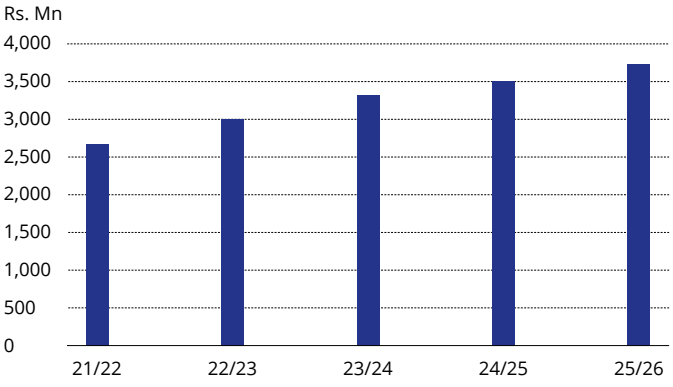
Share of Total Subsidiary Assets
7%

Related Material Matters
Financial Stability
Macro-economic Environment

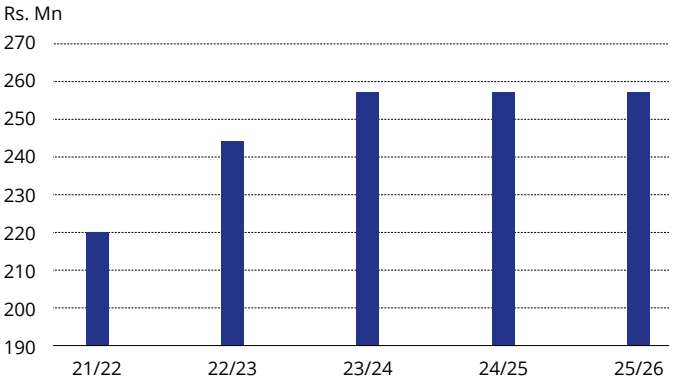
Profile

A wholly owned subsidiary of Peoples Leasing & Finance PLC, Peoples Leasing Havelock Properties Limited (PLHPL) owns and manages a 13 storey 75,000 sq.ft. A-grade commercial office building located at No. 07, Havelock Road, Colombo 05.

Total Assets



Revenue



Subsidiary Review

Operating Context

- The commercial property sector demand remained relatively stable during the financial year.
- As a Board of Investment (BOI) registered entities, the Company continued to benefit from applicable tax concessions.
- Changes in general tax policies during the year had no material impact on the Company's tax expense due to its BOI status.

Performance Highlights

- The Company has succeeded in securing 100% occupancy of its office space, with all units fully rented out until 2027 thereby securing a steady and uninterrupted stream of rental income.

Strategic Action

- Prioritized occupancy retention through competitive long-term lease renewals and stronger partnerships with key tenants.
- Continued efforts to improve maintenance systems, contain utility costs, and maximize resource efficiency for better profitability.

Opportunities and Threats 2026/27

- Stable demand for strategically located commercial office space, particularly from related party institutions such as People's Leasing & Finance PLC and People's Bank.
- Potential to optimize rental yields through periodic rent revisions and improved space utilisation.
- Exposure to vacancy risk arising from non-renewal or downsizing by major tenants.
- Fluctuations in operating costs, particularly utilities and maintenance expenses.

Future Focus

- Continue to enhance Revenue Stability and Tenant Retention.
- Drive cost management initiatives to improve operational margins.
- Preserve and enhance property asset value through maintenance and refurbishment planning.
- Focus on preserving property asset value through timely maintenance and the gradual incorporation of sustainable practices.

People's Leasing Property Development Limited



Contribution to Total Subsidiary Profit After Tax
11%

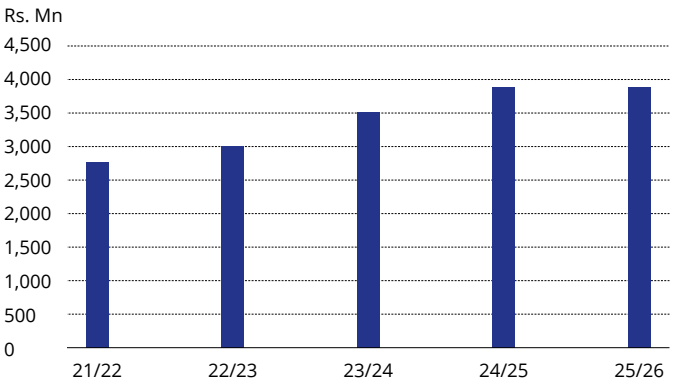
Share of Total Subsidiary Assets
7%

Related Material Matters
Financial Stability
Macro-economic Environment

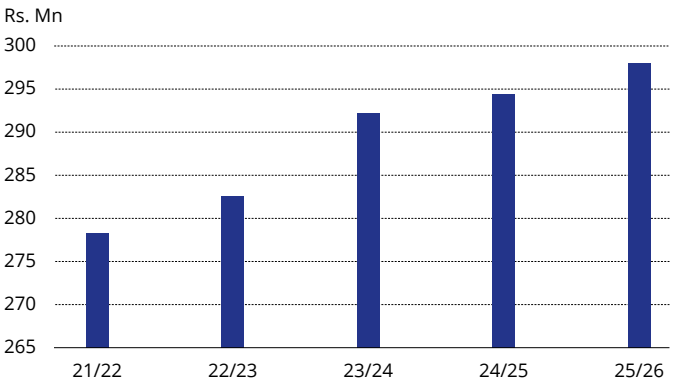
Profile

People's Leasing Property Development Limited is a wholly owned subsidiary of People's Leasing & Finance PLC, established primarily to construct the PLC Head Office Building. It subsequently constructed the PLC Supplementary Building and 14 branch buildings for People's Bank, and currently focuses on maintaining the PLC Head Office and Supplementary Buildings to ensure efficient operations and optimal asset utilisation.

Total Assets



Revenue



Subsidiary Review

Operating Context

- The commercial property sector demand remained relatively stable during the financial year.
- As a Board of Investment (BOI) registered entity , the Company continued to benefit from applicable tax concessions.
- Changes in general tax policies during the year had no material impact on the Company's tax expense due to its BOI status.

Performance Highlights

- Rental agreements for three office floors occupied by People's Bank and the Card Centre were successfully renewed at revised rates, resulting in an increase in monthly rental income for FY 2025/26.
- Following the vacation of two office floors in February 2026, the resulting revenue impact was offset by leasing the space to People's Leasing & Finance PLC.

Strategic Action

- Ensured timely renewal of long-term rental agreements at competitive rates while strengthening relationships with key tenants, including People's Leasing & Finance PLC.
- Emphasis on improving maintenance processes, managing utility costs, and optimizing resource utilisation to enhance overall profitability.
- Continued focus on preserving the value of the property assets through proactive maintenance and gradual adoption of environmentally responsible practices.

Opportunities and Threats 2026/27

- Stable demand for strategically located commercial office space, particularly from related party institutions such as People's Leasing & Finance PLC and People's Bank.
- Potential to optimize rental yields through periodic rent revisions and improved space utilisation.
- Exposure to vacancy risk arising from non-renewal or downsizing by major tenants.
- Fluctuations in operating costs, particularly utilities and maintenance expenses.

Future Focus

- Continue to enhance Revenue Stability and Tenant Retention.
- Drive cost management initiatives to improve operational margins.
- Preserve and enhance property asset value through maintenance and refurbishment planning.



Resilience Through Shared Roots

The true strength of a forest lies not in its tallest trees, but in the web of roots that bind it together. Our shared resilience is built on the same foundation deep, enduring relationships that help us weather challenges and rise together.

Financial Capital

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Management Approach

We manage our Financial Capital by maintaining strong financial discipline, efficient resource allocation, and sustainable value creation. This is achieved through prudent financial planning, robust risk management practices, and transparent reporting processes that enhance stakeholder confidence. By optimizing capital structure, ensuring liquidity, and driving profitability, we support long-term financial stability and growth while delivering consistent returns to stakeholders.



Rs. 5.08 Bn
PAT

Rs. 1,508 Mn
Total Dividend Paid

75.53%
Lease and Loan Receivable YoY Growth

Value Creation Highlights in FY 2025/26

Material Topics Relevant to Financial Capital	Value Drivers	Our Strategic Response
Financial stability	Sources of Financial Capital Risk Management & Capital Protection	Strengthening liquidity, capital adequacy, and funding diversification to maintain long-term financial resilience. Preserving asset quality, liquidity buffers, and regulatory capital through integrated risk governance
Driving Sustainable Growth through Sustainable Finance	Capital Allocation for Growth Value Distribution & Retention	Strategically deploying capital towards sustainable and high-yielding growth opportunities Balancing shareholder returns with retained earnings to support sustainable future growth
Resource optimisation	Financial Performance	Enhancing profitability, operational efficiency, and balance sheet optimisation through disciplined financial management

Contribution to SDG's



Target 9.3



Target 16.6



Target 4.1



Target 10.2



Target 6.1



Target 3.4



Target 15.5

Strategic Significance

Like the mycelium network beneath a forest that silently connects and nourishes every living element within an ecosystem, People's Leasing & Finance PLC operates as an interconnected financial network that supports economic growth, resilience, and long-term sustainability across the country. Within this living network, deposits become the financial nutrients that fuel economic activity, lending channels distribute opportunities across businesses and communities, branches and digital platforms function as interconnected nodes, and capital provides the foundation that strengthens stability, adaptability, and future expansion. Through disciplined financial stewardship and strategic capital management, the Company continues to sustain value creation while reinforcing trust, resilience, and long-term stakeholder prosperity.

Key Risks and Opportunities Related to Social and Relationship Capital

Risks

- Market volatility (interest, inflation, Exchange rates) affecting stability
- Liquidity limitations for operations and investments
- Regulatory and compliance cost pressures
- Credit risk arising from portfolio expansion and changing economic conditions

Opportunities

- Diversified funding enhancing flexibility
- Strategic investments driving long-term value
- Strong governance attracting investor confidence
- Technology investments improving operational scalability and efficiency

Related Strategic Imperatives

- Responsible Growth

Key Initiatives during the year	Long Term Capital Trade-offs
Strengthened diversified funding mobilisation Increased customer deposit base and funding stability Strengthened integrated risk management framework Improved recovery and collection processes	Financial Capital
Expanded lending portfolio across key financing segments Continued investments in digital capabilities and technology enhancements Strengthened retained earnings and internal capital generation Continued investments in technology and operational enhancement initiatives	Financial Capital Natural Capital
Strengthened net interest income and margin performance Enhanced process efficiencies and asset utilisation	Financial Capital

Value Delivered

Rs. 5.08 Bn PAT

11.30% Return on Equity

15.25% Core Capital Ratio

Rs. 0.70 Dividend per Share

Financial Capital

Delivering on our FY 25/26 Goals

Leveraging PLC strong financial position, diversified portfolio and digital capabilities	
Focus on enhancing operational efficiency with the strategic goal of reducing the cost to income ratio to below 50%	
Improve Return on Equity to above 10% by enhancing profitability optimizing capital allocation, and driving sustainable growth.	
Reduce reliance on customer deposits, enhancing financial stability and optimizing the cost of funds.	

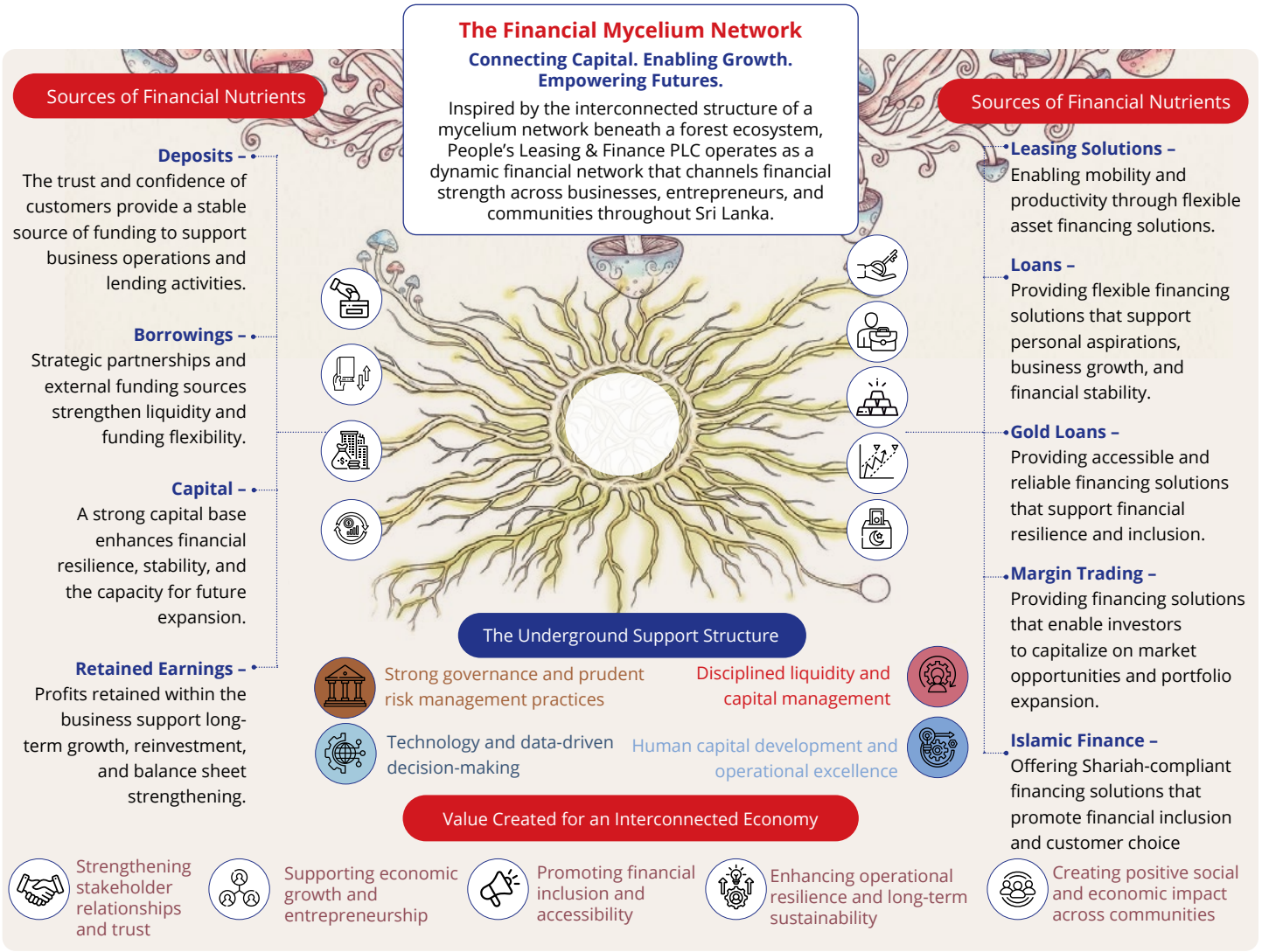
Complete In Progress Incomplete

The Financial Mycelium Network

Like the mycelium network beneath a forest, People's Leasing & Finance PLC operates as an interconnected financial ecosystem that quietly sustains growth, resilience, and economic vitality across the country. Within this network, deposits become the nutrients that fuel economic activity, lending becomes the channel through which opportunities are distributed, branches and digital platforms function as connected nodes, and capital forms the strong foundation that supports long-term stability and expansion.

By linking depositors, businesses, entrepreneurs, and communities, PLC enables the continuous flow of financial strength where it is needed most creating value not only for the Company, but also for the wider economy. During the year, the Company further strengthened this ecosystem through disciplined capital management, portfolio expansion, liquidity enhancement, and prudent risk management.

This Financial Capital section illustrates how PLC transforms financial resources into sustainable growth, supporting an interconnected economy while reinforcing resilience, trust, and long-term value creation for all stakeholders.



Key Metrics Around the Network

Metric	FY25/26	FY24/25	Movement	Impact
Total Assets	Rs. 321.23 Bn	Rs. 194.5 Bn	↑ 65.13%	Financial Stability
Loan Book	Rs. 275.74 Bn	Rs. 157.09 Bn	↑ 75.5 3%	Wider Reach
Deposits	Rs. 165.45 Bn	Rs. 124.53 Bn	↑ 32.86%	Depositor Confidence
PAT	Rs. 5.08 Bn	Rs. 3.60 Bn	↑ 41.01%	Improved Profitability
ROE	11.30%	8.56%	Improved	Stable Shareholder Value
Impairment Coverage Ratio	84.39%	63.09%	Improved	Increased Assets Quality
Capital Adequacy	15.25%	22.68%	Maintained	Higher Resilience
Cost to Income	51.16%	54.96%	Improved	Improved Profitability

Sources of Financial Capital

Sources of Financial Nutrients

During FY 2025/26, the Company further strengthened its capital base through sustained profitability, diversified funding mobilisation and continued balance sheet expansion, reinforcing its ability to support long-term business growth while maintaining prudent liquidity and capital buffers.

Supporting this growth momentum, customer deposits increased by 32.86% to Rs. 165.45 billion as at 31 March 2026 compared to Rs. 124.53 billion recorded as at 31 March 2025. The strong growth in deposits reflects continued customer confidence in the Company's financial stability, trusted market presence and long-standing customer relationships.

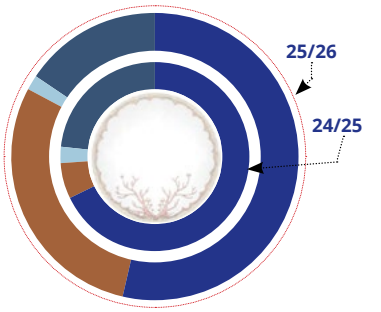
In line with the accelerated expansion in lending activities, external funding mobilisation also increased during the period. Consequently, dues to banks increased to Rs. 89.73 billion from Rs. 11.44 billion recorded as at 31 March 2025, enabling the Company to support portfolio growth while maintaining adequate liquidity levels and funding flexibility.

Complementing the growth in external funding sources, internally generated profits continued to strengthen the Company's capital position through retained earnings, which increased by 18.01% to Rs. 23.58 billion from Rs. 19.98 billion as at 31 March 2025. The continued growth in retained earnings enhanced the Company's internal capital generation capacity and strengthened its ability to absorb potential shocks while supporting future business expansion.

As a result, total equity increased by 12.06% to Rs. 47.53 billion compared to Rs. 42.41 billion recorded at the beginning of the financial year, reflecting the Company's continued focus on strengthening balance sheet resilience and preserving long-term financial stability.

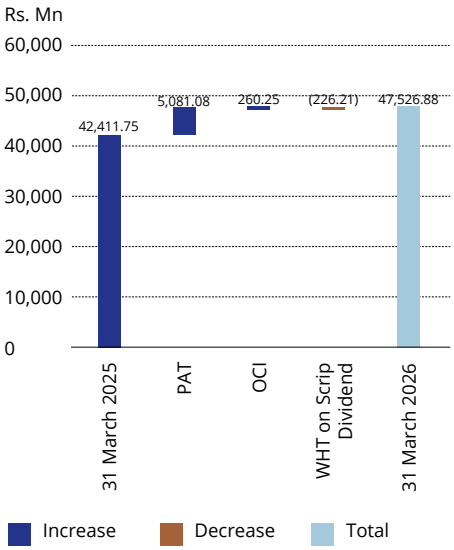
Overall, the Company's strong and diversified capital structure continued to provide the financial foundation required to support sustainable growth, enhance stakeholder confidence and maintain long-term operational resilience.

Total Funding



	24/25	25/26
Customer Deposits	67.90%	53.76%
Bank Borrowings	6.24%	29.16%
Debenture	2.73%	1.64%
Total Equity	23.13%	15.44%

Key Movements in Equity



Financial Capital

	As at 31 March 2026 Rs. Mn	As at 31 March 2025 Rs. Mn	Changes %
Customer Deposits	165,448.88	124,529.68	32.86
Bank Borrowing	89,733.74	11,436.57	684.62
Debentures	5,062.52	5,014.65	0.95
Total Equity including Retained Earnings	47,526.88	42,411.76	12.06

Capital Allocation for Growth

Deployment nutrients for growth

During FY 2025/26, the Company continued to strategically deploy Financial Capital towards high-yielding and growth-oriented lending segments while maintaining prudent portfolio diversification and disciplined risk management practices. The Company's capital deployment strategy remained focused on balancing sustainable portfolio expansion with long-term earnings generation and balance sheet resilience.

Reflecting the strong momentum in core financing activities, loans and receivables increased significantly by 75.53% to Rs. 275.74 billion as at 31 March 2026 compared to Rs. 157.09 billion recorded as at 31 March 2025. The substantial growth in the lending portfolio was primarily driven by increased business volumes across key financing segments together with improved market demand and enhanced customer engagement initiatives.

Capital deployment during the period remained primarily focused on:

Metric	FY25/26	FY24/25	Growth	Impact
Loan and Lease	202,484.23	119,572.88	+82,911.35	Expanded lending growth
Gold Loan	39,992.85	19,428.53	+20,564.32	Improved profitability and liquidity
Margin Trading	14,221.60	9,650.57	+4,570.90	Enhanced portfolio diversification
Islamic Finance	19,039.86	8,440.41	+10,599.45	Strengthened inclusive growth

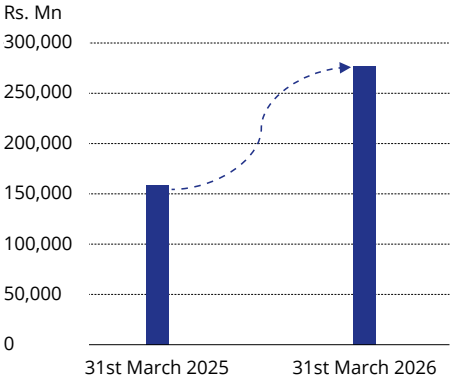
Among these segments, the continued expansion of the gold loan portfolio remained a key contributor towards earnings growth and liquidity optimisation. The short-term nature of gold loan products enabled faster portfolio growth efficient repricing and improved yield management, thereby supporting stronger margin performance and enhanced earnings generation.

Complementing the expansion in lending activities, the Company also continued to invest in operational infrastructure, technology enhancements and digital capabilities aimed at improving operational scalability, service delivery efficiency and customer experience. These investments continue to support long-term operational sustainability while strengthening the Company's competitive positioning within the financial services sector.

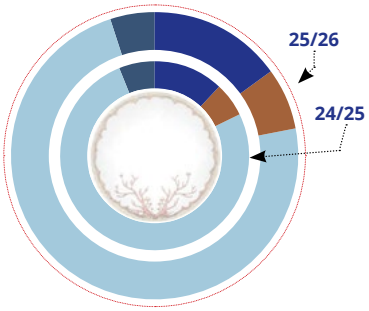
In parallel, debt instruments measured at amortised cost increased to Rs. 7.34 billion from Rs. 5.16 billion recorded as at 31 March 2025, reflecting prudent treasury management and liquidity optimisation strategies adopted during the period.

Overall, the Company's disciplined capital deployment framework enabled it to optimise returns, strengthen portfolio quality and preserve financial resilience while supporting sustainable long-term business growth.

Loan & Receivables Growth



Loan Portfolio Mix



	24/25	25/26
Gold Loan	12%	15%
Islamic Product	6%	7%
Lease and Loan	76%	73%
Margin Trading	6%	5%

Financial Performance

Outcomes of a Healthy Financial Ecosystem

Metric	FY25/26	FY24/25	Movement	Impact
Interest income	41,123.71	26,088.02	↑ 57.63	Stronger revenue generation
Net interest margin	8.94%	8.64%	Improved	Conversion Efficiency
Cost-to-income	51.16%	54.96%	Improved	Cost efficiency
Profitability	5,081.08	3,603.38	↑ 41.01	Regenerative Growth
ROE	11.30%	8.56%	Improved	Improved shareholder value
EPS	Rs. 2.30	Rs. 1.63	↑ 41.10	Higher shareholder returns

The Company delivered strong financial performance during the twelve months ended 31 March 2026, reflecting the resilience of its business model, disciplined strategic execution and continued momentum in core business operations. Strong portfolio growth, improved earning asset utilisation and enhanced operational efficiency collectively contributed towards sustained earnings growth during the period.

Against this backdrop, Net Interest Income increased significantly by 54.73% to Rs. 21,773.11 million compared to Rs. 14,071.33 million recorded during the corresponding period of the previous financial year. This growth was primarily driven by the expansion of average earning assets, sustained lending growth and continued optimisation of the portfolio mix towards higher-yielding financing products.

In line with the accelerated portfolio expansion, interest income increased by 57.63% to Rs. 41,123.71 million during the period. Correspondingly, interest expenses increased by 61.03% to Rs. 19,350.59 million, reflecting the higher funding requirements associated with business growth and increased lending activities. Nevertheless, the Company successfully preserved earnings momentum through disciplined pricing mechanisms, improved funding management and enhanced asset deployment efficiency, which collectively supported margin resilience and earnings quality.

Complementing the strong growth in core interest income, fee and commission income increased by 46.76% to Rs. 2,578.14 million compared to Rs. 1,756.72 million in the previous period. The increase was mainly attributable to higher transaction volumes, increased customer activity and the continued expansion of financing operations across key business segments.

As a result of the strong revenue momentum generated across both fund-based and non-fund-based activities, total operating income increased by 50.12% to Rs. 24,636.69 million during the period. Supported by improved operational leverage and disciplined cost management initiatives, profit before income tax increased by 47.86% to Rs. 8,558.36 million, while profit after tax recorded strong growth of 41.01% to Rs. 5,081.08 million compared to Rs. 3,603.38 million recorded during the previous financial year.

At Group level, profit after tax increased by 44.74% to Rs. 5,920.20 million, supported by stable contributions from subsidiaries and insurance operations. The diversified earnings contribution across Group entities further strengthened overall profitability resilience and demonstrated the benefits of integrated business growth and earnings diversification.

Overall, the Company's strong financial performance during the year reflects its ability to generate sustainable returns through disciplined balance sheet management, strategic portfolio optimisation and prudent financial stewardship while maintaining long-term balance sheet resilience and stakeholder confidence.

During FY 2025/26, the Company continued to enhance capital efficiency through disciplined cost management, operational optimisation and strategic balance sheet management initiatives. The Company remained focused on improving productivity levels and strengthening operational scalability while supporting continued business expansion.

In line with increased business volumes and operational growth, total operating expenses increased by 39.74% to Rs. 12,603.35 million compared to Rs. 9,018.94 million recorded during the corresponding period of the previous financial year. The increase was primarily attributable to higher personnel costs, business expansion activities and increased operational support requirements arising from the accelerated growth in core business operations.

Personnel expenses increased by 51.59% to Rs. 7,374.08 million during the period, reflecting salary adjustments, performance-based incentives and workforce expansion initiatives undertaken to support strategic business growth and operational requirements. The Company continued to prioritise investments in human capital development, recognising employees as a key driver of operational excellence, customer engagement and long-term business sustainability.

Despite the increase in operating expenses, the Company continued to generate strong operational leverage during the period. Total operating income increased by 50.12% to Rs. 24,636.69 million, significantly outpacing cost escalation and supporting improved earnings generation capacity. Consequently, operating profit before taxes on financial services increased by 49.06% to Rs. 11,619.92 million compared to Rs. 7,795.26 million recorded in the previous period.

Supporting the improvement in efficiency levels, the Company continued to strengthen operational scalability through:

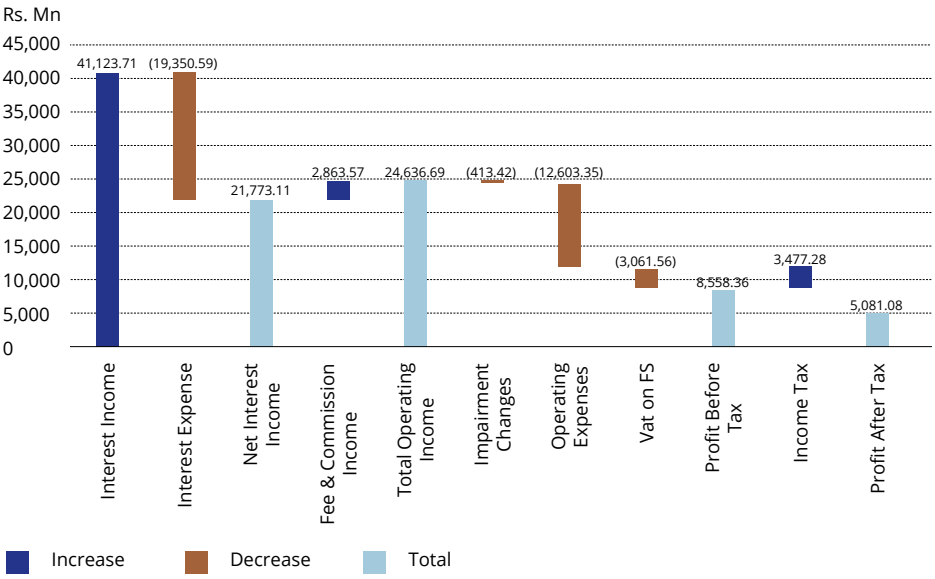
- Enhanced process efficiencies
- Improved asset utilisation
- Strategic funding optimisation
- Continued digitalisation initiatives
- Operational streamlining measures

Financial Capital

The Company also continued to optimise its asset mix by increasing the proportion of higher-yielding income-generating assets while maintaining prudent liquidity buffers and balance sheet flexibility.

Overall, the improvement in operational efficiency indicators demonstrates management's ability to balance growth objectives with disciplined financial management while strengthening long-term profitability and operational resilience.

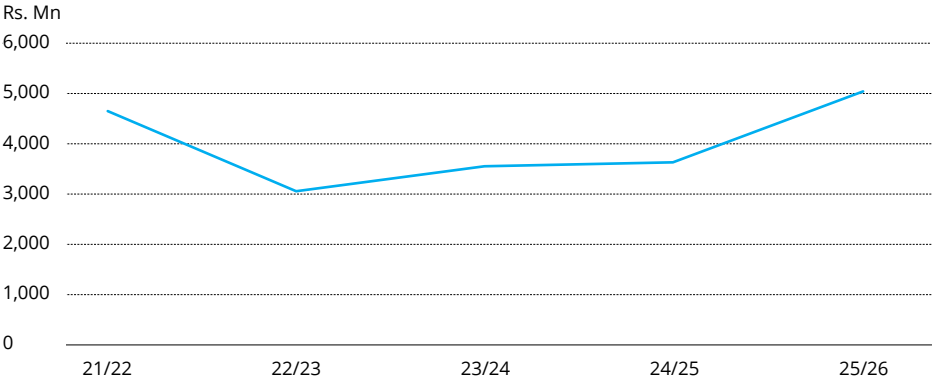
Income Statement Waterfall



Key Financial Performance FY 2025/26

PAT (Company)	ROE (Company)	EPS	Cost to Income (Company)
Rs. 5,081.08 Mn	11.30%	Rs. 2.30	51.16%
41.01%	Improved	Higher Shareholder Return	Improved

5 Years Profit After Tax Trend

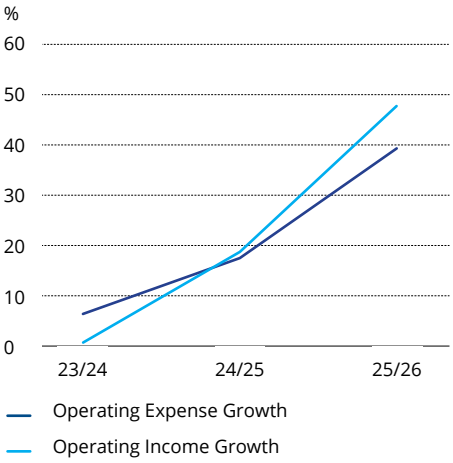


Capital Efficiency

Efficiency Drivers

- Process Optmisation
- Digitalisation & Automation
- Asset Utilisation
- Funding Optimisation
- Operational Streamlining

Operating Jaws Analysis



Risk Management & Capital Protection

Strength of the Underground Support Structure

Maintaining a resilient balance sheet, strong liquidity buffers and adequate capital strength remained a key strategic priority for the Company during FY 2025/26, particularly against the backdrop of significant expansion in lending activities, evolving market conditions and the corresponding increase in risk-weighted assets. The Company continued to strengthen its integrated risk management framework through disciplined underwriting standards, proactive portfolio monitoring, prudent impairment provisioning practices and continuous capital and liquidity management initiatives aimed at preserving long-term financial resilience.

During the year under review, the Company recorded substantial portfolio growth driven by increased lending activities across key business segments and continued expansion in customer reach. In line with this accelerated growth trajectory, impairment charges and other losses for loans and receivables increased to Rs. 413.42 million compared to Rs. 403.30 million reversal recorded during the previous financial year. The increase primarily reflects prudent provisioning associated with accelerated portfolio growth and the adoption of a conservative risk management approach in line with evolving macroeconomic and credit risk conditions, rather than any material deterioration in the underlying portfolio quality.

Amidst the rapid growth in the lending portfolio, the Company continued to maintain a resilient and diversified asset base supported by:

- Robust credit evaluation and underwriting frameworks
- Risk-based pricing methodologies
- Early warning monitoring mechanisms
- Recovery and collection processes
- Portfolio diversification strategies across products and customer segments
- Continuous portfolio stress monitoring and risk assessment practices

Further strengthening portfolio quality, total Stage 3 loans reduced to Rs. 5,518.38 million compared to Rs. 9,559.37 million recorded as at 31 March 2025, reflecting the effectiveness of ongoing recovery initiatives, proactive customer engagement efforts and continuous portfolio monitoring mechanisms implemented throughout the period. The improvement also demonstrates the Company's continued focus on strengthening asset quality and enhancing the overall resilience of the lending portfolio.

The Company also maintained prudent impairment coverage through both individual and collective impairment provisions aligned with SLFRS 9 expected credit loss requirements. These measures enhanced the Company's ability to absorb potential future credit losses while preserving long-term portfolio resilience, earnings stability and capital strength. The provisioning approach continued to incorporate forward-looking risk assessments and management overlays where necessary to ensure adequate recognition of emerging credit risks.

Liquidity management remained another key focus area throughout the financial year, particularly in the context of portfolio expansion and evolving market liquidity conditions. Accordingly, the Company continued to preserve a healthy liquidity profile through diversified funding sources, active liability management strategies and continuous monitoring of liquidity gaps, cash flow mismatches and funding requirements.

As at 31 March 2026 the Company maintained total cash and cash equivalents of Rs. 23.02 billion together with balances with banks and financial institutions amounting to Rs. 3.59 billion, ensuring adequate liquidity buffers to support operational requirements, lending expansion and financial obligations in a timely and efficient manner. The Company also continued to maintain a balanced funding maturity profile to minimize refinancing risk and strengthen overall liquidity resilience.

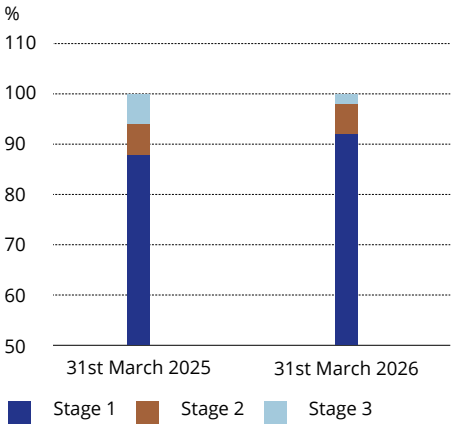
In order to maintain capital adequacy ratios comfortably above minimum regulatory requirements amidst the rapid expansion of the lending portfolio and growth in risk-weighted assets, the Company further strengthened its capital base through the mobilisation of Tier 2 capital instruments during the year. The enhancement of the Tier 2 capital base improved the Company's overall regulatory capital position and provided additional capacity to support future business growth while strengthening resilience against potential economic and credit-related stresses.

The Company also continued to optimise its funding structure through diversified borrowing sources, long-term funding arrangements and strengthened relationships with financial institutions and capital market participants. These initiatives enabled the Company to secure stable and sustainable funding support for lending operations while maintaining prudent liquidity risk management practices and financial flexibility.

From a governance perspective, the Board of Directors and Board subcommittees continued to provide strong oversight over risk management, capital planning, liquidity management and regulatory compliance processes. The Company's governance framework remained focused on maintaining transparency, accountability, prudent decision-making and effective internal controls, thereby supporting long-term institutional stability and stakeholder confidence.

Overall, the Company's disciplined approach towards liquidity management, capital preservation, portfolio quality enhancement and integrated risk governance continued to support sustainable business growth while safeguarding long-term financial stability, regulatory compliance and stakeholder confidence.

Stage-Wise Loan Portfolio



Liquidity & Capital Buffers (As at 31 March 2026)

Cash & Cash Equivalents including Short-term Investments

Rs. 23,022.48 Mn

Balances with banks & financial institutions

Rs. 3,587.43 Mn

Financial Capital

Value Distribution & Retention Distribution of Value Across the Ecosystem

Similar to a mycelium network that distributes nutrients throughout an ecosystem while preserving strength for future regeneration, PLC maintained a balanced approach to value distribution during the year. The Company continued to deliver returns to shareholders through dividend distributions while retaining sufficient earnings to strengthen capital, support future growth, and reinforce long-term financial resilience.

During FY 2025/26, the Company continued to maintain a balanced approach towards value distribution and capital retention, ensuring that shareholder returns were delivered while preserving sufficient internal capital to support future business growth and long-term financial resilience.

Supported by strong profitability performance during the period, profit after tax increased by 41.01% to Rs. 5,081.08 million compared to Rs. 3,603.38 million recorded during the previous financial year. The strong earnings growth further strengthened the Company's internal capital generation capacity and enhanced its ability to support future strategic expansion initiatives.

Consequently, retained earnings increased to Rs. 23,575.09 million compared to Rs. 19,976.74 million recorded as at 31 March 2025, reflecting the Company's continued focus on strengthening long-term capital buffers while supporting sustainable balance sheet growth.

While preserving capital strength remained a key priority, the Company also continued to deliver value to shareholders through dividend distributions. During the period, the Company declared an interim scrip dividend of Rs. 0.70 per share, demonstrating management's commitment towards balancing shareholder returns with long-term capital preservation objectives.

Following the issue of shares under the interim scrip dividend, stated capital increased from Rs. 19.23 billion to Rs. 20.51 billion as at 31 March 2026, further strengthening the Company's equity base.

The Company's retained earnings continued to support: Future lending growth, Strengthening regulatory capital, Technology investments, Operational enhancement initiatives, Strategic business expansion opportunities.

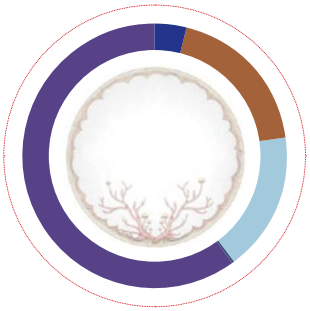
The Company remained committed to supporting employees through salaries, incentives, training, and welfare initiatives, recognising human capital as a key driver of long-term sustainability. During FY 2025/26, value distributed to employees amounted to Rs. 7,374.08 million, reflecting the Company's continued investment in employee well-being and talent development.

PLC also continued to contribute to national economic development through income taxes, levies, and other statutory payments to the Government, amounting to Rs. 6,929.37 million during the financial year, reinforcing its role as a responsible corporate citizen.

In addition, the Company contributed Rs. 13.23 million towards community and environmental initiatives, supporting broader social and environmental sustainability objectives

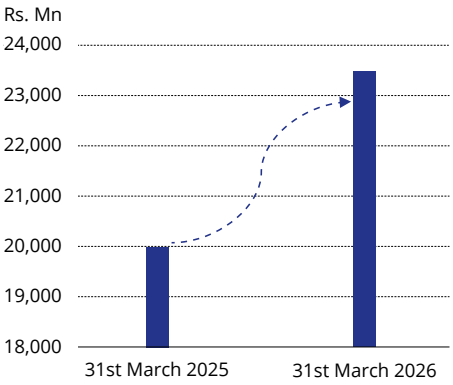
Overall, the Company's balanced capital management approach continues to support sustainable shareholder value creation while preserving financial flexibility, strengthening capital resilience and supporting long-term business sustainability.

Value Distribution & Retention



	25/26
Shareholders (Dividend)	4%
Employees (Salary Benefits)	19%
Government (Tax)	17%
Community and Environment	0%
Retained Earning	60%

Retained Earning Growth



Extending the Network Forward

As the economic environment continues to evolve, PLC remains focused on extending its Financial Mycelium Network through resilience, innovation, sustainability, and deeper stakeholder connectivity enabling long-term value creation across an increasingly interconnected economy

Interconnected Value Creation

Internal Resilience

A living network ; Integrated capital and value creation

External Resilience

Cultivating Human Capital

Financial investments drive employee development, wellbeing, and digital capabilities ti sustain operational excellence

Strengthening Intellectual Capital

Strategic investments in technology and innovation enhance operational efficiency and enable intelligent decision-making



Deepening Social and Relationship Capital

Resource deployment supports entrepreneurships and financial inclusion to foster long-term stakeholder trust

Expanding Manufactured Capital

Modernizing physical and digital delivery channels increases service accessibility across the country

Supporting Natural Capital

Green financing and responsible investments support sustainable development and environmental stewardship

Way Forward

Key Strategic Priorities

1. Capital Base

- Strengthen deposit franchise and diversify funding sources
- Maintain optimal funding mix and competitive funding costs
- Maintain strong capital and liquidity buffers well above regulatory requirements

Funding Mix

Short Term - 60:30:10
Medium Term - 55:40:05
Long Term - 50:45:05

2. Capital Deployment

- Pursue disciplined portfolio growth across high-quality and growth-oriented segments
- Maintain prudent diversification and strong asset quality
- Drive customer-centric solutions and long-term earnings generation

Sustainable Portfolio Growth

Short Term - >35%
Medium Term - >30%
Long Term - >30%

3. Financial Performance

- Optimize earning asset utilisation and portfolio mix
- Enhance margins, fee income and profitability
- Strengthen ROE progressively over the short to long term

Improve Return on Equity (ROE)

Short Term - >12%
Medium Term - >14%
Long Term - >15%

4. Capital Efficiency

- Drive cost discipline and operational scalability
- Improve Cost-to-Income ratio progressively
- Invest in digital capabilities and automation to enhance efficiency and agility

Enhance Operational Efficiency (Cost-to-Income)

Short Term - <48%
Medium Term - <38%
Long Term - <37%

5.Risk Management & Capital Protection

- Strengthen integrated risk management framework
- Proactive portfolio monitoring and prudent provisioning
- Maintain strong liquidity and robust recovery mechanisms

Focus Areas

- Proactive Risk Monitoring
- Prudent Provisioning
- Liquidity Management
- Robust Recovery Mechanisms
- Stakeholder Confidence

6. Value Distribution & Retention

- Deliver sustainable shareholder returns
- Retain adequate earnings to strengthen capital buffers
- Support future growth opportunities and long-term value creation

Value Distribution & Retention

- Sustainable Dividend
- Retained Earnings
- Capital Strengthening
- Future Growth

Manufactured Capital

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Management Approach

Driven by our objective to continuously enhance our stakeholder touch points to meet evolving stakeholder needs, our approach to managing manufactured capital focuses on strategically investing in our physical and digital infrastructure to support current operational needs while enabling future growth.



112

Branches

Rs. 966.81 Mn

Investment in IT infrastructure

Value Creation Highlights in FY 2025/26

Material Topics Relevant to Manufactured Capital	Value Drivers	Our Strategic Response
Digitalisation of services	Digital Infrastructure	We continued to invest in our back-end and front end systems to drive greater digitalisation.
Resource optimisation	Branch Network Digital Infrastructure	Branch optimisation and digitalisation efforts continued as part of our resource optimisation efforts.
Customer Experience	Branch Network Branch Strategy Digital Infrastructure	Ongoing investments in our digital value proposition as well as improvements to our branch network continue to drive customer convenience and accessibility.
Advancing Financial Inclusion	HR Governance Channels of Communication Grievance Handling	Strategic relocations of branches.

Contribution to SDG's

Targest 8.2, 8.3

Target 9.1, 9.4

Target 10.2

Strategic Significance

Much like the interconnected infrastructure of a mycelium network, our manufactured capital forms the physical and digital foundation that enables coordinated flow across the organisation. Through our branch network, digital platforms, and operational systems, it supports seamless service delivery, strengthens stakeholder access and engagement, and enhances customer experience. This strong and connected foundation not only improves operational efficiency and trust in our services, but also positions People's Leasing to respond effectively to changing needs and pursue sustainable long-term growth.

Key Risks and Opportunities Related to Manufactured Related Capital

Risks

- Escalating cybersecurity threats and increased regulatory expectations require significant investments in IT infrastructure.
- Lower footfall at physical branches due to growing preference for digital banking solutions.

Opportunities

- Opportunities to widen reach through digital platforms and strategic branch locations.
- Opportunities to drive cost efficiencies through greater branch optimisation.
- Investments in cyber resilience as a competitive advantage.

Related Strategic Imperatives

- Empowered People
- Responsible Growth

Key Initiatives during the year	Long Term Capital Trade-offs
Invested Rs. 966.81 Mn in enhancing IT infrastructure including digital front end systems, back end core systems and IT security.	Manufactured Capital Social and Relationship Capital Natural Capital
Relocation of two branches enabled greater synergies and more efficient resource utilisation. Continued investments in solarisation, water efficient technology, water recycling systems and automatic power control systems across the branch network. Paperless drive across branch network.	Manufactured Capital Natural Capital
Digital introductions such as Islamic ATM Card and Islamic Women's ATM Card solutions. Ongoing initiatives to enhance branch efficiency.	Financial Capital Social and Relationship Capital
Two new branches were established in strategic locations during the year.	Manufactured Capital Social and Relationship Capital

Value Delivered

Rs. 566.66 Mn
PPE Investment

38.53% growth in
digital Transactions

82.21% Branch
Portfolio Growth

Five awards at the National Best Quality ICT Awards 2025 and two awards at the ICSDB Awards 2025 for Gold Cash and PLC Core

Manufactured Capital

Delivering on our FY 25/26 Goals

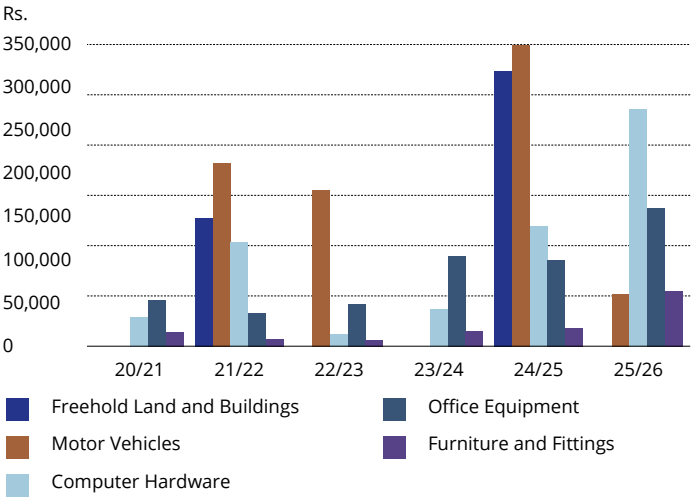
As per the Board Approved Business Expansion Plan, set up 10 new branches to promote financial inclusion in underserved regions across Sri Lanka	
Launch a digital platform to involve stakeholders in business generation	
Enhance the Delinquency Management System for improved efficiency and risk control	
Upgrade the SMART FORCE initiative with TAB-based tools for better engagement and sales	
Introduce social media-based services for fund transfers, bill payments, and inquiries	

Complete In Progress Incomplete

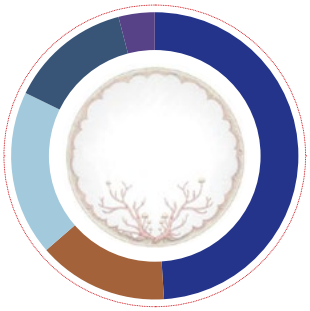
Investments in Property Plant and Equipment

We continued to strengthen our physical and digital infrastructure, investing Rs. 566.66 Mn in property, plant and equipment (PPE) during the year. A structured CAPEX plan guides investments in infrastructure and technology through a transparent procurement process set out in the procurement manual, including tender procedures and approvals by the relevant decision-making authorities.

Investment in PPE



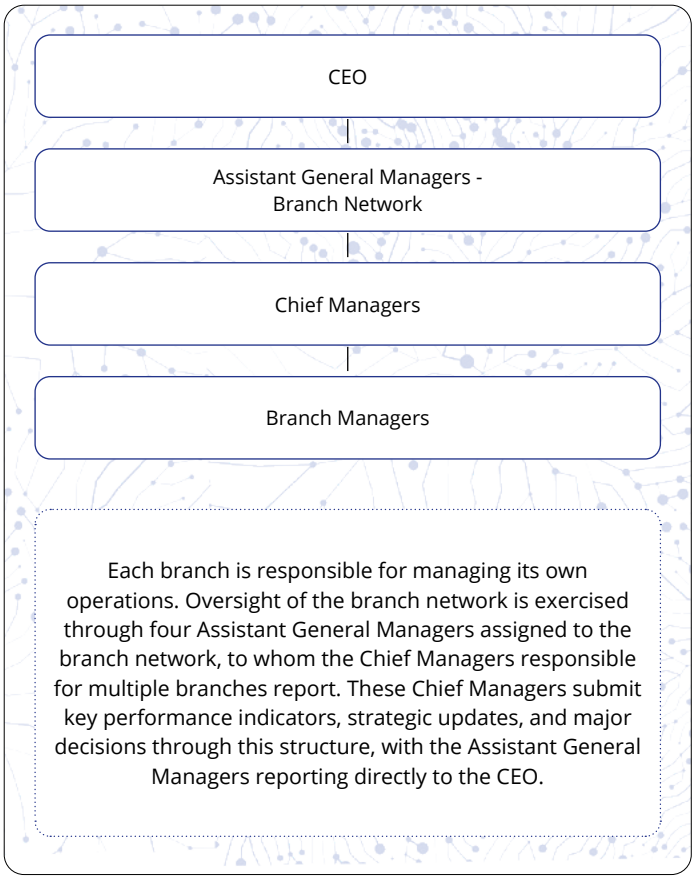
Composition of Fixed Assets FY 2025/26



Freehold Land and Buildings	49%	Computer Hardware	18%
Motor Vehicles	15%	Office Equipment	14%
		Furniture and Fittings	4%

Branch Network

PLC's 112 branch network across all nine provinces of Sri Lanka serves as a primary customer touchpoint, providing broad-based access to our products and services. This extensive geographic presence enables us to effectively reach diverse customer segments, strengthen customer accessibility and convenience, and support financial inclusion across the country.



Each branch is responsible for managing its own operations. Oversight of the branch network is exercised through four Assistant General Managers assigned to the branch network, to whom the Chief Managers responsible for multiple branches report. These Chief Managers submit key performance indicators, strategic updates, and major decisions through this structure, with the Assistant General Managers reporting directly to the CEO.

141 Northern Province

	8	8
Jaffna District	4	4
Vavuniya District	1	1
Mannar District	1	1
Killinochchi District	1	1
Mullaitivu District	1	1

230 North Western Province

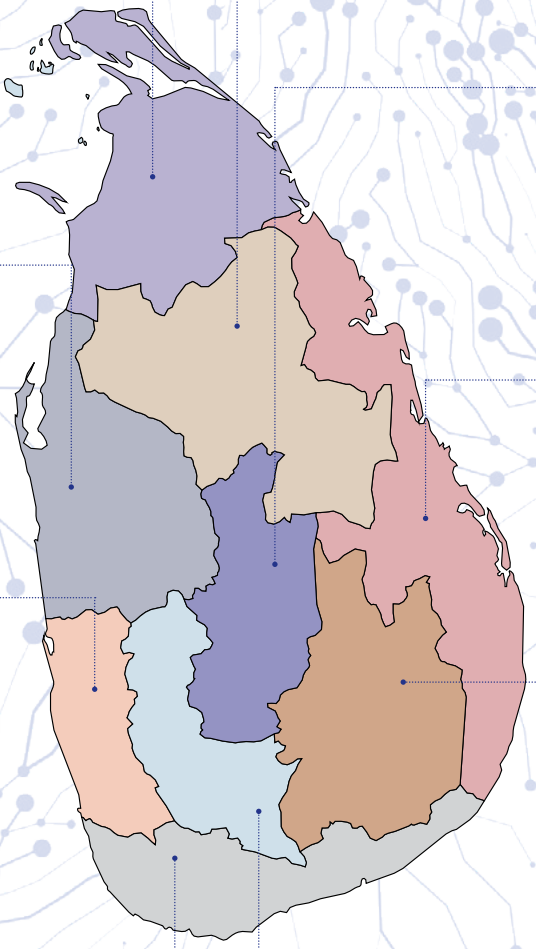
	9	9
Kurunagala District	5	5
Puttalam District	4	4

1,516 Western Province

	35	37
Colombo District	18	19
Gampaha District	13	14
Kalutara District	4	4

369 Southern Province

	16	16
Galle District	6	6
Hambantota District	5	5
Matara District	5	5



165 North Central Province

	7	7
Anuradhapura District	5	5
Polonnaruwa District	2	2

281 Central Province

	11	11
Kandy District	7	7
Matale District	2	2
Nuwara Eliya District	2	2

150 Eastern Province

	8	8
Ampara District	2	2
Batticaloa District	3	3
Trincomalee District	3	3

164 Uva Province

	6	6
Badulla District	4	4
Monaragala District	2	2

235 Sabaragamuwa Province

	10	10
Kegalle District	3	3
Ratnapura District	7	7

Employees Gold Loan Operations Branches

Manufactured Capital

Branch Strategy

We remain committed to expanding our reach to promote financial inclusion and provide broad access to our products and services in the most efficient and cost-effective manner. Accordingly, our branch strategy is focused on optimising our physical branch footprint through strategic location selection while driving continuous improvements in operational efficiency.

Strategically Re-sizing our Branch Network

During the year two new branches were established in the strategic locations of Dematagoda and Ehaliyagoda. The relocation of two branches in Kodikamam and Kegalle meanwhile has enabled greater synergies and pooling of resources.

Driving Operational Efficiencies

We continued to enhance operational efficiencies through targeted digitisation and skills development initiatives. Closer monitoring of performance and KPIs through monthly reviews, strengthening employee engagement through regular meetings, training and development opportunities and the increased use of digital platforms for branch operations have enhanced levels of efficiency across the branch network.

Greening our Branch Network

We continued with our efforts to green our operations through investments in solarisation, water efficient technology, water recycling systems and automatic power control systems across the branch network. The ongoing digitisation and paperless drive also contributed to a greener branch network. More details on our green operation efforts can be found in our natural capital report.

Reduction in Average Turn Around Time

Head Office: Reduced to 30–45 minutes

Branch Level: Reduced to 20–30 minutes

Won merit Award at National energy Efficiency Award 2025







Branch opening at Eheliyagoda and Dematagoda

Digital Infrastructure

Reflecting the interconnected strength of a mycelium network, PLC continues to integrate cutting-edge digital solutions across back-end operations and front-end customer and stakeholder touchpoints to improve accessibility, operational efficiency, and service reliability. Sustained investment in IT infrastructure and digital platforms continue to reinforce our position as a digitally progressive player in the local financial services sector.

IT Governance

The company has in place a robust IT governance framework which ensures effective oversight, risk management, regulatory compliance, and alignment of information technology initiatives with overall business objectives. Oversight of IT strategy, cybersecurity, and technology risk is exercised through Board-level and management level committees, ensuring accountability and independent supervision.

For More information on IT governance Please refer page 247 of Corporate Governance Report

Business–Technology Alignment

The Company has established a dedicated Business Analyst (BA) unit tasked with strengthening business–technology alignment through ongoing process improvements enhanced collaboration across internal stakeholders.

IT Quality Assurance

A dedicated ICT quality Assurance Unit is in place to ensure the quality, reliability, and performance of the Company-wide IT systems and applications. Maintenance of hardware also falls under the purview of the ICT Quality Assurance Unit.

Backend Core Systems

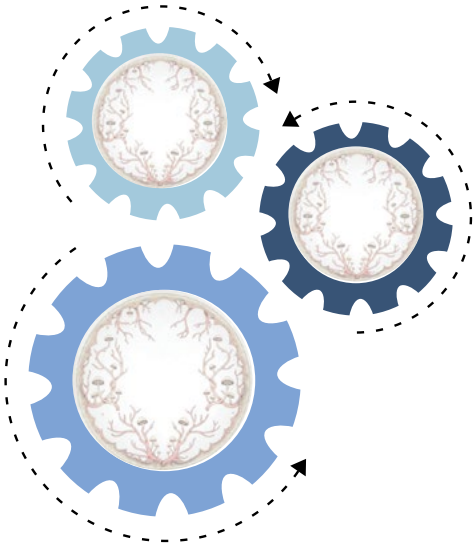
Our robust back-end IT infrastructure supports our digital front-end systems, and drives process automation for greater operational efficiency. It also ensures the scalability required for People's Leasing to respond to evolving industry demands. Key component of our back-end core systems include;

PLCCORE Loan Origination System
A streamlined loan application and approval system.

Credit Management System (CMS)
An advanced credit assessment tool that evaluates creditworthiness based on the 3Cs (Client, Company, Collateral), ensuring a 360-degree credit assessment.

CAPP
A field support tool provided to staff to manage daily operational activities efficiently.

Smart Force
Cutting-edge solution that equips marketing officers with tablets integrated with real-time access to our core systems. This enables them to facilitate loan applications, credit assessments, lead management, and customer onboarding on the go.



Digital Front End Systems

Our digital front-end systems are aimed at transforming service delivery through real-time customer support, enabling financial solutions that are more personalised, intelligent, and responsive. Key elements include;

eDOC Portal
A Digital Document Repository which enables customers to view and download all Receipts, FD Certificates, PLC TOUCH Receipts.

Goldcash
Offers Gold cash customers access to their Gold Loan wallet balance, enabling transactions through ATMs and POS terminals.

PLC Touch
A trilingual mobile application that enables customers to perform cashless transactions, manage loans/deposits, pay bills, and manage cards via smartphone, and 24/7 access to services.

AI-Powered Interactive Avatar for Annual Report
An AI-powered interactive Avatar for our Annual Report featuring three key AI-driven modules: an Interactive Real-Time Avatar, an AI-Powered Text Chatbot and AI Avatar-Based Pre-Recorded Videos delivering key highlights.

IT Security Systems

Information security architecture of People's Leasing comprises of a multi-layered security system based on ISO 27001 certification.

Disaster Recovery (DR) Infrastructure

Designed to mitigate risks and ensure the rapid restoration of critical business functions, People's Leasing's disaster recovery (DR) infrastructure includes primary and secondary data centres, real-time replication, and redundant connectivity.

Business Continuity Planning (BCP) Framework

People's Leasing's Business Continuity Planning (BCP) framework is designed to ensure operational resilience and uninterrupted service delivery during disruptions. Covering both Head Office and branches, it incorporates risk assessment, crisis management, and contingency planning, with implementation overseen by a dedicated Incident Management Team during emergencies. Regular BCP drills conducted by the Risk & Control Department support continuous improvement, with findings reported quarterly to the BIRMC.

Manufactured Capital

Enhancements to IT infrastructure during FY 2025/26

We continue to invest in our digital infrastructure in line with our digital transformation roadmap and broader corporate strategy. All major IT investments are evaluated based on feasibility studies, risk assessments, cost–benefit analysis, and is approved through the IT steering committee to ensure board oversight.

In FY 2025/26 several investments were made in our IT and digital infrastructure, further strengthening our digital ecosystem.

IT Security	• Implemented a fully operational 24 x 7 Security Operations Center (SOC) and Network Operations Center (NOC) enabling real-time monitoring of IT infrastructure, proactive threat detection, and immediate incident response. • Implemented an enterprise-grade SIEM solution covering network devices, servers, and critical systems.to strengthen cyber threat monitoring and compliance reporting. • Upgraded the existing Data Leakage Prevention (DLP) solution with automated data classification capabilities to strengthen customer data privacy.
Digital Front End	• Fully digitalized the customer Tax Certificate issuance process. • Introduced Islamic ATM Card and Islamic Women's ATM Card solutions tailored for Islamic Savings Account holders. • Developed and launched a slab-based interest rate structure for Super Savings products by enhancing system capability to automate interest calculations and improve customer value proposition.
Back End Core Systems	• Implemented an enhanced Privileged Access Management (PAM) solution. • Upgraded core server infrastructure with high-performance enterprise-grade servers.

IT Excellence

Our digital platforms continue to be recognized for their strength, maturity, and impact. During the year "Gold Cash" our most recent digital customer interface as well as "PLC core" our backend loan origination system won several awards reflecting the strength of our digital capabilities.

Gold Cash	PLC Core
National Best Quality Software Awards (NBQSA) 2025 • Overall Bronze Award – NBQSA 2025 Recognized among the top three software solutions nationally, across all categories. • Gold Award – Business: Finance Accounting- Recognized as the most impactful solution in the Business Services domain. • Selected to represent Sri Lanka at the APICTA Awards 2025, scheduled to be held in Kaohsiung, Taiwan. **International Conference on Software Development and Business (ICSDB) Awards 2025** • Gold Award – In-House Development Recognized as a successfully designed, developed, and deployed in-house digital solution.	**National Best Quality Software Awards (NBQSA) 2025** • Silver Award – Consumer: Banking, Insurance & Finance Recognized as a leading enterprise platform within the financial services domain. • Special Award – Best Digitalisation Process Enabler of the Year Recognized as a key enabler of enterprise-wide digitalisation. • Special Award – Breakthrough ICT Innovation of the Year This award acknowledged PLC Core as a significant advancement in Sri Lanka's ICT landscape. **International Conference on Software Development and Business (ICSDB) Awards 2025** • Silver Award – In-House Development recognized as a mission-critical in-house platform.

Way Forward

Short Term (1 -2 years)

- Increase digital platform adoption among customers and staff to improve operational efficiency and convenience.
- Introduction of automated dashboards and reporting.
- Continuation of document digitalisation and process automation.
- Strategic relocation of branches based on demand and synergy opportunities.

Medium Term (2-4 Years)

- Expand the branch network strategically in high-potential and underserved markets.
- Digital penetration and automation across lending, deposits, and customer service operations.
- Continue environmental sustainability initiatives such as energy efficiency, paperless operations, and green financing.
- Enhancements to reporting and analytics capabilities, including predictive analytics.
- The continued development of digital platforms, including mobile, internet, and corporate banking channels.
- Introduction of advanced credit decisioning capabilities and digital business generation channels.

Long Term (4-5 Years)

- Position PLC as a leading financial services provider with a strong digital and customer-centric model.
- Strengthen the branch network and alternative service channels to improve nationwide accessibility.
- Build on existing systems.
- Continued enhancements to core financial platforms.
- Adoption of a more flexible and advanced technology architecture.

Intellectual Capital

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Management Approach

We nurture our Intellectual capital by continuing to strengthen the unique attributes that define the Company's identity. This involves investing in our brand, institutional knowledge, systems and processes as well as our organisational culture to enhance the Company's ability to adapt, innovate, and stand above its competition in a dynamic operating environment.



Rs.5.40 Bn

Brand Equity

Value Creation Highlights in FY 2025/26

Material Topics Relevant to Social and Relationship Capital	Value Drivers	Our Strategic Response
Digitalisation of Services	Systems and processes	Continued to invest in IT infrastructure while driving process automation across operations.
Talent Attraction and Retention	Tacit knowledge	Strengthened succession planning and cross functional training to transfer tacit knowledge from experienced employees to newer staff.
Customer Experience	Brand value Customer centric product development Systems and processes Digital transformation in corporate reporting	Targeted brand building initiatives to increase customer engagement. Tailor made products to meet evolving needs of customers. Investments in process automation and digital interface to improve customer convenience.
Ethics and Governance	Organisational culture	Create awareness about employee code of conduct and policies.

Contribution to SDG's



Target 8.10



Target 9.3



Targets 16.6, 16.7

Strategic Significance

Our intellectual capital functions as the signalling pathways of the organisational network, enabling the seamless flow of knowledge, insight, and innovation across People's Leasing. By strengthening our brand, institutional knowledge, systems, processes, and culture, it enhances adaptability, supports continuous improvement, and sustains long-term value creation for our stakeholders.

Key Risks and Opportunities Related To Intellectual Capital

Risks

- Loss of critical institutional knowledge due to employee turnover or retirement
- Obsolescence of IT systems and products
- Low brand resonance with younger demographics

Opportunities

- Use of data analytics for product innovation and process enhancement
- Strong Brand equity to drive growth in underserved markets and customer segments

Related Strategic Imperatives

- Responsible Growth

Key Initiatives during the year	Long Term Capital Trade-offs
Process automation initiatives and improvements to customer digital interface	Social and Relationship Capital Intellectual Capital Natural Capital
Ongoing training and development programs (For more details refer human capital section pages 183 to 185)	Human Capital Intellectual Capital
Conducted targeted brand-building and engagement campaigns including "PLC AutoEX", a signature vehicle sales exhibition A range of new products were introduced across business lines Launch of "ඔන දේකට PLC – PLC RAP" brand advertising campaign to build brand resonance with younger demographic	Financial Capital Social and Relationship Capital Intellectual Capital
Training on code of conduct and policies for employees	Intellectual Capital Social and Relationship Capital Human Capital

Value Delivered

Investment in Marketing & Branding Rs. 39.25 Mn

82,629 Training Hours provided to employees

Investment in IT Infrastructure Rs. 966.81 Mn

New product & features introduced

Over 30 Awards received during the year

Intellectual Capital

Delivering on our FY 25/26 Goals

Complete rollout of insights from the Brand Health & Equity Study across all marketing channels	■
Consolidate and evaluate performance of newly established partnerships	■
Enter into new strategic tie-ups to capture different market segments	■
Employee up-skilling	■
Continue delivering cross-functional training programs to strengthen the organisational knowledge base	■

■ Complete ■ In Progress ■ Incomplete

Brand Value

With a Brand Value of Rs. 5.40 billion and a Brand rating of AA+ for the year 2025/26, the People's Leasing & Finance PLC brand continues to be recognized among the top financial services brands in Sri Lanka. As an outward signal of the organisation, our brand extends these signalling pathways beyond the business, communicating trust, credibility, and relevance to customers and other stakeholders. Brand equity continued to strengthen during the year, reflecting the positive outcome of our targeted brand building initiatives aimed at strengthening brand visibility, enhancing customer engagement, and improving brand recall.

As part of our brand building initiatives we successfully launched "PLC AutoEX", a signature vehicle sales exhibition designed to position PLC as a preferred and trusted financial solutions provider in the vehicle financing segment. The campaign was implemented across multiple locations, enabling wide market reach and direct customer interaction. In addition to the main exhibition, over eight targeted vehicle sales promotions were conducted throughout the year, strategically aligned with seasonal demand patterns and regional market opportunities. These campaigns were supported by an integrated marketing communication strategy encompassing ATL, BTL, and digital platforms, including social media campaigns, branch-level activations, outdoor branding, point-of-sale materials, and SMS marketing, ensuring consistent brand messaging and high brand visibility.

During the year we also launched the "ඕන දේකට PLC – PLC RAP digital brand advertising campaign strategically designed as a short, catchy, engaging, and memorable campaign series aimed at strengthening brand recall and emotional connection among younger customer segments. Developed and produced entirely by internal resources leveraging the diverse creative capabilities of PLC employees across multiple disciplines, the campaign was aimed at reinforcing PLC's brand positioning as a dynamic, innovative, and youth-friendly financial solutions provider.

We also continue to invest in long-term brand equity through CSR activities, sponsorships, relationship-building programs, employee engagement initiatives, and digital campaigns, all of which contributed to sustaining positive brand perception and deepening stakeholder relationships.



Brand Recognition in FY 2025/26

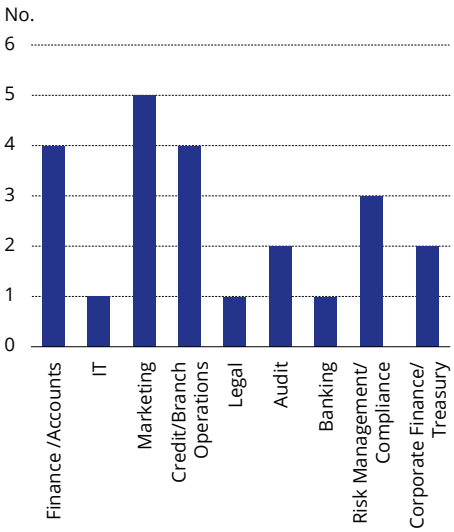
Most Valuable Brands – 2025 – NBFI sector wise 3rd place
Most Awarded Companies in Sri Lanka – 2024 – NBFI sector wise 1st place
Most Respected Entities in Sri Lanka – 2025/26 – 28th place
Brand Annual – Most Loved Brand – 2025/26 – NBFI sector wise 5th place
Business Today top 40 – 2024/2025 – NBFI sector wise 36th place
LMD Top 100 – 2024/2025 – 50th place

Tacit Knowledge

As an institution in operation for over 29 years, People's Leasing processes a vast and unique tacit knowledge base that continues to give us a competitive advantage. Strengthening the signalling pathways within our organisational network, this tacit knowledge enables experience, expertise, and institutional insight to be transferred across generations of employees. Over 29.59% of our workforce has served for more than a decade, reflecting a wealth of accumulated knowledge and deep institutional knowledge. We continue to nurture and harness this knowledge base through innovative knowledge sharing, mentoring and succession planning programs. More details of training and

development programs conducted during the year are available in the Human Capital Report.

Knowledge Base of Top Management



Systems and Processes

Our IT infrastructure, encompassing systems and processes, serves as one of the most direct signalling pathways within the organisational network, enabling information, decisions, and service delivery to flow efficiently across the business. In doing so, it, strengthens our competitive advantage by enhancing process efficiency, customer convenience, and service excellence, making it a key component of intellectual capital. During the year we invested approximately Rs. 966.81 Mn in upgrading our IT infrastructure while ongoing process improvements across our operations continue to enhance our intellectual capital.

The adoption of recognised standards and certifications meanwhile enables People's Leasing to maintain operational standards and consistently drive excellence. Key certifications and standards adopted are shown alongside.

Standards and Certifications

- ISO 27001:2022 Information Security Standard
- Applied and working towards Sustainability Standards and Certifications, Initiative (SSCI) of European Organisation for Sustainable Development (EOSD)
- Carbon Conscious Certificate from Climate SI for the year ended 31st March 2026

Digital Transformation in Corporate Reporting

Customer Centric Product Development

People's Leasing continues to drive innovation as a key differentiator, introducing responsive product offerings aligned with shifting customer requirements. Reflecting the responsiveness of our signalling pathways, our approach to customer-centric product development enables us to translate customer insight and market feedback into relevant financial solutions. The Company has a structured process for product innovation, ensuring that all new products are reviewed and tested for market relevance, regulatory compliance, operational feasibility, and customer suitability prior to launch. During the year a range of new products and product features were introduced across business lines.

New Product Development Process

New Product Development Process Innovating and Ideation

Preparation of Product Paper Unit Heads

Feasibility Evaluation CEO/GM

Review and Approval of the Preliminary Concept (BIRMC)

Prototype Development

Pilot Run to Identify Areas for Further Improvement

Formal Launch

Key Developments to Product Offering

Gold Loans	• Introduced a gold purchase financing facility, enabling customers to obtain loans when purchasing jewellery. • Launched new gold loan schemes tailored to customer cash-flow needs. • Enhanced the Gold Cash Card product with added features such as allowing customers to borrow, repay, and re-borrow through a revolving facility against gold collateral.
Leases and Loans	• Introduced Import Loan facilities. • Launched a bundled offer for Electric Vehicles (EVs) and rooftop solar systems.
Margin Trading	• Expansion of margin facilities against debentures. • Customized margin limits based on client risk profiles.
Deposits	• Flexible investment plans with customizable tenure and interest options. • Enhanced Savings account features with higher interest for premium balances (Proposed). • Introduced new FD schemes - 7 Months, 17 Months, 27 Months, 30 Months, 37 Months, 42 Months. • Introduced Thyaga Minor Savings accounts for the PLC Staff members.
Islamic Finance	• Piloted the following products with expected roll out within the next 12 to 18 month - Sahim: structured long-term wealth plan (Shari'ah-compliant periodic savings + target corpus). - Self-e Cash: benevolent facility against customer's Islamic investments for emergencies. - Solar-for-SMEs: Opex-neutral Ijarah (savings ≥ installment).

Intellectual Capital

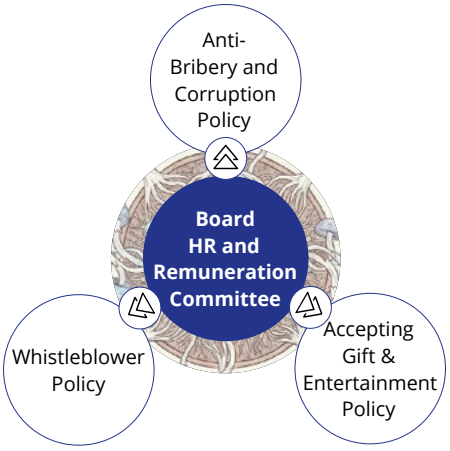



TAGS 2025
SILVER
Finance & Leasing Companies
People's Leasing & Finance PLC
TAGS AWARDS
SAFA
AFGHANISTAN
BANGLADESH
INDIA
BHUTAN
MALDIVES
NEPAL
PAKISTAN
SRI LANKA
ICSDB 2025
Excellence Awards
CRB
Data Management & Compliance Awards 2025
CMA
CMA Excellence in Integrated Reporting Awards 2025
MERIT CERTIFICATE
Finance Sector - Large Category
People's Leasing & Finance PLC
08th November 2025
SLIBFI Awards
SILVER
ISLAMIC FINANCE NBFI OF THE YEAR 2024/2025
GOLD
DIGITAL MARKETING CAMPAIGN OF THE YEAR 2024/2025
BRONZE
ISLAMIC FINANCE ENTITY OF THE YEAR 2024/2025
Breakthrough ICT Innovation of the Year
is presented to
PLC CORE
product of
People's Leasing & Finance PLC
at
National ICT Awards, NBQSA 2025
27th National ICT Awards
PEOPLE'S LEASING & FINANCE PLC
AL SAFA ISLAMIC FINANCE UNIT
PEOPLE'S LEASING & FINANCE PLC
"WINNER"

Intellectual Capital

Organisational Culture

The organisational culture of People's Leasing, which is built on a strong foundation of ethical conduct, is a key element of intellectual capital, as it. supports trust, collaboration, and sustainable value creation. Our organisational culture reinforces these signalling pathways by embedding shared values, ethical conduct, and collaboration across the business, ensuring that knowledge and decisions flow in an ethical, aligned, and consistent manner. We continue to reinforce this culture through leadership example, clear policies, regular communication, and the integration of ethical values into everyday business practices. This is further supported by a comprehensive conduct framework that promotes best practices and ensures consistent application across all levels of the business.



For More Information, refer Corporate Governance Report on pages 215 to 282.

Awards and Accolades

People's Leasing was the proud recipient of an array of awards during the year. These accolades are a reflection of our sustained commitment to achieving excellence in every aspect of our operations.

Business Excellence	
Sri Lanka Islamic Banking and Finance Industry (SLIBFI) Awards 2025	
Islamic Banker/Employee of the Year	Silver
Branch Executive of the Year	Gold
Rising stars	Bronze and Merit awards
Digital Marketing Campaign of the Year and Islamic Finance Branch of the Year	Gold
Islamic Finance Window/Unit of the Year	Silver
Islamic Finance NBFI of the Year	Silver
Marketing Campaign of the Year	Silver
Islamic Finance Entity of the Year	Bronze
IT Excellence	
Data Management & Compliance Awards 2025	
Data Submission volume 100,001 - 250,000 Data Management & Compliance Awards 2025	Silver
Bestweb.lk Awards	
Best Website	Gold
Best Mobile User Experience Website	Gold
SLIM DIGI 2.5	
Best use of Digital in a Marketing Campaign for Banking, Finance & Insurance Brands	Merit
ICT Awards (NBQSA) 2025	
Overall Winners	Bronze
Breakthrough ICT Innovation of the Year	Bronze
Best Digitalisation Process Enabler of the Year	Bronze
Award in the Banking, Insurance & Finance Category	Silver
Award in the Finance & Accounting Solutions (FinTech) Category	Gold
ICSDB Awards 2025	
Driving sustainable, digitally enabled business ecosystems	
GOLD CASH	Gold
PLC CORE	Silver
HR Excellence	
Great HR Awards 2025	
Finance, Insurance, Real Estate and Investment Sector	Merit
Sustainability Excellence	
National Cleaner Production Awards	
Finance Sector under the Service - Large Category	Merit
National Energy Efficiency Awards 2025	
Small Scale Category of Commercial Binding Sector	Merit

Reporting Excellence	
CMA Integrated Reporting Awards 2025	
Best Integrated Report Finance & Leasing Sector - State	Winner
Integrated Reporting	Merit
ARC Awards	
Best of Sri Lanka	Grand Award
Best of Category – Illustrations	Grand Award
Category Awards in Financial Services General Sector	
Illustrations	Gold
Non-Traditional Annual Report	Gold
Written Text	Gold
Chairman's/President's Letter	Silver
Cover photo & Design	Bronze
Interior Design	Bronze
Infographics	Bronze
TAGS Awards	
Finance & Leasing Companies (Group Assets above LKR 75 Bn) Category	Silver
Integrated Reporting special award category	Certificate
Corporate Governance Disclosure - Financial Services special award category	Certificate
Digitally Transformative Reporting special award category	Certificate
Sustainability Reporting special award category	Certificate

Way Forward

Short Term (Immediate first year)

- Product diversification and service innovation including dedicated card and an integrated digital platform for its high-demand Islamic finance product.

Medium Term (2-3 years)

- Introduce innovative products and services tailored to the specific needs of pensioners, youth, entrepreneurs, and start-ups.

Long Term (Over 3 Years)

- Digital transformation through investments in fintech solutions, data analytics, automation, and customer experience platforms.
- Strengthen its diversified financial solutions portfolio.

Human Capital

GRI 3-3

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Management Approach

We adopt a holistic approach to managing our human capital, continuously strengthening our Employee Value Proposition to cultivate a high-performing, inclusive and values-driven workplace where employees feel valued and empowered to contribute meaningfully. Our strategy builds a resilient and agile workforce through continuous learning, leadership development, succession planning and active engagement. By promoting wellbeing and a strong performance culture, we align individual aspirations with organisational goals, enabling our people to deliver customer value, drive innovation and support sustainable long-term success in a dynamic environment.



2,274

977

Total Employees

Value Creation Highlights in FY 2025/26

Material Topics Relevant to Social and Relationship Capital	Value Drivers	Our Strategic Response
Talent Attraction and Retention	Recruitment and Turnover Diversity, Equality and Inclusion Remuneration and benefits Leadership Development Labour Relations Employee Engagement	Strengthen recruitment processes and position company as a leading employer in the sector.
Employee Health and Wellness	Holistic Employee Wellbeing	Provide support for employees to maintain healthy lifestyle.
Financial Stability of the Company	Performance Management Training and Development	Support lending and collection targets through performance-driven HR measures
Ethics and Governance	HR Governance Channels of Communication Grievance Handling	Strengthen governance mechanisms and create awareness

Contribution to SDG's



Target 3.4, 3.8



Targets 4.4, 4.5, 4.7



Targets 5.2 , 5.2, 5.5



Targets 8.2, 8.3, 8.5, 8.6



Target 10.3, 10.4

Strategic Significance

At People's Leasing & Finance PLC, our employees operate as the hyphal network of a living mycelium system, interconnected threads that sustain and strengthen the organisation. Through collaboration and the continuous flow of knowledge, this network enables the efficient sharing of expertise across functions and geographies. Rooted in shared purpose and adaptability, our people drive resilience, informed decision making, and the consistent delivery of long-term value.

Key HR Related Risks and Opportunities

Risks

- Elevated attrition risk among 1–2-year tenure employees due to generational expectation gaps and changing employee retention drivers.
- Loss of trained talent due to intense market competition.

Opportunities

- Reduce cost and cycle time through HR process automation.
- Use of analytics to drive data-informed people strategies.
- Leverage internal talent for leadership pipelines.

Related Strategic Imperatives

- Empowered People

Key Initiatives during the year	Long Term Capital Trade-offs
Implementation of a competency-based recruitment framework to attract and select the right talent with the required skill set. Reviewed and rectified identified salary anomalies across both executive and non-executive cadres. Revised minimum salary levels in accordance with applicable government policies and regulatory requirements. Over 80,000 hours of training were provided. Standardisation of employee learning and capability development practices through a new Training and Development Policy. Continued focus on strengthening women's participation and leadership.	Human Capital Intellectual Capital
Introduced a comprehensive insurance cover to enhance employee welfare and financial security and increased the outdoor medical allowance.	Human Capital
Introduced a structured increment scheme to promote greater alignment between performance and salary progression. KPIs of senior roles were reviewed and realigned to strategic objectives.	Financial Capital Human Capital
Strengthened employee conduct and disciplinary framework by Merging of Code of Conduct and Disciplinary Policy. Introduction on an updated grievance policy.	Human Capital Social and Relationship Capital Intellectual Capital

Revenue per employee

Employee Retention
78.42%

Training Spend
Rs. 42.44 Mn

New recruitments
(No.) 1,128

Total Employee Benefits
Rs. 7,374.08 Mn

Recognised with a Merit Award in the Finance, Insurance, Real Estate & Investment Sector at The Great HR Awards 2025

Human Capital

Delivering on our FY 25/26 Goals

Set qualitative and quantitative KPIs for senior management.	■
Review the succession plan for key positions.	■
Revamp the HRIS and management systems.	■
Review and align incentive schemes based on performance.	■
Conduct regular CEO forums to foster open communication.	■
Streamline HR processes through automation.	■
Implement the e-memo system to ensure efficient HR services.	■
Conduct regular HR visits to branches to strengthen relationships.	■

■ Complete ■ In Progress ■ Incomplete

HR Governance

Policy Framework

People's Leasing has in place a robust HR policy framework that ensures full regulatory compliance while embedding internationally recognized human rights and labour standards, including those set out in the International Labour Organisation (ILO) Conventions and the United Nations Global Compact. Given the nature of our business, which is primarily office-based and service-oriented, the risk of practices such as child labour or forced labour is minimal. Nevertheless, we make every effort to ensure that all employment is freely chosen, fairly contracted, and in compliance with statutory age requirements. These principles are reinforced through our Human Resources policies and Code of Conduct, policies and practices.

We continue to review and update our policies to reflect evolving business priorities, regulatory developments and emerging best practices. During the year, we undertook a comprehensive review of all existing HR policies to ensure their relevance, consistency and timeliness, resulting in several key enhancements to strengthen our policy framework.

Policy Revisions FY 2025/26

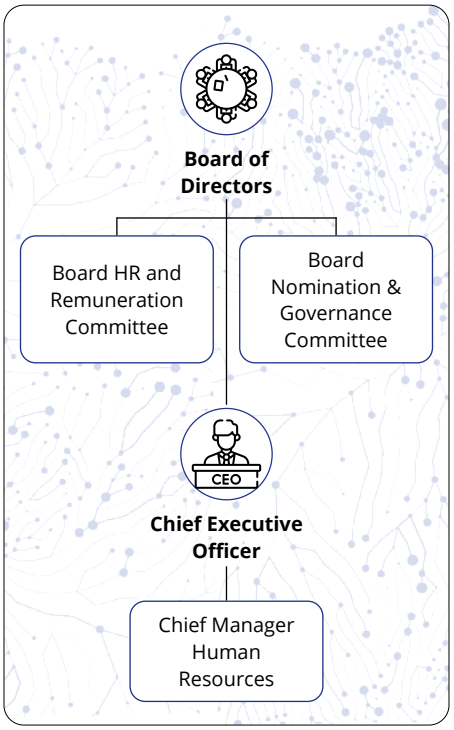
- **Recruitment** - Inclusion of minimum qualification requirements for recruitment and the incorporation of attitude, aptitude, and computer literacy assessments into the candidate evaluation criteria
- **Promotion Policy** - Inclusion of minimum qualification requirements for internal promotions
- **Merging of Code of Conduct and Disciplinary Policy** – to strengthen employee conduct and disciplinary framework

New Policies Introduced

- **Grievance Handling Policy** - Introduction of structured and transparent procedures for addressing employee concerns
- **Training and Development Policy** - Standardisation of employee learning and capability development practices

Governance Structure

The Board of Directors holds ultimate accountability for the Human Resource strategy, with the Board HR and Remuneration Committee and the Board Nomination & Governance Committee supporting the Board in its oversight responsibilities. The CEO is responsible for the implementation of the overall strategy, while the Chief Manager – HR leads the Human Resources function and oversees the effective operationalisation of the HR strategy.



HRIS System

We have also implemented a Human Resource Information System (HRIS) to streamline HR processes, support informed decision-making and ensure fair, transparent and efficient HR processes. During the year, we continued the gradual migration of several HR processes onto the HRIS platform and upgraded the system to enhance HR process automation across the organisation.

GRI 2-7, 405-1

Employee Profile

Our employees are like the hyphae in a mycelium network, interconnected, adaptive, and essential to the strength of the whole organisation. Through their shared knowledge, skills, and collaboration across functions and regions, they enable us to respond to change, grow sustainably, and create long-term value. This profile reflects the diversity and connectivity of the people who drive our performance.

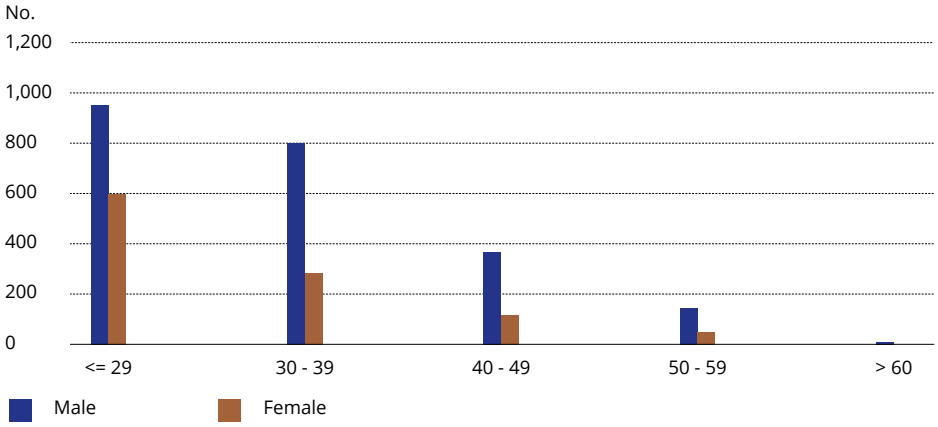
	Male		Female		Total	Total Percentage
	Number	Percentage	Number	Percentage		
By Employment Category						
Senior Leadership	53	1.63%	6	0.18%	59	1.81%
Middle Managers	64	1.97%	7	0.22%	71	2.18%
Line Managers	168	5.17%	26	0.80%	194	5.97%
Executives	546	16.79%	181	5.57%	727	22.36%
Non Executives	1,371	42.17%	755	23.22%	2,126	65.40%
Minor staff	72	2.21%	2	0.06%	74	2.28%
Total	**2,274**	**69.95%**	**977**	**30.05%**	**3,251**	**100.00%**

Ethnicity



	Female	Male
Sinhalese	28.82%	64.20%
Tamil	1.02%	3.97%
Muslim	0.22%	1.78%

Age



Employees By Contract Type and Region & No of Branches

Region	No of Branches/ Units	Permanent		Probation		Contract		Province Wise Total
		Female	Male	Female	Male	Female	Male	
Central	11	56	191	6	27	-	1	281
Eastern	8	26	88	7	29	-	-	150
North Central	7	28	105	8	24	-	-	165
North Western	10	57	135	9	29	-	-	230
Northern	8	23	82	11	24	-	1	141
Sabaragamuwa	10	51	150	6	28	-	-	235
Southern	15	76	248	6	39	-	-	369
Uva	6	24	109	3	27	-	1	164
Western	38	490	808	89	114	1	14	1,516
Grand Total		**831**	**1,916**	**145**	**341**	**1**	**17**	**3,251**

Human Capital

Diversity of Employees 2025/26 (As a %)

Employee category	Gender	2025/26					
		Age Analysis (Years)					Total-Gender analysis (No.)
		> 60	50 - 59	40 - 49	30 - 39	<= 29	
Senior Leadership	Female	0.00%	0.09%	0.09%	0.00%	0.00%	0.18%
	Male	0.03%	0.49%	1.08%	0.00%	0.03%	1.63%
Middle Managers	Female	0.00%	0.06%	0.15%	0.00%	0.00%	0.22%
	Male	0.00%	0.71%	0.95%	0.31%	0.00%	1.97%
Line Managers	Female	0.00%	0.37%	0.25%	0.15%	0.03%	0.80%
	Male	0.00%	0.89%	2.86%	1.41%	0.00%	5.17%
Executives	Female	0.00%	0.46%	2.21%	2.34%	0.55%	5.57%
	Male	0.06%	0.98%	4.83%	10.15%	0.77%	16.79%
Non executives	Female	0.00%	0.00%	0.28%	5.97%	16.98%	23.22%
	Male	0.28%	0.18%	1.57%	12.18%	27.96%	42.17%
Minor staff	Female	0.00%	0.03%	0.03%	0.00%	0.00%	0.06%
	Male	0.00%	0.40%	0.58%	0.40%	0.83%	2.21%
Total		**0.37%**	**4.68%**	**14.89%**	**32.91%**	**47.15%**	**100.00%**

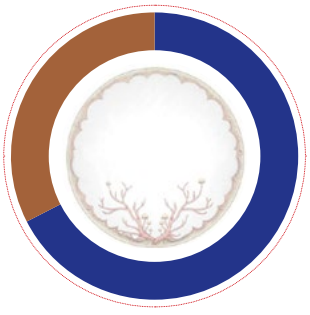
GRI 401-1

Recruitment and Turnover

As the hyphal network extends and strengthens the ecosystem through connection and renewal, our talent attraction and retention efforts continue to expand the organisation's reach, renew capability, and support sustained growth. Reflecting this approach, the Company maintains a fair, transparent, and merit-based recruitment process to ensure the right talent is selected for the right role. Recruitment is guided by an annual cadre plan which is aligned to the company's strategic objectives and cadre requirements. Vacancies are first advertised internally to provide existing employees with opportunities for career progression and internal mobility. Where suitable candidates are not identified through the internal recruitment process, vacancies are subsequently advertised externally. All applications undergo a rigorous shortlisting process, followed by multiple rounds of interviews and assessments to ensure the selection of the best-fit candidates. All new hires undergo a six-month probation period during which performance is evaluated, and upon successful completion, they are confirmed as permanent employees. Throughout the process, we adhere to a strict non-discrimination policy, ensuring equal opportunity and fair consideration for all candidates based solely on merit and qualifications.

Gender	Recruitment		Attrition	
	Number	%	Number	%
Female	367	32.54%	139	25.93%
Male	761	67.46%	397	74.07%
Total	**1,128**	**100.00%**	**536**	**100.00%**

New Recruitment



GRI 202-2

Proportion of senior management hired from the local community

Branch capacity building was a key priority during the year in line with our growth strategy. To support this, we strengthened our employer brand value and adopted a relationship-based recruitment approach, leveraging internal networks and professional connections to identify candidates aligned with the Company's culture and objectives. In addition, high-potential candidates were proactively headhunted through Branch and Regional Managers to effectively support our expansion plans. As a result of these efforts a total of 1,128 new recruits were on boarded during the year across all regions.

We also continued to refine our recruitment processes in order to improve efficiency, transparency and effectiveness of our recruitment process. Key improvements during the year included the inclusion of an independent member on interview panels to enhance transparency and objectivity, and the implementation of a competency-based recruitment framework with weightages assigned to candidates' skills, knowledge, competencies, and attitudes during shortlisting. We have also revamped our onboarding process integrating practical on the job training (OJT) to provide new recruits with real-time exposure and support faster role readiness.

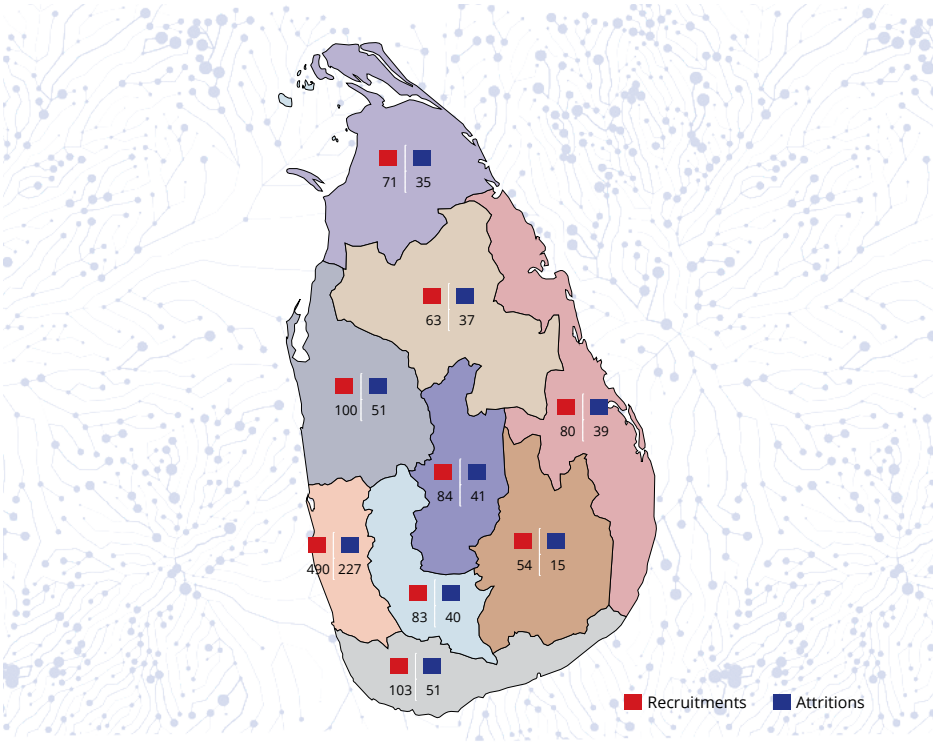
Recruitment and Attritions (Employee Category)

Employee category	Gender	Recruitment		Attrition	
		Number	%	Number	%
Senior Leadership	Female	2	0.18%	1	0.19%
	Male	2	0.18%	1	0.19%
Middle Managers	Female	1	0.09%	1	0.19%
	Male	2	0.18%	2	0.37%
Line Managers	Female	2	0.18%	-	0.00%
	Male	5	0.44%	9	1.68%
Executives	Female	25	2.22%	11	2.05%
	Male	31	2.75%	22	4.10%
Non executives	Female	337	29.88%	126	23.51%
	Male	708	62.77%	356	66.42%
Minor staff	Female	-	0.00%	-	0.00%
	Male	13	1.15%	7	1.31%
Total		**1,128**	**100.00%**	**536**	**100.00%**

Recruitment and Attritions (By Age)

Age	Recruitment		Attrition	
	Number	%	Number	%
Less than and equal 29	955	84.66	416	77.61
30 - 39	137	12.15	84	15.67
40 - 49	27	2.39	21	3.92
50 - 59	4	0.35	6	1.12
> 60	5	0.44	9	1.68
Total	**1,128**	**100.00**	**536**	**100.00**

Province wise Recruitments and Attritions



GRI 406-1

Diversity, Equality and Inclusion (DEI)

Just as diversity within a mycelium network enhances the resilience and adaptability of the wider ecosystem, our commitment to diversity, equity, and inclusion strengthens innovation, responsiveness, and collective performance across the organisation. In support of this, People's Leasing maintains a strict non-discrimination policy, ensuring that no individual is discriminated against on the basis of gender, race, religion, or any other ground. This commitment is embedded across all our HR practices including recruitment, training and development, remuneration and promotions. In line with our focus on gender equity, we maintain a 1:1 salary ratio between men and women at entry level and across comparable roles at all operational levels. The Company also conducts regular pay equity analyses to proactively identify and address any potential gender pay gaps. In addition, we actively encourage female participation in leadership development programmes to enhance gender diversity within management. Currently, four female representatives serve on our Corporate Management Team while 28.57% of management cadre are women.

Human Capital

Gender Parity at People's Leasing

PLC PEOPLE'S LEASING
පීපල්ස ලීසිං | பீப்பள்ஸ் லீசிங்
THE TRUSTED LEADER



Diversity and Inclusion

Gender Parity-policies to to Promote Diversity and Inclusion

2025/26	2024/25
2274:977 Gender Ratio (Overall)	**1926:753** Gender Ratio (Overall)
32.54% Female recruits from total recruits	**30.29%** Female recruits from total recruits

Remuneration

Guidelines on Gender Pay Equity

2025/26	2024/25
1:1 Ratio of basic salary between men and women	**1:1** Ratio of basic salary between men and women

Sexual Harassment

Gender Parity-policies to Prevent Sexual Harassment at the Workplace

2025/26	2024/25
ZERO Incidents reported	**ZERO** Incidents reported

Training Opportunities

Training and Development Policy

2025/26	2024/25
25.56:25.08 Training hours per person (M:F)	**30.41:28.22** Training hours per person (M:F)

Career Development Opportunities

Promoted females in leadership roles

2025/26	2024/25
204 Females promoted	**206** Females promoted

2025/26	2024/25
10.17% Female Represenatation at Senior Management level	**9.09%** Female Represenatation at Senior Management level

GRI 401-3

Parental Leave

People's Leasing parental leave policy includes 84 days of paid leave for female employees and 3 days of paid parental leave for male employees the Company fulfills an important social responsibility by supporting shared caregiving, promoting gender parity, and contributing to the well-being of families. This approach not only supports employee well-being and work-life balance but also reflects our core values of fairness, inclusive, and respect, ensuring that career progression is not hindered by family commitments.

Parental Leave	Male	Female
Total number of employees that were entitled to parental leave	2,274	977
Total number of employees due to return after taking parental leave	15	24
Total number of employees that took parental leave	15	36
Total number of employees that returned to work in the reporting period after parental leave ended	15	23
Employees still in employment 12 months after returning on parental leave	15	34
Retention rate of employees who took parental leave	-	100%
Return to work rate of employees who took parental leave	100%	95.83%

GRI 202-1, 401-2

Remuneration and Benefits

In supporting the strength, balance, and continuity of the interconnected system, our Remuneration and Reward Policy and practices are designed to ensure that employee compensation is transparent, objective, and consistent, while remaining aligned with industry benchmarks. The remuneration structure is based on a clearly defined grading system, whereby employees are categorised according to their roles and responsibilities. Each grade comprises minimum, midpoint, and maximum salary bands, enabling equitable pay positioning and supporting career progression within and across grades.

Permanent staff including marketing officers receive a fixed salary component together with performance based bonuses twice a year based on individual performance and overall company performance. In addition to this marketing staff also receive a variable component based on their business target achievement.

In FY 2025/26 we undertook a review of our existing remuneration structures and rectified identified salary anomalies across both executive and non-executive cadres. As part of these efforts we also introduced a structured increment scheme to promote greater consistency, transparency, and alignment between performance and salary progression. In addition to annual salary increments based on individual performance evaluations, minimum salary levels were also revised in accordance with applicable government policies and regulatory requirements. Incentive schemes across employee grades were also expanded during the year.

Beyond remuneration and statutory payments, permanent employees are provided with a comprehensive range of benefits. (See table alongside). In FY 2025/26 we expanded our employee benefits further by introducing a comprehensive insurance cover to enhance employee welfare and financial security and increasing the outdoor medical allowance. In the backdrop of increased vehicle prices in the market, the Company also enhanced the limits of the concessionary vehicle loan facility provided for executive employees during the year.

Benefits provided to Permanent Employees of People's Leasing and Finance PLC

- Salaries
- Allowances and Incentives
- Leave Encashment Facility
- Medical Insurance
- Gratuity
- Life Insurance
- Staff Loans
- Critical Illness Funding Support
- Salary Increment
- Death Donations
- Bonuses
- Parental Leave- 84 days Maternity leave and 3 days paternity leave
- Holiday Home Facilities

Ratios of standard entry level wage compared to local minimum wage

	Male	Female
Entry Level Wage: Minimum Wage (Rs.) *	30,000	30,000

* Entry Level Wage/Local Minimum Wage

Human Capital

Remuneration and Benefits

	FY 2025/26 Rs. Mn	FY 2024/25 Rs. Mn
Salaries and bonus	3,794.25	2,582.32
EPF	295.83	228.89
ETF	73.96	57.22
Overtime	98.87	56.74
Leave encashment	90.79	82.30
Allowances and Incentives	2,505.34	1,448.54
Casual wages	3.43	4.11
Medical insurance	327.99	246.24
Gratuity	183.62	158.22
Total	**7,374.08**	**4,864.58**

GRI 405-2

Ratio of Basic Salary Between Men and Women

Employee category	Gender	Basic salary ratio
Senior Leadership	M	1.00
	F	1.03
Middle Managers	M	1.00
	F	1.20
Line Managers	M	1.00
	F	1.15
Executives	M	1.00
	F	1.07
Non executives	M	1.00
	F	0.96
Minor staff	M	1.00
	F	0.88

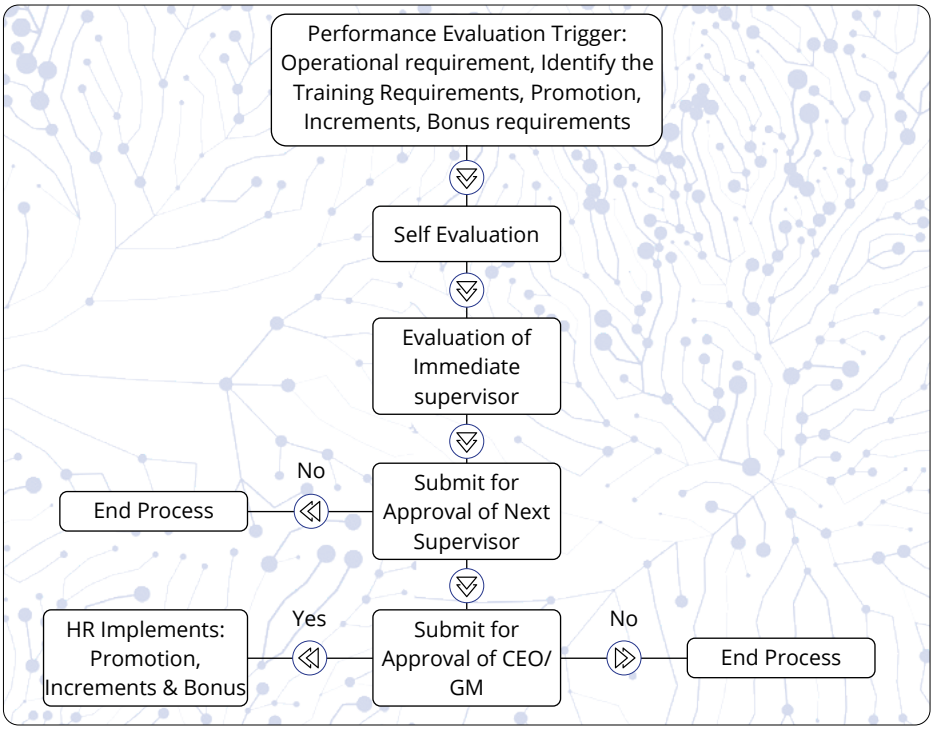
GRI 404-3

Performance Management

In keeping with the role of mycelium in directing nourishment to where it is needed most, our performance management processes are designed to channel recognition, development, and reward towards areas of greatest value creation. The performance management process at People's Leasing includes bi-annual performance appraisals for all permanent employees where each employee is assessed against clearly defined KPIs. The appraisal process is designed to be transparent and participative, allowing employees the opportunity to seek clarification or submit an appeal for reconsideration where they disagree with the evaluation outcome. The final outcomes of these appraisals inform our training and development plans, rewards and recognition schemes, leadership development initiatives, and workforce planning decisions. During the year over 900 high performing employees were promoted and annual salary increments and bonuses were awarded based on performance.

As part of our continued focus on strengthening the alignment between performance management and organisational priorities, the KPIs of senior roles were reviewed and realigned to our evolving strategic objectives and regulatory requirements.

Performance Evaluation Process



Percentage of Employees Receiving Performance Reviews

Male		Female
52	Senior Leadership	5
63	Middle Managers	7
166	Line Managers	25
527	Executives	163
1,162	Non Executives	643
67	Minor staff	2
2,037	Total	845

Promotions Granted

Employee Category	2025/26		2024/25		2023/24		2022/23	
	Men	Women	Men	Women	Men	Women	Men	Women
Senior Leadership	7	2	16		5	3	16	-
Middle Managers	17	-	18	3	11	-	1	1
Line Managers	80	7	66	10	28	4	4	-
Executives	236	44	238	64	155	45	2	2
Non Executives	361	150	269	129	257	66	1	1
Minor staff	5	1	10		24	-	-	-
Total	**706**	**204**	**617**	**206**	**480**	**118**	**24**	**4**
Grand Total		**910**	**823**		**598**		**28**	

Recognition programs such as the Annual Premier Awards also conducted as part of our ongoing efforts to recognize high performers. During the last financial year over 72 employees were recognized across our operations at the Annual Premier Awards held in January 2026.

Leadership Development

People's Leasing's long-term talent strategy involves nurturing a strong leadership pipeline equipped with the skills and capabilities required to drive the Company's future growth. This involves the strategic identification of critical roles and the development of structured succession plans, including the designation of primary successors and broader succession pools. Through this approach, the Company strengthens its ability to provide direction, align teams, and optimise collective performance, reflecting the coordinated flow enabled by interconnected threads within a mycelium network.

Where possible, internal talent is identified and developed through targeted Leadership and Team Development Programs designed to build leadership capability, decision-making skills, and succession readiness across management levels. Any capability gaps are addressed through selective external hiring. Leadership training includes structured training and development initiatives to build leadership capability, decision-making skills, and people management skills.

Training and Development

As a talent-driven organisation, we are committed to fostering a culture of continuous learning and development by providing our employees with meaningful opportunities to enhance their skills and capabilities. In the same way that a mycelium network sustains and strengthens the wider ecosystem through continuous exchange, our learning culture supports the ongoing development of knowledge and capability across the organisation. In providing development opportunities we adopt a blended learning approach, combining on-the-job training with structured classroom training and mentoring and coaching.

Training and development initiatives are aligned with the annual performance evaluation process, which systematically identifies individual skill gaps and development needs in relation to organisational requirements. This ensures that learning interventions are targeted, relevant, and supportive of both employee growth and business objectives.

We are also in the process of rolling out a centralized Learning Management System (LMS) to provide organisation-wide learning visibility, automated tracking, mobile access, and compliance monitoring. Currently several dedicated e-leaning modules are available through the LMS, enabling flexible and continuous learning to our employees.

During the year over 80,000 training hours were provided to employee. In addition to ongoing technical and soft skill training programs we also Strengthened Compliance and Regulatory Training with 2,443 training hours being conducted during the year.

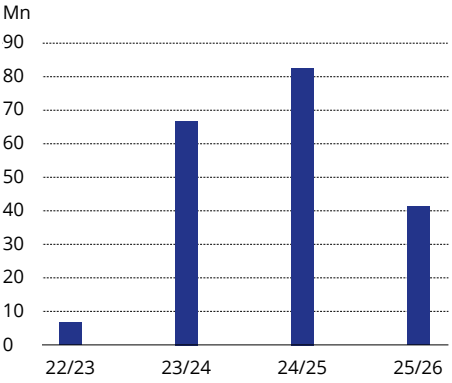
Mandatory training is systematically tracked and recorded to ensure audit readiness and regulatory adherence. The effectiveness of each training programme meanwhile is assessed through pre- and post-training evaluations to measure knowledge transfer and behavioural impact. Participant feedback is also systematically gathered to refine content and delivery, supporting continuous improvement of the learning framework.

Category	Traning Type
Managerial	Enterprise Risk Management & Internal Controls
	Strategic Planning & KPI Performance Management
	Leadership Excellence & People Management
	Corporate Governance & Regulatory Compliance
	Financial Decision-Making for Non-Finance Managers
	Digital Transformation Strategy in Financial Services
	Change Management & Business Continuity Planning
	ESG (Environmental, Social & Governance) Strategy Awareness
Executives	Advanced Credit Risk Assessment & Loan Evaluation
	Financial Statement Analysis & Interpretation
	Customer Relationship Management (CRM) Systems Training
	Data Analysis using Advanced Excel / Power BI
	Sales & Portfolio Management Techniques
	Fraud Detection & Prevention in Financial Transactions
	Credit Report Analysis & Scoring Techniques
	Business Communication & Professional Email Writing
	Operational Efficiency & Process Improvement
Non-Executives	Customer Service Excellence & Frontline Handling
	KYC (Know Your Customer) & Customer Screening Procedures
	Identification of Genuine Currency & Fraudulent Notes
	Basic Banking & Financial Product Awareness
	Workplace Ethics & Compliance Awareness
	Communication Skills & Team Collaboration
	Health, Safety & Workplace Discipline
	Basic IT Skills (MS Office / System Handling)

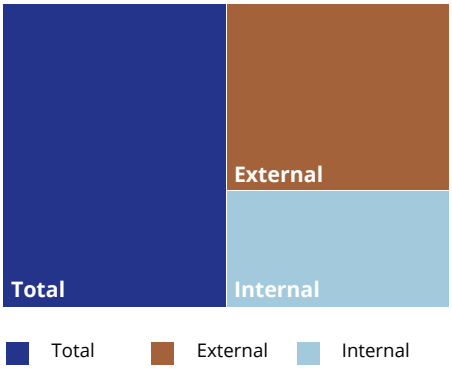
Human Capital

Training Statistics

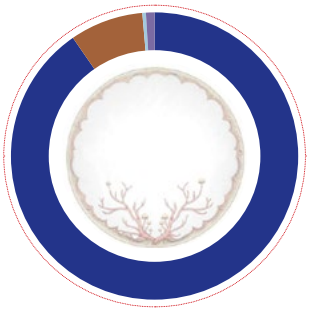
Training Investment



Training Investment



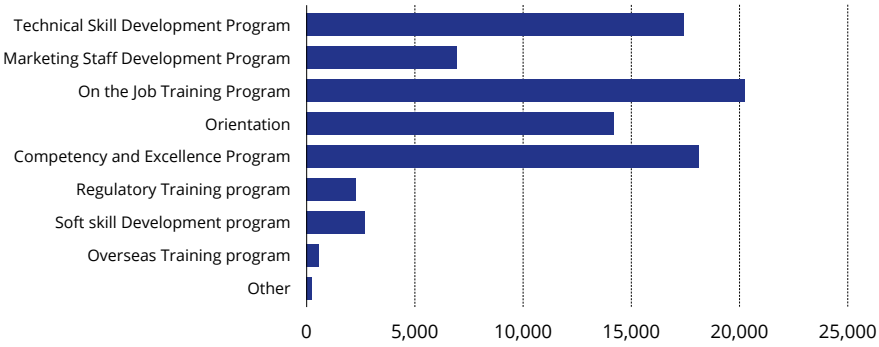
Training Hours



	25/26
Internal	90%
External	8%
Overseas	1%
Online	1%

Mandatory training is systematically tracked and recorded to ensure audit readiness and regulatory adherence. The effectiveness of each training programme meanwhile is assessed through pre- and post-training evaluations to measure knowledge transfer and behavioural impact. Participant feedback is also systematically gathered to refine content and delivery, supporting continuous improvement of the learning framework.

Distribution of Learning Hours



GRI 404-1

Average Training Hours Per Employee

	Male	Female
Senior Leadership	27.87	31.67
Middle Managers	30.84	12.43
Line Managers	12.40	8.73
Executives	13.95	11.01
Non Executives	32.75	29.15
Minor staff	0.96	-
Total	**25.56**	**25.08**

Training & Development	2025/26
Investment on Training (Rs. Mn)	37.38
Training hours (No.)	82,629



Capacity Building Program for Senior Managers



FD & Savings Refresher



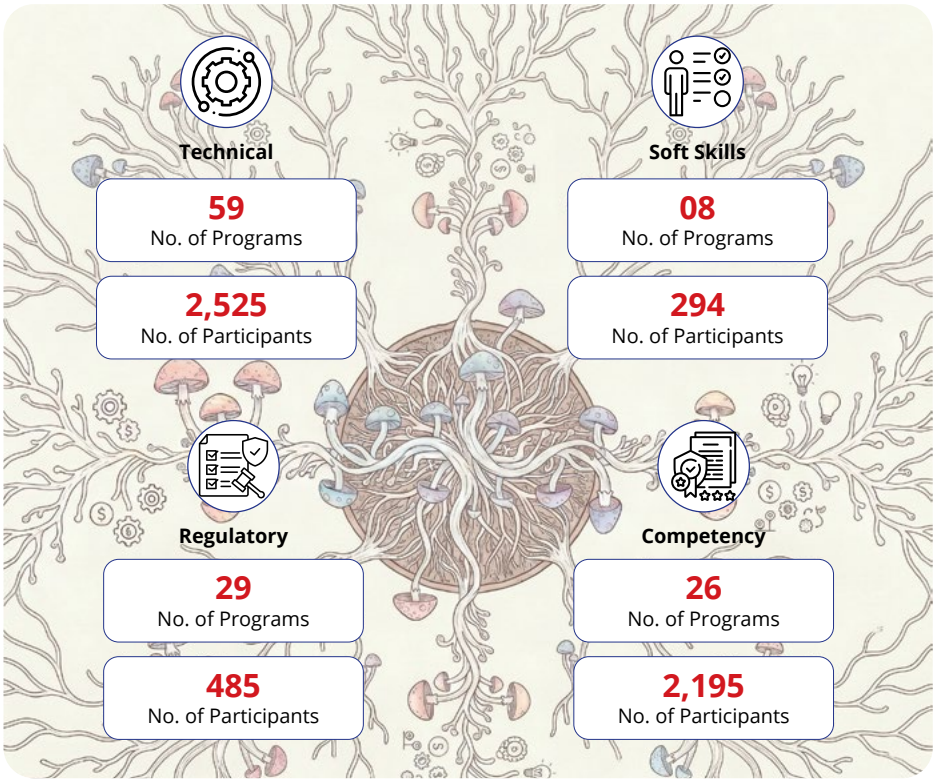
Management Training Development Program

Employee Training Hours by Gender/Category and Average Training Hours

Category	Gender	Training Mode					Total Staff	Total Participants	Gender Wise proportion of staff trained	Average training Hours per employee category
		Internal	External	Overseas	Online/ LMS Virtual	Total				
Senior Leadership	F	64	123		3	190	6	6	0.13	31.67
	M	698	514	229	36	1,477	53	42	0.88	27.87
Middle Managers	F	45	26		16	87	7	7	0.13	12.43
	M	1,599	255	82	38	1,974	64	49	0.88	30.84
Line Managers	F	141	86			227	26	20	0.12	8.73
	M	1,805	279			2,084	168	150	0.88	12.40
Executives	F	1,360	613		20	1,993	181	168	0.24	11.01
	M	6,607	990		22	7,619	546	539	0.76	13.95
Non Executives	F	20,519	1,299	21	171	22,010	755	744	0.35	29.15
	M	41,767	2,643		489	44,899	1,371	1,362	0.65	32.75
Minor staff	F	-			-	-	2	-	-	-
	M	69			-	69	72	5	1.00	0.96
Total	F	22,129	2,147	21	210	24,507	977	945	0.31	25.08
	M	52,545	4,681	311	585	58,122	2,274	2,147	0.69	25.56
Grand Total		**74,674**	**6,828**	**332**	**795**	**82,629**	**3,251**	**3,092**	**1.00**	**25.42**

GRI 404-2

Programs for Upgrading Employee Skills



GRI 403-1, 403-2, 403-3, 403-4, 403-5, 406-7, 403-7,403-8,403-9,403-10

Holistic Employee Wellbeing

People's Leasing remains committed to ensuring the safety and well-being of its workforce by strictly adhering to occupational health and safety standards across all its locations and promoting a healthy lifestyle and work-life balance for all its employees.

Given the nature of our business operations, physical occupational health and safety risks are minimal. Accordingly, the Company maintains appropriate workplace health and safety practices and procedures proportionate to its operational requirements. Safety measures, such as fire safety protocols, emergency evacuation procedures, and first-aid preparedness, are strictly implemented across all our locations, with employees regularly informed and trained on these processes through dedicated awareness programs. The company's Risk and Control Department meanwhile conducts regular safety checks to identify potential safety risks and determine the efficacy of emergency preparedness across the branch network.

Human Capital

Employee Wellness Initiatives conducted during the year
Physical & Health Wellness
• Comprehensive medical insurance (including OPD / hospitalisation)
• On-site or virtual doctor consultations
• Fitness programmes (gym partnerships)
Mental & Emotional Well-being
• Mental health awareness campaigns
• Work-life balance initiatives
Workplace & Safety
• Safe and healthy work environment
• Fire safety drills and first aid training
Employee Support & Benefits
• Parental leave and family support policies
• Financial wellness programmes (loans, advisory
• Flexible working arrangements (where applicable
Well-being through Engagement
• Employee engagement events and team-building activities
• Recognition and reward programmes
• Sports and recreational activities
Development-linked Wellness
• Continuous learning and upskilling programmes
• Career development and coaching
• Leadership and personal development training

Workplace Health and Safety Metrics	
Work-related injuries	4
Work-related ill health	None

Occupational Injuries & Health Issues

Detail/Year	
Road accidents during work hours	None
Lost days recorded due to these accidents	None

All confirmed employees are covered under a comprehensive insurance plan that includes Personal Accident Cover, Surgical and Hospitalisation Cover, as well as Life and Critical Illness Cover. Marketing and Recovery Officers who operate in the field are eligible for Personal Accident Cover from the start of their probation period. Meanwhile as part of our initiatives to promote employee health and well-being, weekly doctor consultation programmes, eye clinics and first aid training programs are conducted at the Head Office. During the year, the outdoor medical allowance was increased to Rs. 6,000, providing enhanced financial support to employees for their healthcare needs. Additionally, the Company actively promotes nutrition awareness to encourage healthier lifestyles, ensuring employees remain fit, productive, and resilient.

People's Leasing remains deeply committed to employee wellbeing and continuously extends support to employees during times of personal hardship and natural disasters. Following the impact of Cyclone Dithwa during the year under review, 199 employees affected by the disaster were immediately granted financial relief of Rs. 25,000 each, irrespective of the extent of damage incurred, to provide timely assistance during the difficult period. Further demonstrating its commitment to employee welfare, the Company established a dedicated Disaster Management Committee to assess the impact on affected employees and provide additional financial assistance to help restore their livelihoods and living conditions. Based on the assessments carried out, further financial support was extended to 128 employees. In addition, recognising the importance of educational continuity, the Company also granted Rs. 15,000 each to 86 children of 55 affected employees to support their educational needs. Through such initiatives, People's Leasing continues to foster a caring and supportive work environment built on empathy, resilience, and collective wellbeing.

Mental wellness is a key aspect of our holistic employee health and safety agenda and several pertinent awareness programs were conducted during the year through the "Mindset" Program. A leadership driven "Happiest Workplace" initiative meanwhile promotes a culture of open communication and employee wellness across the organisation.

GRI 402-1

Channels of Communication

An open-door policy, together with structured communication forums and formal grievance channels, ensures that employees at all levels have multiple avenues to voice concerns, share ideas, and access information easily and transparently. In addition to informal day-to-day interactions, the Company maintains structured communication channels, including monthly review meetings, the corporate intranet, and a open forum with the CEO, ensuring consistent and transparent dialogue across all levels of the organisation. Critical information including any operational changes are clearly communicated to all parties with an acceptable notice period. To further strengthen employee relations, the "HR at Your Doorstep" programme facilitates direct grievance handling and encourages continuous employee feedback.

GRI 2-30, 407-1

Labour Relations

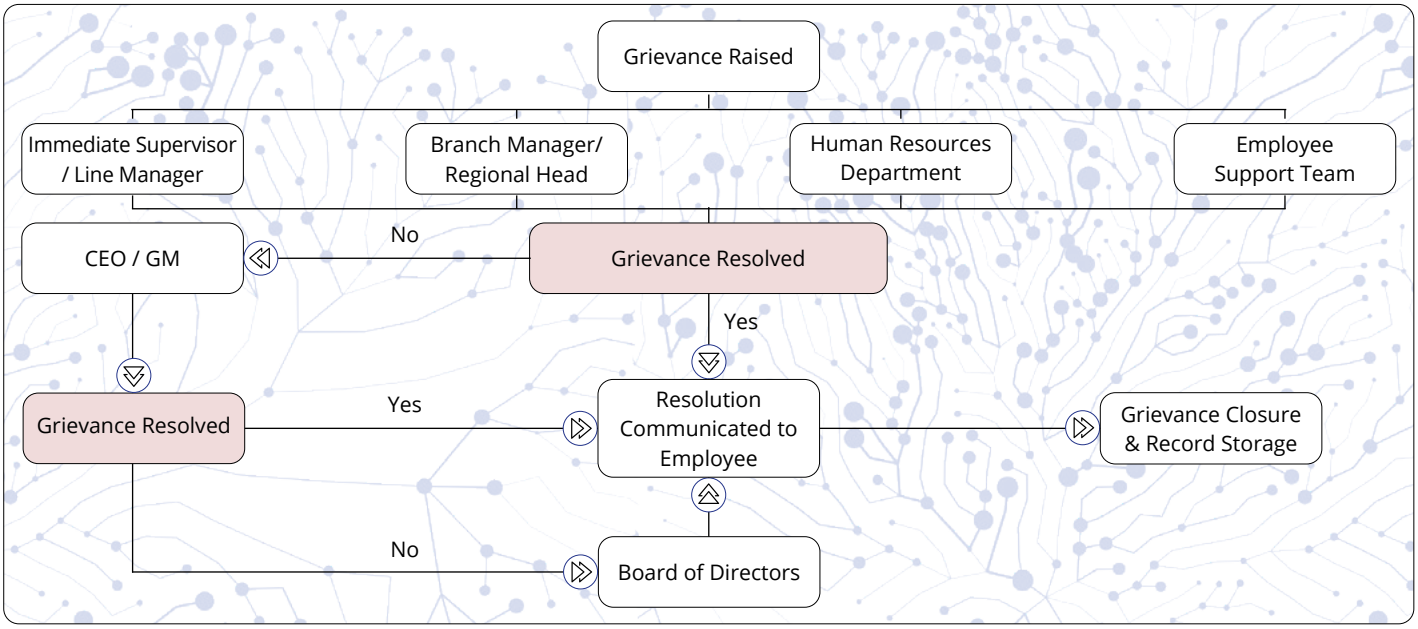
45% of our staff belong to unions and we continue to engage closely with trade union representatives and maintain amicable relations with union members. People's Leasing's longstanding commitment to maintaining constructive and cordial relationships with union representatives has fostered mutual trust and collaboration, thereby eliminating the need for a formal collective bargaining agreement.

GRI 2-26

Grievance Handling

Just as a healthy mycelium network depends on responsive internal connections to maintain balance and resilience, our grievance mechanism helps sustain trust, fairness, and transparency across the Company. We have in place a clearly defined grievance mechanism that enables employees at all levels to raise concerns confidentially and without fear of retaliation. All grievances are handled in a structured and timely manner with necessary escalation channels under the oversight of designated Human Resources personnel and the employee support team, ensuring that matters are addressed fairly and that employee rights and confidentiality are protected. During the year we strengthened the grievance handling process with a new grievance policy that clearly articulates the structured and transparent procedures in place for addressing employee concerns.

Grievance Handling Process



GRI 2-8

Non-Employee Workforce and Outsourced Personnel

At the organisational level, this category comprises individuals who do not have a direct employment relationship with the Company.

This primarily includes security personnel and janitorial staff engaged through reputable third-party service providers to support operations at the PLC Head Office and branch network across the island.

These personnel perform essential services that contribute to maintaining a safe, secure, clean and professional working environment. Their roles are vital in ensuring compliance with security protocols, operational efficiency, and the well-being and dignity of employees, customers and other stakeholders.

The number of outsourced personnel is not disclosed, as it varies over time depending on operational and service requirements.

Employee Engagement Activities

Employee engagement activities including religious and cultural events as well as team gatherings are carried out throughout the year contributing to a positive workplace culture. Key activities carried out during the year include;



CEO's Challenge Trophy 2025



Women's Day Celebration



Anniversary Celebration – Other Religious Congregations



Kids Got Talent



Iftar 2026 – An Evening of Reflection, Unity & Togetherness



Highlights of Open Forum with CEO & Awards of Appreciation for the Gold Champions

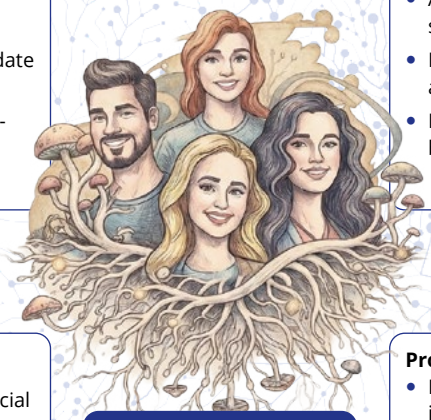


New Year Celebration

Human Capital

Nurturing Individual Potential
- Access to continuous learning through the People's Hub platform.
- Opportunities to enhance knowledge and update industry skills.
- Leadership development and managerial skill-building programs.
- Performance-based promotions.

Creating Shared Value Through Partnerships
- Aligning employee goals with organisational strategy.
- Encouraging collaboration across departments and branches.
- Empowering employees to contribute to business growth and innovation.



Extending Community Support
- Active employee involvement in Corporate Social Responsibility (CSR) programmes.
- Branch network across multiple districts promoting regional inclusion.
- Recruitment of diverse religious and cultural backgrounds.
- Strengthening communication and collaboration through diversity.

Sustaining our People
We sustain our people by creating support systems that promote wellbeing, encourage development and reinforce organisational resilience.

Promoting Wellbeing and Care
- Promoting physical wellness through medical insurance coverage, onsite doctor consultation program and fitness initiatives.
- Promoting financial wellness through Staff loan facilities and financial assistance schemes.
- Promoting Mental wellness through Work-life balance initiatives and family-friendly policies.
- Promoting Social wellbeing through Annual staff get-together and employee engagement events.

Way Forward

Short Term (1 Year)
- Build critical skill capabilities through targeted training.
- Optimize workforce utilisation through better role design and productivity targets.
- Improve productivity through existing staff capacity and controlled headcount growth.

Medium Term (2-3 years)
- Increase HR process efficiency through digitalisation and automation.
- Improve leadership pipeline and succession readiness.

Long Term (Over 3 Years)
- Enhance employee engagement and retention in key roles.
- Strengthen performance and accountability culture.
- Strengthen pay-for-performance culture.



Growth That Flows Through Every Link

In nature, nourishment travels unseen through the mycelium, ensuring every part of the forest thrives. In the same way, our work ensures that opportunity and progress flow through every connection we have built, empowering people and communities to prosper together.

Social and Relationship Capital

GRI 3-3

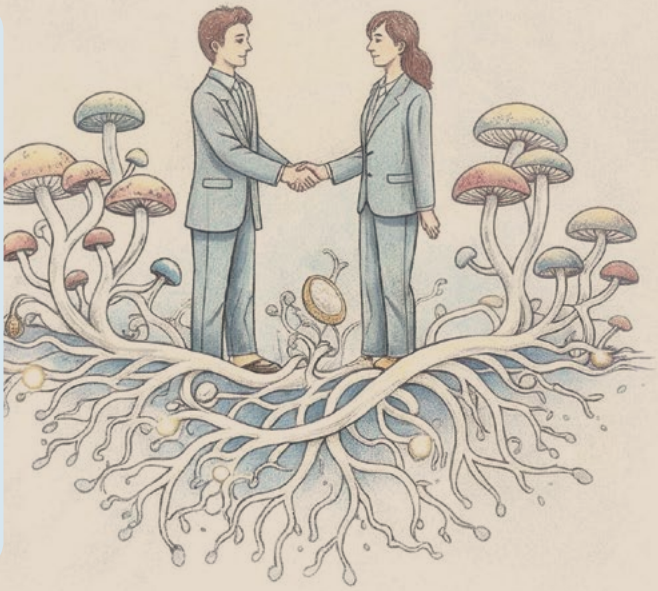
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Management Approach

We manage our Social and Relationship Capital by nurturing fair, transparent and trust-based relationships that generate mutual value. This is achieved by ensuring ongoing engagement and clearly articulated processes and robust systems that strengthen stakeholder confidence and support long-term collaboration.



476,631
Total Customer Base

9
No. of Strategic Partnerships

68,147
Supplier Base

Value Creation Highlights in FY 2025/26

Material Topics Relevant to Social and Relationship Capital	Value Drivers	Our Strategic Response
Customer Experience	Customer Engagement Wide network of customer touch points	Continued to enhance our customer value proposition through improvements to product offering and service delivery.
Relationship with Business Partners	Procurement Practices Supplier Screening Supplier Engagement	Expanded network of business partners and suppliers.
Ethics and governance	Responsible Marketing and Communications Data Protection and Privacy	Created employee awareness regarding responsible marketing and data privacy.
Advancing Financial Inclusion	Customer Centric Product Portfolio Wide network of customer touch points Strategic CSR Initiatives	Continued to meaningfully contribute to community empowerment through our direct operations as well as through CSR initiatives.

Contribution to SDG's



Target 3.4



Target 4.1



Target 6.1



Target 9.3



Target 10.2



Target 15.5



Target 16.6

Strategic Significance

As the living links within our organisational network, our customer, partner, supplier, and community relationships enable the continuous exchange of trust, value, insight, and support across the ecosystem. Nurtured over time through fair, transparent, and mutually beneficial engagement, these connections strengthen stakeholder confidence, deepen collaboration, and enhance our ability to compete effectively while creating sustainable long-term value.

Key Risks and Opportunities Related to Social and Relationship Capital

Risks

- Client attrition due to aggressive marketing by competitors.
- Non-compliance by suppliers with established ESG standards and expectations.
- Limited financial literacy within communities.

Opportunities

- Cross-selling opportunities within the existing customer base.
- Opportunities to enhance customer offering through stronger partnerships.
- Opportunity to contribute meaningfully to nations development goals and SDG's through strategic CSR initiatives.

Related Strategic Imperatives

- Responsible Growth
- Building Stronger Partnerships

Key Initiatives during the year	Long Term Capital Trade-offs
Ongoing additions to product portfolio (See page 169 of Intellectual Capital). Strategic expansion of customer touchpoints and improvements to service delivery. Streamlining of customer complaints framework.	Social and Relationship Capital Manufactured Capital Financial Capital
Entered into nine strategic Memorandums of Understanding (MOUs) with leading corporates across key industry sectors. Ongoing supplier engagement and 100% ESG screening for new suppliers.	Social and Relationship Capital Financial Capital
Targeted training for marketing teams and dedicated marketing officers. Introduction of advanced encryption for fixed deposit and savings transactions, together with internal IT enhancements to reinforce deposit-related data protection.	Social and Relationship Capital Intellectual Capital
Continued to focus on expanding network to ensure wider access to products. Tailor-made products to drive greater financial inclusion. Invested Rs. 12.71 Mn in CSR initiatives.	Social and Relationship Capital Financial Capital

Value Delivered

100% of newly on boarded suppliers completed ESG due diligence

Rs. 12.71 Mn Invested in CSR initiatives

Reduction Percentage in customer complaints 29.87%

Number of new customers 111,196

Social and Relationship Capital

Delivering on our FY 25/26 Goals

Develop an automated process for supplier registration and review to facilitate ongoing registrations throughout the year	
Conduct campaigns aimed at enhancing community-level knowledge on financial and digital literacy	
Support Local Small Businesses and Entrepreneurs	

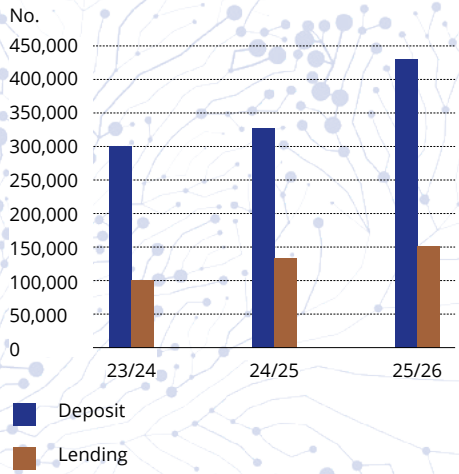
Complete In Progress Incomplete

Customer Relationships

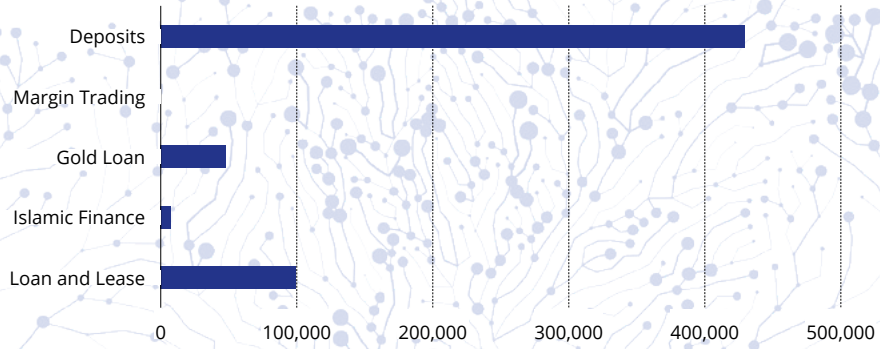
People's Leasing caters to a wider range of customers including individuals, Micro Entrepreneurs, SMEs and Corporates across Sri Lanka. As part of the living links of exchange within our wider network, our customer relationships are built on customer-centric product offerings, superior customer service, customer convenience, responsible products and marketing. We continued to enhance each of these parameters effectively strengthening our customer relationships as evidenced by improved customer satisfaction levels and sustained customer retention rates.

Customer Profile

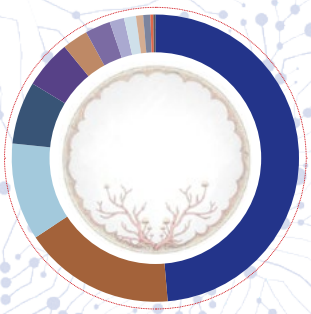
Total Customers



No. Customer by Product



Customer by segment

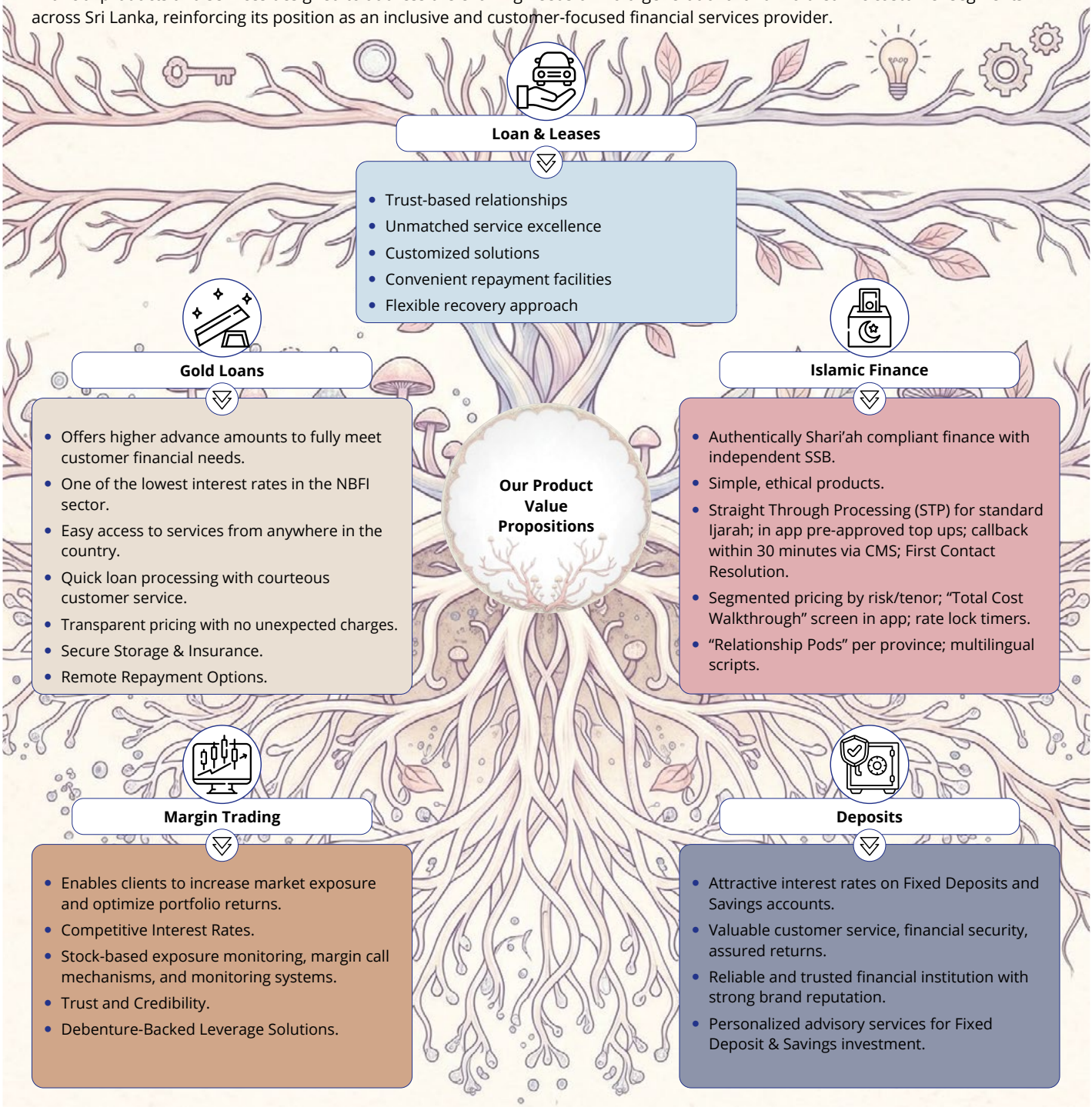


Consumption Loans	49%	Construction & Infrastructure Development	3%
Agriculture, Forestry & Fishing	17%	Professional, Scientific & Technical Activities	2%
Transportation & Storage	11%	Financial Services	1%
Wholesale & Retail Trade	7%	Education	1%
Health Care, Social Services & Support Services	5%	Tourism	1%
Manufacturing	3%		

GRI 2-6

Customer Centric Product Portfolio

People's Leasing remains committed to fostering financial empowerment by expanding access to financial solutions that support the growth and resilience of individuals and businesses across the country. Over the years, the Company has built a broad portfolio of financial products and services designed to address the evolving needs of multi-generational and multi-ethnic customer segments across Sri Lanka, reinforcing its position as an inclusive and customer-focused financial services provider.



Understanding the evolving nature of customer financial requirements, we continue to strengthen our product portfolio by regularly reviewing existing offerings and introducing innovative products and services that respond to emerging customer expectations. This strong focus on product innovation ensured that our offering stays relevant and responsive to market trends. Key product developments introduced during the year are discussed in the Intellectual Capital Report on Page 169.

Social and Relationship Capital

Wide Network of Customer Touch Points

People's Leasing maintains an extensive network of physical and digital customer touchpoints, enabling it to provide customized customer service while improving accessibility and delivering greater convenience across its customer base. We continued to enhance our network of customer touchpoints during the year through strategic expansion, alongside initiatives to improve operational and process efficiencies and strengthen service delivery.

Customer Touch Points –	No. of Touch points	Key Developments during the year
Branch Network	**112**	Two new branches were opened in Dematagoda, Eheliyagoda.
PLC Gold Loan Centers	**110** (Operating across branch network)	Added 4 Gold Centers to existing branch network while expanding PLC Gold Loan Centers across all 110 PLC branches.
Dedicated Marketing Officers	**969**	Continued training and development for marketing officers to improve service quality.
Islamic Units	**89**	One hybrid branch was opened in Dematagoda with greater focus towards Islamic financing whilst operations were extended to 1 PLC branches
People's Bank ATM Network	**845**	5 new ATMs were added to the network
People's Bank CDM network	**337**	Enabled loan payments through People's Bank CDM Network further enhancing customer convenience
People's Bank POS	**13,789**	4,962 new POS machines added to the network.
PLC Touch App and Online Banking	**22,470**	Enhanced features of the PLC Touch App and PLC Online App to include digital payment facilities for Gold Loans, loan top-ups, savings account monitoring, E FD Certificates, SMS Alert services among others.

People's Leasing's Virtual Engagement with Stakeholders

PEOPLE'S LEASING
පීපල්ස් ලීසිං | பீப்பள்ஸ் லீசிங்
THE TRUSTED LEADER

ATM	2025/26	2024/25
Volume	293,231	244,658
Value (Rs. Bn)	4.07	3.27

PLC Online	2025/26	2024/25
Volume	252,852	118,418
Value (Rs. Bn)	12.31	5.91

Dcheque	2025/26	2024/25
Volume	88,107	57,090
Value (Rs. Bn)	173.41	71.99

mCash & E-cash	2025/26	2024/25
Volume	3,296	3,303
Value (Rs. Bn)	0.082	0.092

POS	2025/26	2024/25
Volume	415,783	273,571
Value (Rs. Bn)	1.27	0.89

SLIPS Transactions	2025/26	2024/25
Volume	163,398	136,080
Value (Rs. Bn)	58.69	25.03

CDM	2025/26	2024/25
Volume	125,157	118,756
Value (Rs. Bn)	4.29	3.50

QR Payments	2025/26	2024/25
Volume	1,333	1,087
Value (Rs. Bn)	0.0024	0.0065

GRI 416-1, 417-1

Responsible Marketing and Communications

Within a living network, trust depends on clear, transparent, and responsible exchange. Reflecting this, People's Leasing strictly adheres to CBSL mandated disclosure requirements for all financial products and services. Marketing and promotional materials are designed for specific target audiences to ensure customers fully understand the financial products and services offered. All critical disclosures are communicated in a clear, transparent, and unambiguous manner, avoiding any misleading information. Information about the Company's products and services is also publicly available on the corporate website. All advertising and marketing communication materials are developed in Sinhala, Tamil, and English to ensure inclusive communication. To ensure responsible marketing practices across the organisation, the Company's marketing teams and dedicated marketing officers receive comprehensive training on product knowledge and are encouraged to prioritise responsible selling over purely promotional activities.

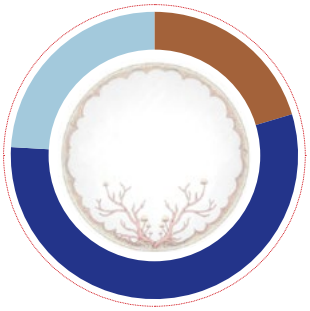
GRI 2-25, 2-26

Customer Engagement

Ongoing customer engagement remains a core component of our customer care proposition, and we have multiple channels in place to enable customers to communicate complaints, concerns, and feedback effectively. The Company's extensive island-wide branch network with dedicated relationship managers provide customers personalised assistance and ensure efficient resolution of customer issues. Likewise, People's Leasing's Customer Care Centre, manned by a team of well-trained professionals, handles all customer inquiries promptly and efficiently. These channels serve as living links of exchange within our wider network, helping to sustain trust, responsiveness, and meaningful customer relationships. Complaints may also be escalated through external channels such as the Financial Ombudsman Sri Lanka and the Central Bank of Sri Lanka, reinforcing transparency and accountability in complaint handling. A centralized Complaint Handling System meanwhile ensures that customer complaints from all communication channels are managed in a streamlined, cohesive manner, ensuring that each issue is addressed promptly and effectively.

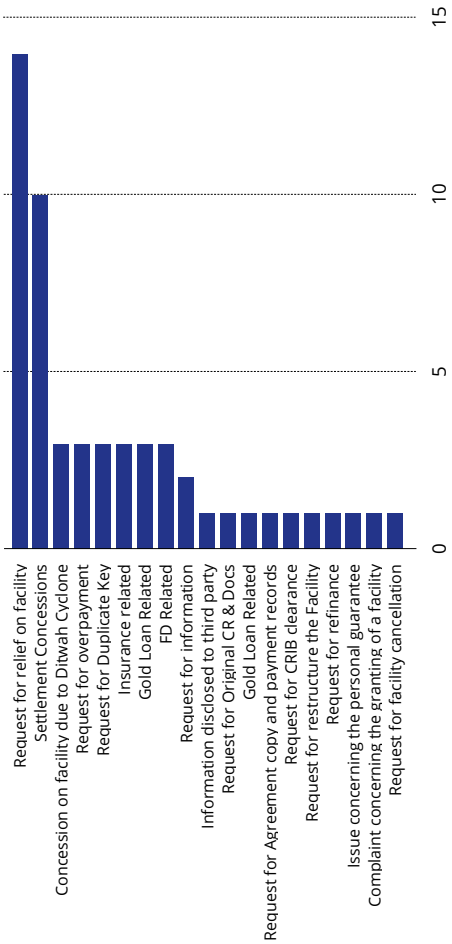
Platforms	Reach	Impressions	Follower/Subscriber Growth
Facebook	↑31.9% Increase in Reach	9.3 Million Total Views	4,300 (Net New Follows)
YouTube	488.4K Impressions	25.7K Views	1.6K Monthly Audience + 516 Subscribers
LinkedIn	+ 26% Inchease in Reach	93,026 Total Impressions	+ 1841 New Followers
TikTok	↑144% Increase in Reach	7.1K Total Views	+ 157 Net Follower

Mode of Complaints

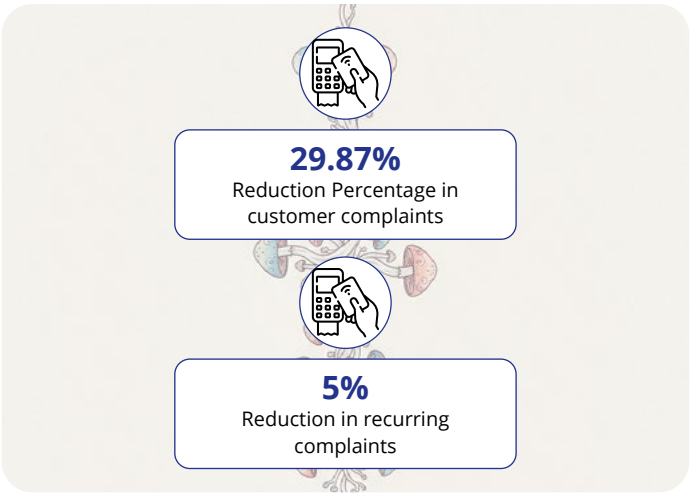


CBSL	11
Direct	30
Ombudsman	13

Complaints Summary of Nature wise



Social and Relationship Capital



Further enhancing our customer feedback mechanism, we redesigned our existing Customer Survey Questionnaire during the year to better capture customer satisfaction insights in a simpler and more effective manner. The updated Customer Satisfaction Survey (CSS) is now available on the PLC Webpage, offering a more convenient experience for customers and is accessible in all three languages.

Best Practices adopted in Resolution Management

- All complaints are recorded and systematically logged by the Customer Care Centre through the centralized Complaint Handling System and promptly routed to the relevant internal authority for resolution.
- Feedback loops are in place to ensure timely follow-up and resolution within the stipulated service timelines.
- The Customer Care Centre also conducts follow-up calls to verify the customer's satisfaction with the resolution provided.
- Disputes related to electronic transactions are directed to the Customer Service and Dispute Resolution Department.
- We are also in the process of automating the monitoring and resolution of electronic transaction disputes to enhance the responsiveness and accelerating resolution times.

New Initiatives introduced to Strengthen monitoring and governance of overall compliant process.

Initiative	
Real-Time Monitoring and Escalation	The system offers real-time tracking of complaint statuses and supports automated escalation workflows to guarantee timely resolution of all issues. This ensures that complaints are consistently managed with the highest priority and within defined response timeframes.
Analytics and Reporting	Comprehensive dashboard reporting and robust analytics tools provide management with valuable insights into key performance indicators, including response time, resolution effectiveness, and the frequency of recurring issues.
Automated Notifications and Communication	To enhance customer experience and transparency, automated SMS notifications are sent to customers upon the acceptance and closure of their complaints.
Technological Advancements for Efficiency	Technological enhancements have significantly improved the efficiency of our complaint resolution process by reducing manual errors, ensuring timely follow-ups, and improving overall oversight.
Customer Accessibility	Dedicated customer service email, customerservices@plc.lk, is prominently displayed on our corporate website and at all branch premises. Additionally, customers can submit transaction disputes through the PLC TOUCH App, which is directly connected to our dispute resolution team via the dispute@plc.lk email.

Data Protection and Privacy

The Company has established a comprehensive Data Protection Policy and Customer Protection Framework aligned with the core principles set out under the Finance Business Act No. 42 of 2011. Existing controls include restricted access to client information, secure systems for data storage and communication, privacy-by-design features within digital applications, periodic privacy drills, customer-visible data permissions, and encryption of data. During the year, the Company further strengthened these controls by introducing advanced encryption for fixed deposit and savings transactions, together with internal IT enhancements to reinforce deposit-related data protection

Compliance	GRI Relevance	No of Incidents
Incidents of non-compliance concerning the health and safety impacts of products and services	GRI 416-2	None
Incidents of non-compliance concerning product and service information and labeling	GRI 417-2	None
Incidents of non-compliance concerning marketing communications	GRI 417-3	None
Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI 418-1	None

Business Partnerships

People's Leasing's extensive network of business partnerships enable it to drive synergies to support its value creation process. During the year People's Leasing continued to expand its network of business partnerships entering into nine strategic Memorandums of Understanding (MOUs) with leading corporates across key industry sectors. Key partnerships entered into during the year include,

DIMO Agri

- Partnered with DIMO to launch the PLC/DIMO Lease Promotion for the agricultural sector.
- Improved farmer access to tractors, harvesters, and other machinery through flexible financing solutions.
- Offered tailored repayment terms, special rates, and low upfront requirements.
- Supported agricultural productivity and financial inclusion through this strategic partnership.

DIMO Commercial Vehicles

- Partnered with DIMO to introduce flexible leasing solutions for TATA commercial vehicles.
- Improved business access to reliable transportation through customisable financing and extended repayment terms.
- Delivered added value to SMEs and corporates while supporting economic activity and customer-focused growth.

INDRA Traders (Pvt) Ltd

- Partnered with INDRA Traders (Pvt) Ltd to introduce flexible leasing solutions for vehicle purchases.
- Improved customer access to reliable vehicles through customised financing and extended repayment terms.
- Strengthened affordability, convenience, and PLC's focus on customer-centric financial solutions.

Senok Commercial Vehicles (Pvt) Ltd

- Partnered with Senok Commercial Vehicles (Pvt) Ltd to launch a dedicated leasing facility for Eicher commercial vehicles.
- Enhanced access to reliable transportation through flexible financing and extended repayment terms.
- Supported business growth in the transport and logistics sectors while strengthening PLC's customer-centric value proposition.

Hayleys Fentons Limited

- Partnered with Hayleys Fentons Limited to introduce the PLC/Hayleys Fentons Promotion for vehicle financing.
- Improved customer access through flexible leasing, tailored rates, and extended repayment terms.
- Strengthened customer value and PLC's commitment to innovative partnership-led financial solutions.

Micro Cars (Pvt) Ltd

- Partnered with Micro Cars (Pvt) Ltd to launch dedicated leasing facilities for Micro buses.
- Expanded access to fleet financing through flexible and affordable leasing solutions.
- Supported business growth and the development of Sri Lanka's transport sector.

Crown Auto (Private) Limited

- Partnered with Crown Auto (Private) Limited to provide exclusive automotive service benefits to PLC customers and debit cardholders.
- Offered special discounts and complimentary services to enhance customer convenience and value.
- Strengthened PLC's customer experience proposition through value-added strategic partnerships.

Toyota Lanka (Private) Limited

- Partnered with Toyota Lanka (Private) Limited to launch a comprehensive leasing solution for Toyota and Hino vehicles.
- Improved customer access through competitive rates, extended repayment terms, and value-added services.
- Strengthened PLC's automotive financing presence while enhancing its customer-centric value proposition.

Nileka Jewellery (Private) Limited

- Partnered with Nileka Jewellery (Private) Limited to introduce the "PLC/NILEKA GOLD-SALE CAMPAIGN".
- Improved affordability of gold jewellery through flexible financing and short-term repayment options.
- Strengthened PLC's focus on innovative, customer-centric financial solutions.

These partnerships have strengthened People's Leasing's presence across agriculture, commercial vehicles, automobiles, machinery, electronics, and lifestyle segments, driving increased business volumes, enhancing customer acquisition, and reinforcing brand visibility through joint promotional campaigns, co-branded marketing initiatives, and dealer engagement programmes.

Social and Relationship Capital

GRI 2-6, 204-1, 308-1, 308-2, 407-1, 408-1,409-1, 414-1,

Supplier Relationships

People's Leasing's supply chain consists over 26 supplier categories, providing a diverse range of essential products and services including stationery, software solutions, office equipment, marketing materials, security services, and facility management, that ensure the smooth day-to day running of operations. We continue to nurture these vital relationships in order to generate mutual value.

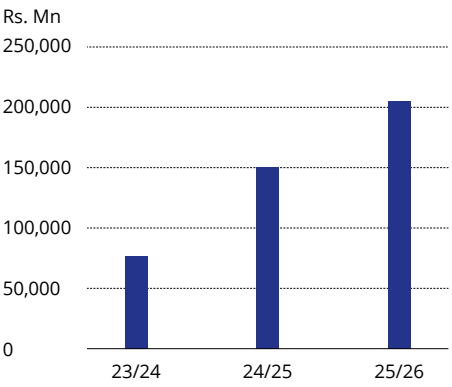
GRI 204-1

Proportion of spending on local suppliers

59,745
No. of local suppliers

95.57%
Local Supplier Payments as a Percentage of Total Supplier Payments

Payments to Suppliers



GRI 410-1

Security Personnel Training on Human Rights

People's Leasing ensures that all outsourced security personnel operating at its locations are made aware of the Company's human rights principles and expected standards of conduct. Branch Managers provide guidance and awareness on safeguarding fundamental human rights, ethical behavior, and responsible visitor and customer management. These initiatives help ensure that security personnel perform their duties in a manner that respects the rights and dignity of all individuals.

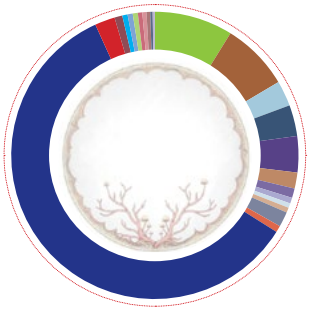
GRI 308-2

Procurement Practices

People's Leasing's supplier management framework is designed to uphold fairness, quality, and transparency while strengthening accountability across procurement activities. As part of our efforts to digitize the procurement process we have introduced a e-form system for supplier registration and we are currently in the process of developing a fixed asset procurement system. Key elements of our supplier onboarding process are as follows;

Annual Supplier Registration	New suppliers register under 26 categories through Supplier e-registration forms publicly available on the corporate website.
Supplier Screening	In line with the Company's Procurement Policy, all applicants are required to have a minimum of 3 years experience and are subject to a rigorous screening process that assesses price competitiveness, quality of products and services, delivery capability, after-sales support, and adherence to social and environmental standards.
ESG Due Diligence	All new suppliers are required to complete an ESG due diligence checklist, affirming their commitment to social and environmental best practices. This includes compliance with local labour laws, occupational health and safety standards, human rights principles, and relevant environmental regulations.

Procurement Spend



Building rent	9%	Staff welfare	2%
Fixed assets	8%	Computer system maintenance	1%
Utility payments	3%	Tax payments for Inland revenue	59%
Security	4%	Deposit insurance for Central Bank	2%
Insurance charges	4%	Stationery & inventory related expenses	1%
Premises maintenance	2%	Traveling & subsistence	1%
Equipment maintenance	1%	Get together, anniversary and religious activities related	1%
Advertising	1%	Premier awards & other events	1%
Professional charges	1%	Business promotion	1%
Fuel	1%		

GRI 308-1, 2, 407-1, 408-1, 409-1, 414-1, 414-2

Supplier Screening

No. of new suppliers screened for environmental and Social criteria		150
No. of suppliers on boarded to Supplier Registry		130
ESG due diligence conducted as part of our supplier engagement process did not identify any significant actual or potential negative social or environmental impacts, and confirmed compliance with labour standards relating child labour, forced labour, and collective bargaining rights. Notably, no adverse social or environmental impacts were identified during the onboarding process.		

Supplier Engagement

Supplier engagement is maintained as an ongoing process through the onboarding stage, supplier renewal cycles, and periodic awareness sessions, providing regular opportunities to reinforce expectations, strengthen alignment to Company's business practices and ethical standards, and address emerging concerns.

GRI 413-1,413-2

Community Relationships

As part of the living links of exchange within our wider network, People's Leasing maintains close engagement with grassroots communities both through its direct business operations as well as through targeted community development initiatives. Branch officers across the country work closely with community leaders, local organisations, and government institutions to understand community needs and facilitate mutually beneficial initiatives.

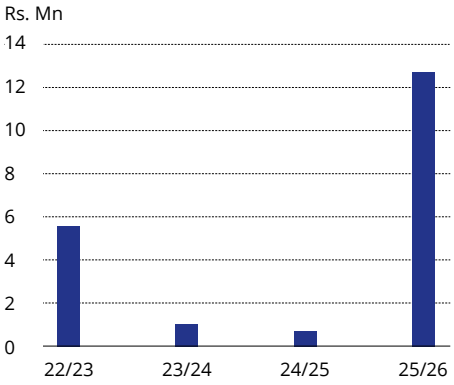
A dedicated liaison officer has also been appointed to facilitate open communication, strengthen partnerships, and proactively address community needs and concerns.

Strategic direction for CSR priorities and initiatives is provided by Management with Board oversight. The Management Team allocates resources, provides policy guidance, and establishes internal procedures to support the branch network in the effective execution of CSR initiatives. Each year, a portion of the Company's profit after tax is earmarked for strategic CSR initiatives.

A Board-approved CSR Manual guides the planning, implementation, monitoring, and evaluation of strategic CSR initiatives undertaken at both branch and Head Office level. Monitoring and evaluation are carried out jointly at branch and Head Office level to assess the impact and sustainability of each initiative.

In FY 2025/26, People's Leasing invested over Rs. 12.71 Mn on 16 strategic Community initiatives focused on educational upliftment, preservation of culture and heritage, community wellbeing, environmental protection, and disaster management support, reflecting its broader objective of empowering communities, creating positive social value, and responsibly addressing potential adverse impacts.

Investment on Local Community



Social and Relationship Capital

	Projects Carried out During the year
Education Uplift ment We are deeply committed to advancing quality education through meaningful CSR initiatives that enhance access to learning opportunities, contribute to long-term community development.	• PLC Pelmadulla branch Presented gift items to school children of R/Niv/Houpe Nawalakanda Primary School, Kahawatta for their annual "Avurudu" celebration. • PLC Kandy branch presented certificates and educational gift packs for the winners of children's painting event "Thelithudin Hadawathata" organized coinciding with the "Siri Dalada Wandanawa - 2025"at the at E.L. Senanayake Children's Library. • PLC Grandpass Branch color washed the Hope Care Foundation For Children With Special Needs center for differently abled children. The Hope Care Foundation for Children with Special Needs is a government-registered nonprofit special education institution equipped with therapeutic facilities for the children with special needs from ages 2 to 16 years. The institution currently serves 25 children from low income households employing 9 dedicated staff. • PLC Divulapitiya branch constructed the access path for the Primary Section of Hunumulla Maha Vidyalaya. • PLC Metropolitan branch supported the construction a state of the art smart classroom at the Veluwana Vidyalaya Colombo 09. • At the request of "Samata Sarana" an approved charity: PLC Head Office donated essential items to economically challenged school going children and adults. The presentation took place on the Children's Day. • PLC Head Office joined hands with undergraduates of Colombo University to establish a school library in a remote area by extending financial assistance. In addition, WP/HR/Halwathura Junior School library also received 500 books voluntarily collected from PLC staff members. • At the request of Ratmalana Post Office, PLC Piliyandala branch presented stationery and other school for 189 school children from economically disadvantaged households.
Community Wellbeing We contribute to community wellbeing by extending targeted support to deserving communities and vulnerable groups.	• At the request of National Secretariat for Persons with Disabilities, PLC Head Office provided financial assistance to get the electric mobility vehicle of a differently abled individual repaired. • PLC Anuradhapura branch presented water bottles for devotees who observed sill at the Jaya Siri Maha Bodhiya on Poson Poya day. • PLC Godakawela branch presented two 10,000 liter water tanks to local community in the Lellamada, Valkiniyaya area. • PLC Pilimathalawa branch upgraded the bus halt located in front of the branch. • PLC Ambalantota branch presented 320 milk packets to Blood bank of Hambantota Hospital for the blood donors. • PLC Manner branch collaborated with the Sri Lanka College of Military Medicine (SLCOMM) to provide under privileged children from 4 & 5 Grades of St. Mary's College, Pesalai, Mannar with stationary packs. Healthcare services were also provided to their families as part of the project. • PLC Bandarawela Branch presented 25 platform benches to Ella Railway Station at a cost of Rs. 300,240/= in March 2026.









Disaster Management Support
As we have consistently done in the past, we respond promptly during times of disaster by extending support to those most affected.

- PLC Nuwara Eliya branch presented essential item packs for customers affected by Ditwah cyclone .The branch donated school items to cyclone affected Sri Sumangala Primary School, Kirindiwela, Pundaluoya.





- PLC Gampola branch presented essential item packs for customers affected by Ditwah cyclone at a cost of Rs. 49,870/=
- People's Leasing contributed Rs. 7.5 million to the "Rebuilding Sri Lanka" Fund, which supports national rehabilitation and cyclone relief. The donation aims to assist with restoring infrastructure and providing relief to affected communities following Cyclone Ditwah.

Way Forward

Short Term (1 Year)
- Enhance customer product proposition through customer-friendly features and greater convenience and more efficient complaint handling
- Improve transparency of procurement process through improvements to procurement manual

Medium Term (2-3 years)
- Leverage technology including data analytics to deliver a more customer-centric experience
- Transition to 100% digital supplier onboarding
- Develop a Strategic CSR Agenda to align with the Company's long term objectives

Long Term (Over 3 Years)
- Strengthen partnerships to expand customer base
- Strengthen compliance, data protection, and customer confidentiality practices to build long-term customer trust

Natural Capital

GRI 3-3

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Management Approach

Our approach to managing natural capital is centered on minimizing the environmental footprint of our direct operations while leveraging our influence to encourage environmentally responsible practices among our stakeholders.



6,058.12 tCO_2e
Energy

10.38 tCO_2e
Water

7.52 tCO_2e
Waste

Value Creation Highlights in FY 2025/26

Material Topics Relevant to Intellectual Capital	Value Drivers	Our Strategic Response
Resource optimisation	Energy Management Water Management Material and Waste Management	We continued to drive resource optimisation across our operation to continue to reduce our environmental footprint.
Digitalisation of services	Energy Management Emission Management Material and Waste Management	Broad- based digitisation efforts have enabled us to increase energy efficiency whilst reducing emissions and waste.
Climate Action	Greening Our Operations Promoting Green Finance Green Outreach Projects	We adopt a multi-pronged approach to climate action that involves internal and external stakeholder engagement.
Relationship with Business Partners	Promoting Environmental Awareness	We continue to leverage our stakeholder relationships to create widespread awareness around environmentally responsible behaviour.

Contribution to SDG's

- 7 AFFORDABLE AND CLEAN ENERGY — Target 7.1, 7.2, 7.3
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — Target 9.4
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Target 12.2, 12.4, 12.5 , 12.6, 12.7, 12.8
- 13 CLIMATE ACTION — Target 13.1, 13.2, 13.3
- 15 LIFE ON LAND — Target 15.1, 15.2, 15.5
- 17 PARTNERSHIPS FOR THE GOALS — Target 17.17

Strategic Significance

Much like mycelium networks that quietly strengthen ecosystems by connecting and nourishing diverse organisms, our financial ecosystem supports advancing Sri Lanka's low-carbon economy agenda through responsible financing, sustainable financial solutions and by promoting environmentally responsible business practices within and outside its operations.

Key Risks and Opportunities Related to Natural Capital

Risks

- Adverse weather conditions
- Regulatory requirements on Climate related disclosures & frameworks

Opportunities

- Opportunity to offer sustainable finance solutions

Related Strategic Imperatives

- Commitment to Environmental and Social Responsibility

Key Initiatives during the year	Long Term Capital Trade-offs
Invested in energy efficient technology such as LED lighting and energy efficient air conditioning across branch network Optimizing vehicle deployment to reduce travel-related fuel consumption Ongoing efforts to drive greater water efficiency Waste management through 3R principles and initiatives	Natural Capital Manufactured Capital Financial Capital
Continuation of paperless drive Ongoing automation efforts Increasing the use of virtual meetings	Natural Capital Social and Relationship Capital Financial Capital
Continued to explore renewable energy integration, including rooftop solar feasibility at selected locations Calculation of group carbon footprint for the 12th consecutive year to measure and monitor our impact Rs. 0.064 Bn granted through solar leasing scheme and Rs. 33.38 Bn green leasing facilities for electric and hybrid vehicles. Introduction of bundled EV lease/loan and solar leasing solution	Natural Capital Social and Relationship Capital
Ongoing engagement with employees, customer, suppliers and business partners to create awareness on climate action. Partnership with LeMS to promote Electric Three Wheeler Conversion Supported to UNDP e-tuk tuk Pilot Project	Social and Relationship Capital Financial Capital Natural Capital

Value Delivered

Carbon Footprint (tCO_2e)
Group 6,639
Company 5,819

Disbursements
Rs. 33,447.41 Mn

Investment on Green outreach projects
Rs. 0.53 Mn

Awards

- Merit Award in the Finance Sector under the Service - Large Category at the National Cleaner Production Awards 2025
- Merit Certificate under the Small Scale Category - Commercial Building Sector at the Sri Lanka National Energy Efficiency Awards 2025, organized by the Sri Lanka Sustainable Energy Authority under the Ministry of Energy.

Natural Capital

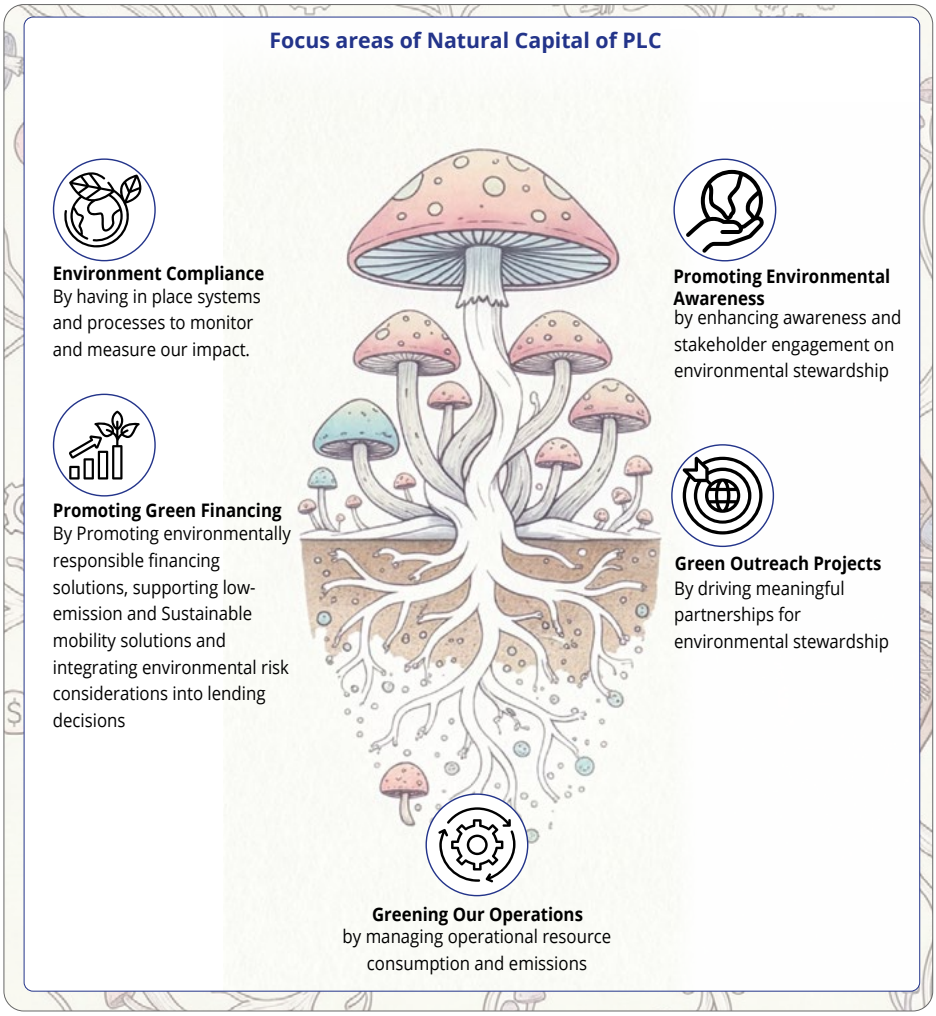
Delivering on our FY 25/26 Goals

Support local green projects through financial assistance or strategic partnerships for community based initiatives that promote environmental conservation and sustainability	In Progress
Continue advancing green initiatives across all branches by promoting paperless operations, enhancing energy efficiency, segregating solid waste, and ensuring environmentally responsible disposal practices	In Progress
Pursue fintech partnerships to enhance digital channel architecture in support of green operations	In Progress
Advance and Strengthen ESG due diligence across lending and procurement functions to promote sustainable and ethical business practices	Complete
Implement a company-wide energy audit to assess current energy usage and develop targeted improvement measures	In Progress
Streamline HR processes through automation.	In Progress
Implement the e-memo system to ensure efficient HR services.	In Progress
Conduct regular HR visits to branches to strengthen relationships	In Progress

Complete In Progress Incomplete

People's Leasing Environmental Agenda

Guided by its commitment to climate action, Peoples Leasing's environmental agenda is built around five key focus areas to reduce negative environmental impacts and support nation's gradual transition to a low carbon economy.



Environmental Compliance

As a responsible corporate entity, People's Leasing ensures full compliance with all applicable environmental rules & regulations and standards in Sri Lanka. This includes compliance with the National Environmental Act and adherence to the Specific Energy Consumption (SEC) Benchmark issued by the Sri Lanka Sustainable Energy Authority.

In addition to the above, the Company continues to communicate its ESG impacts on a voluntary basis by aligning its agenda with Global and National level Sustainability related agendas , including selected United Nations Sustainable Development Goals (UNSDGs) and Sri Lanka's Nationally Determined Contributions (NDCs) under the Paris Agreement, reflecting our strong commitment to aligning business operations with broader national and global sustainability priorities.

Further PLC ensures compliance across our operations by maintaining all operational sites, including the Head Office and branch network, in accordance with national environmental regulations and licensing requirements issued by the Central Environmental Authority, by engaging only licensed and certified service providers for Solid Waste Management and related environmental services and by continuously reviewing operational practices to strengthen compliance, minimize environmental risks and integrate sustainability considerations into business decisions.

Environmental Compliance and Voluntary Commitments

Mandatory compliance

- National Environmental Act
- Specific Energy Consumption (SEC) Benchmark of Sri Lanka Sustainable Energy Authority
- Sri Lanka Financial Reporting Standards (SLFRS) S1 and S2

Voluntary adoption

- UNSDGs



- Nationally Determined Contributions (NDCs)

Policy Commitments

- CBSL Sustainable Finance Roadmap 2.0
- Sri Lanka Green Finance Taxonomy
- CBSL Guidelines on Sustainable Finance Activities for Licensed Finance Companies
- PLC ESG Policy

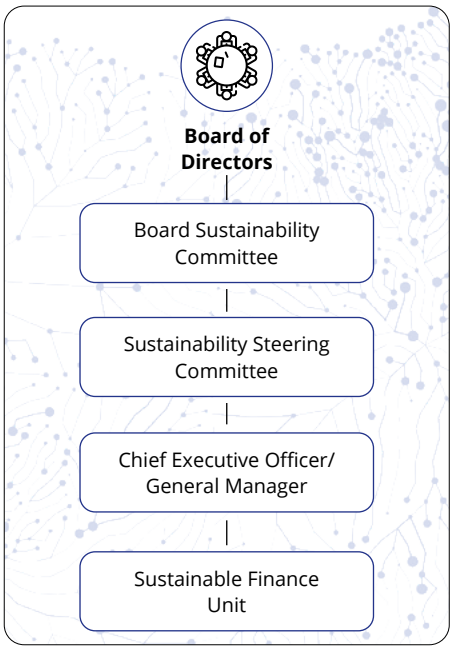
Certifications

- Carbon Conscious Certificate from Climate Smart Initiatives (PVT) Ltd for financial year 2025/26 for the measurement and reporting of PLC (Group) Carbon Footprint in accordance with the requirements of Greenhouse Gas Protocol and ISO 14064-1:2018 -greenhouse gas (GHG).

No fines or non-monetary sanctions were incurred during the financial year 2025/26 in relation to non-compliance with environmental laws and regulations.

Environmental Governance Structure

People's Leasing maintains a robust environmental governance structure that ensures sustainability considerations are embedded across decision making and operational processes. Oversight is led by the Board of Directors, supported by the Board Sustainability Committee, which guides strategic direction and monitors environmental performance. At the management level, the Sustainability Steering Committee drives the implementation of key initiatives, while the Sustainable Finance Unit integrates environmental priorities into lending practices and operational activities. Together, these governance bodies enable PLC to manage environmental risks responsibly, advance climate aligned opportunities, and uphold its commitment to sustainable and accountable business practices.



Climate Risk and Sustainability Reporting

People's Leasing is committed to the mandatory adoption of Sustainability Reporting Disclosures under SLFRS S1 and S2 from the financial year 2025/26 onwards. In preparation for this transition, the Company places strong emphasis on understanding the environmental impacts of its operations, with particular focus on identifying Climate Related Risks and Opportunities (CRROs). This approach enables PLC to align its strategies to effectively mitigate and adapt to material climate risks, while also leveraging emerging opportunities to support long term, sustainable growth.

Promoting Green Financing

With a strong presence in the green financing space, People's Leasing continues to advance Sri Lanka's transition to a low-carbon economy by promoting climate responsive investments and financing solutions. The Company's green financing offering is guided by CBSL's Guidelines on Sustainable Finance Activities for Licensed Finance Companies, the Revised Roadmap on Sustainable Finance 2.0 issued by Central Bank of Sri Lanka, Sri Lanka Green Finance Taxonomy and Directives issued by Colombo Stock Exchange (CSE). Key aspects of our Green Financing proposition are discussed below.

Sustainable Lending and Leasing

PLC prioritizes financing solutions that encourage energy efficiency, low-carbon mobility and environmentally friendly technologies. This includes vehicle leasing options for hybrid or electric vehicles and support for small and medium enterprises (SMEs) adopting green practices.

During the year, PLC introduced a bundled EV lease/loan and solar leasing solution, offering a 100% solar lease facility for customers purchasing unregistered EVs through PLC. The initiative supports sustainable financing and encourages cleaner, energy efficient adoption.

Natural Capital

Climate-Responsive Investments

Peoples Leasing identifies and supports projects aligned with climate resilience objectives, including renewable energy and environmentally sustainable business operations.

Solar Leasing scheme

The scheme offers affordable loans for rooftop solar installations supporting households, businesses and individuals to transition to clean energy, reduce carbon emissions and lower energy costs. During the year a total of Rs. 64,427.43 Mn was disbursed through this scheme to businesses and individuals.

Integration of ESG Across Decision Making and Risk Management

ESG considerations are taken into account when evaluating business opportunities, investments, and lending decisions. PLC integrates Environmental, Social and Governance (ESG) factors into its decision-making process by maintaining an ESG due diligence checklist for credit proposals and new supplier registrations. Furthermore, PLC has incorporated ESG risks into its Risk Management Framework, enhancing its risk identification and assessment processes.

Advisory and Capacity-Building Support

Beyond financing, Peoples Leasing provides advisory services to customers, guiding them toward climate-resilient and sustainable business models. By sharing knowledge on energy efficiency, resource optimisation and sustainable practices, the Company enhances the broader positive environmental impact of its lending portfolio.

Monitoring and Impact Assessment

ESG considerations are integrated into the screening of all credit proposals through a ESG due diligence for all credit proposals. Ongoing monitoring is also undertaken to ensure continued adherence to relevant environmental and social requirements.

Strategic Partnerships

Partnership with LeMS to promote Electric Three Wheeler Conversion

PLC has partnered with Lanka E Mobility Solutions (PVT) Ltd to offer financial solutions for converting ICE driven three wheelers into electric three wheelers. This initiative enables three wheeler operators to transition to electric mobility without the need to invest in a brand new vehicle, by converting their existing conventional three wheelers. The solution not only promotes sustainable transportation but also delivers cost savings to operators, as battery charging expenses are significantly lower than traditional fuel costs.

Supported for the UNDP e-tuk tuk project

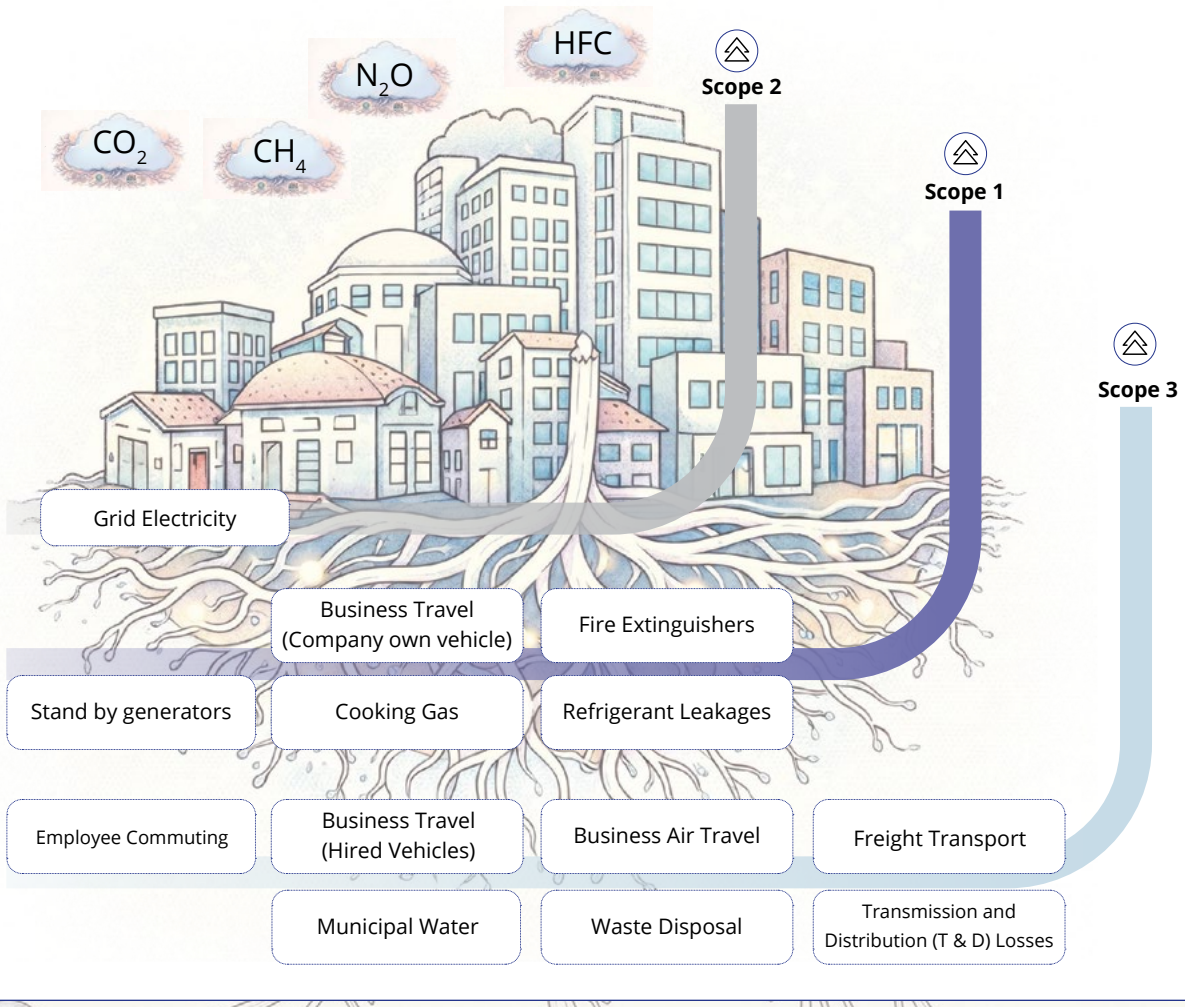
PLC extended its support to the United Nations Development Programme (UNDP) e-Tuk Tuk Programme, a pilot project aimed at converting 200 petrol-powered three-wheelers into electric e-tuks. Under this programme, eligible clients who applied and expressed interest were supported throughout the conversion process. In the initial phase, PLC facilitated the transition of its leased vehicles by waiving applicable fees related to engine conversion registration, along with assisting in the associated RMV procedures.

Greening Our Operations

In line with its environmental stewardship agenda, PLC continues to implement initiatives aimed at enhancing energy and water efficiency, promoting responsible waste management to minimize the overall environmental impact of our operations.

Greenhouse Gas (GHG) Emission Inventroy Categories of People's Leasing & Finance PLC (Group)

In line with its environmental stewardship agenda, PLC continues to implement initiatives aimed at enhancing energy and water efficiency, promoting responsible waste management to minimize the overall environmental impact of our operations.



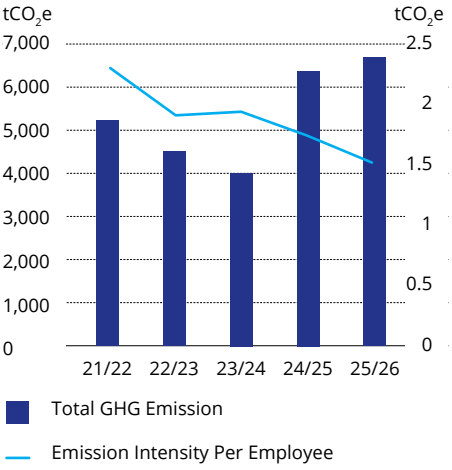
Natural Capital

GRI 302-1, 302-2, 302-3, 302-4, 302-5

Energy Management

As a financial services provider, People's Leasing's operations are comparatively less energy intensive. The Company's energy consumption primarily comprises electricity usage across its island wide branch network and Head Office premises and fossil fuel consumption related to its vehicle fleet and standby generators. In FY 2025/26 total electricity consumption amounted to 6,744,691.70 kWh.

Total GHG Emission & Emission Intensity Per Employee - Group



The Company continued to strengthen energy efficiency across its branch network and operational facilities through targeted energy reduction initiatives. Key measures implemented during the year included the continuation of the transition to energy-efficient LED lighting across our branches, optimising air-conditioning systems and equipment maintenance schedules, monitoring branch-level energy performance, and fostering employee awareness on energy conservation practices. Meanwhile the company has continued to explore renewable energy integration, including rooftop solar feasibility at selected locations.

Energy consumption within and outside of People's Leasing (company)

Energy Type	Energy Source	Consumption level (Joules)		
		2025/26	2024/25	2023/24
Within PLC				
Renewable	solar	73.05	57.71	0
Non-renewable	fossil fuel	27,915.85	24900.11	14857.49
Total		27,988.90	24957.82	14857.49
Energy intensity (per employee)		6.36	9.32	6.32
Outside PLC				
Renewable	solar	0	0	0
Non-renewable	fossil fuel	38,068.11	12721.71	7409.98
Total		38,068.11	12721.71	7409.98
Energy intensity (per employee)		8.65	4.75	3.61

GRI 305-1,305-2,305-3,305-4,305-5, 305-6,305-7

Emissions Management

Calculating our Carbon Footprint

People's Leasing has been calculating and disclosing its Direct (Scope 1) and Indirect (Scope 2 and relevant Scope 3) greenhouse gas (GHG) emissions since FY 2014/15. Accordingly Group-wide carbon footprint for the FY 2025/26 was calculated for the 12th consecutive year in accordance with ISO 14064-1:2018, GHG Protocol and the emission calculation guidelines of the Intergovernmental Panel on Climate Change (IPCC). Further the Calculated GHG emissions were also independently verified by Sri Lanka Climate Fund in accordance with ISO 14064-3.

Scope, basis and methods of Measurement

Scope - People's Leasing Group Greenhouse Gas Assessment

Applied Standard: ISO 14064 - 1:2018 and Greenhouse Gas (GHG) Protocol

Based Year: 2014/15

Reporting Period: 01st April 2025 to 31st March 2026

Consecutive 12th year for calculation

Reporting boundary is PLC Head office,112 Branches,6 vehicle yard, 01 Holiday Home and 6 Subsidiaries

GHG calculation was conducted by Climate Smart Initiative (PVT) Ltd

A qualified engineer has been appointed to oversee energy management and monitor the energy performance of the Head Office, while the Head of Administration serves as the Company's Energy Manager, responsible for updating electricity consumption data on a quarterly basis through the National Energy Benchmarking Portal (NEBP) managed by Sri Lanka Sustainable Energy Authority, in line with the Specific Energy Consumption (SEC) Benchmark. The head office also has in place a Building Management System (BMS) to ensure accurate monitoring of energy usage.

GRI 305-1

Scope 1 emissions

Direct emissions that occur directly from our activities, such as fuel consumption from company vehicles, on-site energy use from sources we own or control.

Scope	Emission Source	2025/26 GHG Emissions (tCO_2e)	
		Company	Group
Scope 01	Business travel (company own vehicle)	167.12	203.64
	Stand by diesel generators	60.52	63.96
	Rented Vehicles	N/A	N/A
	Fire extinguishers	0.63	0.63
	Cooking gas	0.89	0.89
	Refrigerant leakages	571.98	571.98
	Total Direct Emissions	**801.14**	**841.10**

GRI 305-2

Scope 02 Emissions

Indirect emissions that occur from energy we purchase.

Scope	Emission Category	Emission Source	2025/26 GHG Emissions (tCO_2e)	
			Company	Group
Scope 02	Grid Electricity		2,389.79	2,849.96

GRI 305-3

Scope 03 Emissions

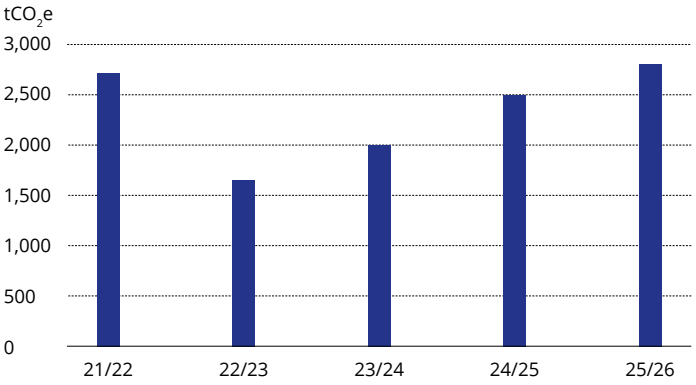
Emissions that arise from activities beyond our direct control, including the operations of companies we finance or invest in.

Scope	Emission Category	Emission Source	GHG Emissions (tCO_2e)	
			Company	Group
Scope 03	Indirect Emission from Transportation	Employee commuting	1,404.00	1,623.78
		Hired Vehicles	842.31	885.61
		Business Air Travel	11.27	17.28
		Transport locally purchased items	104.88	105.67
	Indirect Emission from Services used by the company	Municipal Water	7.47	10.38
		Waste Disposal	7.04	7.52
	T & D Loss		250.86	296.95
	Total Indirect Emissions (Scope 2+3)		**5,017.62**	**5,797.15**

Included gases in calculation of Direct & Indirect GHG Emissions

	GHG Emissions (tCO_2e)				
	CO_2	N_2O	CH_4	HFC	Total
Direct GHG Emissions (Scope 1)	264.74	2.88	1.51	571.98	841.10
Indirect GHG Emissions (Scope 2)	2,849.96	-	-	-	2,849.96
Other Indirect GHG Emissions (Scope 3)	2,947.19	-	-	-	2,947.19
Total GHG Emissions	**6,056.66**	**4.65**	**4.95**	**571.98**	**6,638.25**
GHG Emissions (Per Employee	**-**	**-**	**-**	**-**	**1.51**

Electricity Consumption (Grid) - Group



Emission Category	Scope	GHG Emission (tCO_2e)				
		2025/26	2024/25	2023/24	2022/23	2021/22
Direct Emission	Scope 1	1,001.32	1,309.84	1,017.64	1,485.15	1,050.15
Indirect Emission	Scope 2	2,849.96	2,514.84	2,000.48	1,667.78	2,741.62
	Scope 3	2,786.97	2,498.90	956.30	1,338.49	1,390.81
Total GHG Emission		**6,638.25**	**6,323.58**	**3,974.42**	**4,491.42**	**5,182.58**
Emission intensity per Employee		**1.51**	**1.74**	**1.94**	**1.91**	**2.31**

GHG Emission Intensity Per Employee (tCO_2e) - Company

Description	2025/26	2024/25
GHG emissions (tCO_2e)	5,818.76	5,663.76
GHG Emission Intensity Per Employee	1.79	2.11

Natural Capital

Readiness for Financed Emission Calculation in accordance with SLFRS S1 and S2

As part of our short-term plan, company aims to build readiness for financed emissions calculation by developing the required methodologies, systems and internal capabilities using the transition relief given by the standard.

Reducing our emissions

As part of its broader environmental commitment, People's Leasing continued to implement measures aimed at reducing both direct and indirect emissions. Key actions taken are highlighted below.

Scope 1 Reduction	Scope 2 reduction	Scope 3 reduction
We continued to implement energy efficiency measures and promote sustainable practices across the organisation to reduce Scope 1 emissions. Key initiatives during the year included optimising vehicle deployment to reduce travel-related fuel consumption, increasing the use of virtual meetings to limit travel-related emissions, and carrying out regular maintenance of generators and fleet vehicles to enhance fuel efficiency.	As part of efforts to reduce Scope 2 emissions, the Company focused on managing electricity consumption across branches and head office operations. This involved the gradual replacement of conventional lighting with LED systems, installation of energy-efficient air-conditioning units, promotion of energy-saving practices through staff awareness, and installation of rooftop solar systems and more energy efficient layouts at feasible locations.	We continued to address Scope 3 value chain emissions by engaging with stakeholders on responsible and energy-efficient practices. As part of these efforts we continued to promote practices such as digital documentation, e-documents, and e-receipts to reduce paper consumption. Ongoing efforts in Green Finance, Green Awareness, and Green Outreach meanwhile continued to support the reduction of our value chain emissions.

Responsible Sourcing

As part of our efforts to ensure responsible sourcing, all new suppliers are required to complete an ESG due diligence checklist, affirming their commitment to social and environmental best practices at the point of registration. This includes compliance with relevant environmental regulations as well integration of environmental best practices.

GRI 303-1, 303-2,303-3, 303-4, 303-5

Water Management

People's Leasing's operations are inherently low in water intensity, with consumption limited to sanitation requirements and general facility maintenance across the branch network and Head Office premises. Total water withdrawn during the year amounted to m³, sourced entirely from municipal supply & groundwater. All waste water from our locations meanwhile is discharged through municipal sewer systems in compliance with local regulatory requirements. No significant water pollutants are generated as part of operational activities.

GRI 303-3, 303-4, 303-5

Water Consumption

Description	2025/26
Water Consumption (m3)	67,764.74
Per Employee Water Consumption (m3)	15.40

Despite its relatively low water footprint, People's Leasing recognizes water scarcity as a growing challenge and remains committed to managing water responsibly across its operations. Accordingly, the Company continues to promote responsible water stewardship through employee awareness, routine monitoring of water consumption across branches, timely maintenance to minimize leakages, investment in water-efficient fixtures, and the use of rainwater harvesting at selected locations. As a result of these efforts total water consumption during the year amounted to 67,764.74 m³, reflecting a 35.68% increase compared to the previous reporting period while water intensity measured as consumption per employee amounted to 15.40m³ indicating a higher level of water efficiency.

GRI 306-1, 306- 2, 306-3, 306-4, 306-5

Material and Waste Management

Waste generated through our operations consists primarily of paper waste, electronic waste, plastic polythene waste and food waste. To manage these waste streams responsibly, the company applies the 3R principle, Reduce, Reuse, and Recycle with primary emphasis placed on minimizing waste generation at source, supported by active efforts to promote reuse and encourage recycling wherever practical and feasible.

Waste Generated

Hazardous Waste Generated

None

Non- Hazardous Waste

103,760.71 Kg

Waste Intensity

Waste per Employee

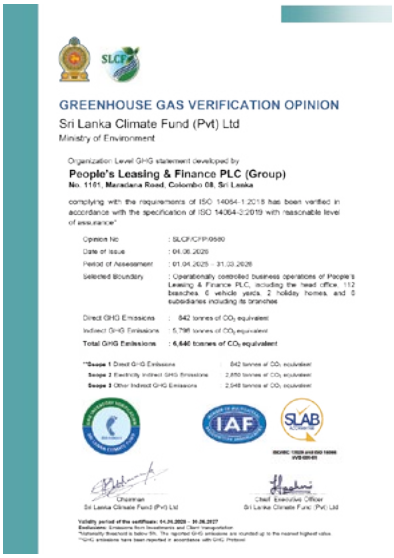
23.58 Kg

Waste by Disposal Method

Waste Type	Location	Disposal Method	Disposed Quantity (Kg)	% of Waste Recycled
Food waste	PLC group	Combustion	9,423.00	N/A
Food waste	PLC group	Composting	44,002.16	
Food waste	PLC group	Piggery Feeding	13,631.00	
Mixed waste	PLC group	Combustion	13,080.00	N/A
Mixed waste	PLC group	Composting	200	
Paper waste	PLC group	Closed loop recycling	4,604.00	29.50%
Paper waste	PLC group	Combustion	8,154.50	
Paper waste	PLC group	Composting	1,415.00	
Paper waste	PLC group	Open loop recycling	NA	
Paper waste	PLC group	Re-use	1,435.80	
Plastic waste	PLC group	Closed loop recycling	2,557.40	62.98%
Plastic waste	PLC group	Combustion	1,785.30	
Plastic waste	PLC group	Open loop recycling	1,007.20	
Plastic waste	PLC group	Re-use	310	
E- waste	PLC group	Open loop recycling	706.2	93.34%
E- waste	PLC group	Combustion	100	
E- waste	PLC group	Closed loop recycling	1,305.65	
E- waste	PLC group	Re-use	43.5	

Reduce	Reuse	Recycle
The Company's ongoing digitisation drive including online transactions, digital documentation, and process automation, continued to lower paper consumption across operations by reducing dependence on printed materials. We also focus on responsible procurement to minimize packaging waste.	Reuse is encouraged across operations wherever feasible including re-using paper, office furniture etc.	Waste segregation is practiced across all premises to segregate recyclable and non- recyclable waste. We also work with registered third-party recyclers to ensure the responsible collection, treatment, and disposal of recyclable waste generated through operations including paper, plastics and electronic waste.

Greenhouse Gas Verification Opinion - PLC Group



GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd

Ministry of Environment

Organization Level GHG statement developed by

People's Leasing & Finance PLC (Group)

No. 1101, Maradana Road, Colombo 08, Sri Lanka

complying with the requirements of ISO 14064-1:2018 has been verified in accordance with the specification of ISO 14064-2:2019 with reasonable level of assurance*

Opinion No : SLCF/CFP/0680

Date of issue : 01.06.2026

Period of Assessment : 01.04.2025 - 31.03.2026

Selected Boundary : Operationality controlled business operations of People's Leasing & Finance PLC, including the head office, 112 branches, 6 vehicle yards, 2 holiday homes, and 0 subsidiaries including its branches

Direct GHG Emissions : 842 tonnes of CO_2 equivalent

Indirect GHG Emissions : 5,798 tonnes of CO_2 equivalent

Total GHG Emissions : 6,640 tonnes of CO_2 equivalent

**Scope 1 Direct GHG Emissions : 842 tonnes of CO_2 equivalent

Scope 2 Electricity Indirect GHG Emissions : 2,850 tonnes of CO_2 equivalent

Scope 3 Other Indirect GHG Emissions : 2,948 tonnes of CO_2 equivalent

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Validity period of the certificate: 01.04.2025 – 31.06.2027

Exclusions: Emissions from Investments and Client transportation

*Materiality threshold is below 5%. The reported GHG emissions are rounded up to the nearest highest value.

**GHG emissions have been reported in accordance with GHG Protocol

Natural Capital

Promoting Environmental Awareness

Creating awareness and educating our employees, customers and business partners on the benefits of environmental and socially sustainability and supporting them in their journey towards a more environmentally friendly behaviour is an important way in which we can have a positive impact on our community.

Employee Awareness

- Signage and digital reminders (E-flyers) supporting responsible energy use.
- Annual Group carbon footprint assessments to strengthen sustainability awareness and carbon consciousness.
- Weekly ESG Tuesday initiative to enhance employee awareness on ESG topics.
- Awareness sessions on green practices
- "Say No to PET Bottles Campaign" was initiated during the year as part of our efforts to create awarness on the harms of single use plastics



- Training opportunities including external training for employees on green finance and sustainability reporting to enhance their technical knowledge and practical understanding of emerging sustainability topics
- Capacity building program for employees on SLFRS S1 and S2

Customer Awareness

- Advisory and capacity building for customers to raise awareness on climate-resilient and sustainable business practices, encouraging more sustainable operating models.

Suppliers

- Supplier evaluation criteria include adherence to environmental standards and we also maintain and ongoing dialog with our suppliers to ensure that they adhere to our environmental standards throughout the contract period.

Community Awareness

- Outreach programs including Solid Waste Management Projects

GRI 304-2 , 304-3

Green Outreach Projects

In support of environmentally sustainable behaviour within communities, People's Leasing continues to collaborate through public–private partnerships to deliver and support impactful environmental initiatives with long-term community value.

Community Waste Management

As part of our broader environmental agenda, we support CSR initiatives that promote environmental protection and encourage sustainable practices within our communities.

- As part of our ongoing community waste management drive, the Welimada branch successfully implemented a solid waste management project in the town of Welimade, installing three units of waste bins in the town center.

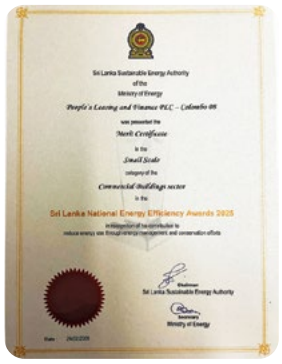


Recognition of Excellence in Environmental Stewardship

The company received several awards during the year in recognition of its commitment to sustainability, responsible operations, and energy-efficient practices and contribution towards a low-carbon and climate-resilient future.

Received a Merit Award in the Finance Sector – Service (Large Category) at the National Cleaner Production Awards 2025, in recognition of the Company's leadership in sustainable business practices and environmental stewardship.

Received a Merit Certificate under the Small Scale Category- Commercial Building Sector at the Sri Lanka National Energy Efficiency Awards 2025, organised by the Sri Lanka Sustainable Energy Authority. The recognition reflects PLC's strong performance in energy management and conservation, including effective initiatives to reduce energy consumption across its operations.



Natural Capital

Way Forward

Short Term (1 Year)

- Implementation of Environmental Management System (EMS)
- Conduct company-wide energy audit to identify efficiency opportunities.
- Strengthen ESG due diligence in lending and procurement.
- Study methodologies for calculating financed emissions in line with climate-related disclosure requirements.
- Build employee awareness on ESG and Sustainability related Risks & Opportunities

Medium Term (2-3 years)

- Increase renewable energy use across operations
- Integrate climate scenario analysis into lending and investment decisions
- Expand green finance portfolio
- Digitize operations to reduce paper use
- Set measurable energy reduction targets
- Strengthen data systems for SLFRS S2 reporting
- Promote green building practices at branches

Long Term (Over 3 Years)

- Reduce financed emissions via sustainable portfolio transformation
- Adopt circular economy practices across operations
- Implement science-based Scope 1, 2 & 3 emission targets
- Set KPIs to drive Net Zero progress across all functions

GOVERNANCE & RISK

Growing Beneath the Surface



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Board of Directors

GRI 2-9




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Board of Directors

1. Prof. Ajantha Samarakoon

Chairman/ Independent Non-Executive Director

Date Joined
31 December 2024

Qualifications
- PhD in Management and Economics, Tomas Bata University in Zlín, Czech Republic
- Bachelor of Commerce (Special) Degree and Master's Degree, University of Kelaniya
- Member – Institute of Certified Management Accountants (CMA Australia)
- Member – Association of Accounting Technicians of Sri Lanka (AAT)

Experience
23 years of experience in Teaching, Research, Curriculum Development and Student Mentorship. In addition, gained audit supervisory experience in financial governance and operational oversight.

Key Skills
Finance and Auditing

Membership in Sub-Committees
- Member of Board Integrated Risk Management Committee
- Member of Board Related Party Transactions Review Committee

Current Positions within People's Leasing Group
- None

Current Positions outside the People's Leasing Group
- Professor attached to the Department of Commerce and Financial Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka.

Past positions held/ Experience
- Head – Department of Commerce and Financial Management (2015–2018), Faculty of Commerce and Management Studies, University of Kelaniya.
- Coordinator – Master of Business Administration (MBA), Faculty of Commerce and Management Studies, University of Kelaniya.
- Coordinator – Master of Commerce (MCom), Department of Commerce and Financial Management, University of Kelaniya.
- Experienced academic leader with a track record in supervising PhD candidates and contributing to international conferences.
- Contributed to curriculum development for both state and private universities in Sri Lanka, supporting the advancement of the national higher education system.
- Served as Co-Chair of the International Conference on Business and Industry (ICBI 2017)

2. Mr. Clive Fonseka

Non-Executive, Non-Independent Director

Date Joined
19 February 2020

Qualifications
- Master's Degree in Business Administration from the University of Sri Jayewardenepura's Postgraduate Institute of Management.
- Senior Fellow Member of the Institute of Bankers of Sri Lanka
- ACI Dealing Certificate
- Certified Member of the Institute of Certified Management Accountants of Australia (CMA)

Experience
With over 30 years of experience includes senior roles at American Express Bank and Standard Chartered Bank.

Key Skills
Banking/Finance

Membership in Sub-Committees
- Member of the Board Audit Committee

Current Positions within People's Leasing Group
- Chief Executive Officer/General Manager of People's Bank

Current Positions outside the People's Leasing Group
- Director - Sri Lanka Banks' Association
- Governing Board Member- Institute of Bankers of Sri Lanka
- Director - LankaPay Ltd
- Member – National Payment Council

Past positions held/ Experience
- Deputy General Manager at People's Bank
- Head of Treasury – People's Bank

3. Mr. Pravir Dhanoush Samarasinghe

Non-Executive, Non-Independent Director

Date Joined
6 November 2023

Qualifications
- Fellow Member of Institute of Chartered Accountants of Sri Lanka
- Fellow Chartered Member of Institute of Management Accountants (UK)
- Master's Degree in Business Administration.

Experience
38 years of professional and commercial experience including 23 years in senior leadership.

Key Skills
General Management, Finance, and Accounting

Membership in Sub-Committees
- Member of Board Nominations and Governance Committee
- Member of Board Credit Committee
- Member of Board Debenture Oversight Committee
- Member of Board Related Party Transactions Review Committee

Current Positions within People's Leasing Group
- None

Current Positions outside the People's Leasing Group
- Director/CEO of Overseas Realty (Ceylon) PLC
- Director/CEO of Mireka Capital Land (Pvt) Ltd
- Director/CEO of Mireka Homes (Pvt) Ltd
- Director/CEO of Havelock City (Pvt) Ltd
- Director/CEO of Realty Management Services (Pvt) Ltd
- Director/CEO of Overseas Realty Trading (Pvt) Ltd
- Director of Swadeshi Marketing (Pvt) Ltd
- Director of Swadeshi Industrial Works PLC
- Director of John Keells PLC
- Trustee of the Employers' Federation of Ceylon
- Council member of the Employers' Federation of Ceylon

Past positions held/ Experience
- Chairman of the Sri Lanka Institute of Directors
- Chairman of the Employers' Federation of Ceylon
- Chairman of the Industrial Association of Sri Lanka
- Chairman of the Condominium Developers Association of Sri Lanka
- Board member of the Ceylon Chamber of Commerce
- Board member Sri Lanka Accounting and Auditing Standard Monitoring Board
- Group COO/Executive Director Richard Peiris & Company PLC

4. Mr. Dulinda Perera

Non-Executive, Non Independent Director

Date Joined
23 January 2025

Qualifications
- Bachelor of Science in Engineering (Hons) in Chemical and Process Engineering from the University of Moratuwa
- MBA from the University of the West of Scotland
- Chartered Global Management Accountant (CGMA)
- Associate Member of the Chartered Institute of Management Accountants (ACMA)
- Member of the Chartered Institute of Marketing (MCIM)
- Member of the Chartered Institute of Professional Managers (MCPM)
- Certified in Risk and Information Systems Control (CRISC) from ISACA

Experience
Extensive experience across Branding, Digital Transformation, and Business Finance.

Key Skills
Expertise in Branding, Information Technology, Digital transformation, Corporation communications & Business Finance

Membership in Sub-Committees
- Chairman of the Board Information Technology Committee
- Chairman of Board Marketing Committee
- Member of the Board Credit Committee

Current Positions within People's Leasing Group
- Chairman – People's Micro-Commerce Ltd
- Director – People's Insurance PLC

Current Positions outside the People's Leasing Group
- Hotel Developers (Lanka) Limited – Non-Executive Director
- IKON Management Solutions Pvt Limited – CEO/Director
- Member - Board of Management - Gambling Regulatory Authority

Past positions held/ Experience
- People's Insurance PLC - Consultant (Head of Marketing)
- Indian High Commission of Colombo – Consultant Communications
- N Factor Global– Vice President New Media

Board of Directors

5. Ms. Udeni Gallage
Non-Executive, Independent Director

Date Joined
30 January 2025

Qualifications
- Attorney-at-Law

Experience
Over a decade of extensive experience in the Sri Lankan legal field, having served in both the private bar and government sector. Has contributed significantly to legal research, training programs, and voluntary initiatives aimed at justice and legal empowerment.

Key Skills
Legal, Research, Legal Empowerment, Training, Community Engagement

Membership in Sub-Committees
- Chairperson of Board Related Party Transaction Review Committee
- Chairperson of Board Recoveries Voluntary Committee
- Member of Board Information Technology Committee
- Member of Board Sustainability Committee
- Member of Board Debenture Oversight Committee

Current Positions within People's Leasing Group
- None

Current Positions outside the People's Leasing Group
- None

Past positions held/ Experience
- Resource person for various institutions including the Department of Sports Sciences and Physical Education at Sabaragamuwa University of Sri Lanka
- Contributor to legal research and community-based legal training programs

6. Mr. Anura Perera
Non-Executive, Non-Independent Director

Date Joined
10 February 2025

Qualifications
- Bachelor of Business Management degree from the University of Kelaniya
- Master of Business Studies from the University of Colombo.
- ACI-Operations Certificate with a distinction pass from the Financial Markets Association-Paris
- ACI on-line FX Global Code Certificate from the Financial Markets Association-Paris
- Fellow Member of the Institute of Bankers of Sri Lanka
- Member of the Association of Banking Sector Risk Professionals
- Member of the Sri Lanka Forex Association
- Member of the Association of Professional Bankers Sri Lanka
- Member of Sri Lanka Institute of Directors

Experience
Career started in 1991 and has gained extensive exposure and experience in Branch Banking, Regional Administration, Treasury Operations, Risk Management, and Credit Control in banking sector.

Key Skills
Risk management, Treasury operations, Credit Control , Branch Banking and Regional Administration

Membership in Sub-Committees
- Chairperson of the Board Investment Committee
- Chairperson of Board Sustainability Committee
- Member of the Board Integrated Risk Management Committee
- Member of Board Information Technology Committee

Current Positions within People's Leasing Group
- DGM -Risk Management – People's Bank
- Chairman of the People's Leasing Fleet Management Ltd
- Director of the Alliance Finance PLC – Bangladesh

Current Positions outside the People's Leasing Group
- None

Past positions held/ Experience
- AGM-Risk Management – People's Bank

7. Mr. Sathananthan Sudarshan

Non-Executive/ Independent Director

Date Joined
10 February 2025

Qualifications
- Associate of the Institute of Chartered Governance Institute UK and Ireland
- Associate of the Institute of Chartered Corporate Secretaries in Sri Lanka.
- MBA from the University of Lincoln, Hull, United Kingdom
- Completed the "Company Director's Course' conducted by the Common Wealth Association for Corporate Governance on behalf of the Common Wealth Fund for Technical Co- operation
- Member of the Sri Lanka Institute of Directors

Experience
A governance specialist with a Management and corporate secretarial background. Well versed in regulatory requirements of licensed financial institutions with over 20 years of experience.

Key Skills
Well versed in Board room activities, Board dynamics in advising Boards with special emphasis on Corporate Governance

Membership in Sub-Committees
- Chairperson of the Board Nominations & Governance Committee
- Chairperson of the Board Integrated Risk Management Committee
- Chairperson of Board Debenture Oversight Committee
- Member of the Board Audit Committee
- Member of the Board Human Resources & Remuneration Committee
- Member of the Board Related Party Transactions Review Committee
- Member of the Board Investment Committee

Current Positions within People's Leasing Group
- None

Current Positions outside the People's Leasing Group
- Chairperson of Board Secretaries Forum of Sri Lanka Institute of Directors
- Chairperson of Governance Consultants (Private) Limited
- Treasurer of the Sri Lanka Tennis Association
- Member of the Board of Management of the Institute of Chartered Corporate Secretaries of Sri Lanka

Past positions held/ Experience
- Group Company Secretary – Sampath Bank PLC
- Group Company Secretary – Siyapatha Finance PLC

8. Ms. Shameela Senaratne Loku Kaluge

Non- Executive, Non- Independent Director

Date Joined
17 February 2025

Qualifications
- Bachelor of Science Degree in Biological Science with a Second Class Upper Division from the University of Kelaniya,
- Master of Science in Computer Science from the University of Colombo
- Master of Business Administration (Finance) with a distinction from Cardiff Metropolitan University, UK
- Diploma in Treasury, Investment, and Risk Management from the Institute of Bankers of Sri Lanka (IBSL)
- Diploma in International Trade from IBSL
- Senior Fellow of the IBSL
- ACI Dealing Certificate with a Distinction from the ACI Financial Markets Association, France
- ACI Online FX Global Code Certificate awarded by the ACI Financial Markets Association, France
- Member of the Sri Lanka Forex Association
- Member of the Association of Professional Bankers

Experience
Over 23 years of experience in Bank's Treasury Unit.

Key Skills
Treasury operations including FX dealing, investment banking and risk management, International Banking, handling Financial Institutions, Computer science, Quality assurance

Membership in Sub-Committees
- Member of the Board Investment Committee
- Member of the Board Marketing Committee
- Member of the Board Sustainability Committee

Current Positions within People's Leasing Group
- DGM - Treasury, International & Investment - People's Bank

Current Positions outside the People's Leasing Group
- President of Association of Primary Dealers (APD)

Past positions held/ Experience
- Sri Lanka Standards Institute – Standards/Testing Office
- Informatics Information systems (Pvt) Ltd- Faculty Member/Centre Coordinator
- Director of the Association of Primary Dealers (APD) in 2017
- Secretary of APD from 2020 to 2023
- Vice President of APD from 2023 to 2025
- People's Travels (Pvt) Ltd – Director (past)

Board of Directors

9. Mr. Jayantha Thilakarathne
Non-Executive, Non- Independent Director

Date Joined
11 March 2025

Qualifications
- Attorney at Law with an LLB and LLM from the University of Colombo
- Master's in Public Management (HR) from the Sri Lanka Institute of Development Administration (SLIDA)
- Chartered Member of the Institute of Personnel Management (CIPM)
- Postgraduate Diploma in Public Management

Experience
Accomplished legal and human resource professional with over 25 years of senior management experience in both national and multinational organisations.

Key Skills
Expertise spans strategic HR management, legal advisory, change management, corporate culture development, and financial planning

Membership in Sub-Committees
- Chairperson of the Board Credit Committee
- Member of Board Nominations and Governance Committee
- Member of Board Marketing Committee
- Member of Board Sustainability Committee
- Member of Board Recoveries Voluntary Committee

Current Positions within People's Leasing Group
- None

Current Positions outside the People's Leasing Group
- People's Bank – Director
- People's Travels Pvt Ltd – Chairperson
- Director – CEB Employee Fund (Pvt) Limited
- Head of Group HR & Legal – Nawaloka Group

Past positions held/ Experience
- Janatha Estate Development Board - Chairperson
- Sri Lanka Telecom – Chief HR Officer
- Maliban Biscuit Manufactories – Group General Manager
- Ceylon Agro Industries PLC – Head of HR and Legal
- Lanka Wall tiles Limited – Personal Manager
- Rusirumal Pvt Ltd – Assistant Human Resource Manager
- Royal Porcelain (Interbatch Porcelain) – Head of HR/Legal
- State Plantation Corporation – Assistant Manager Legal

10. Dr. Isuru Manawadu
Non-Executive, Independent Director

Date Joined
23 September 2025

Qualifications
Professional Qualifications
- Fellow Chartered Accountant of the Institute of Chartered Accountants of Sri Lanka (FCA)
- Associate Member of the Association of Chartered Certified Accountants (ACCA-UK)
- Associate Member of Chartered Institute of Public Financial Accountant (CPFA) – UK

Academic Qualifications
- Ph.D. in Accounting at the University of Malaya, Malaysia,
- B.Sc. Accounting (Special) degree at the University of Sri Jayewardenepura

Experience
- Senior Lecturer in the Department of Accounting, Faculty of Management Studies and Commerce, at the University of Sri Jayewardenepura, Sri Lanka
- Senior Lecturer of University of Moratuwa.

Special Achievements
ACCA Gold Medalist – 2012 General Convocation of University of Sri Jayewardenepura for the most outstanding academic and extracurricular performance

Key Skills
Accounting Quality, Financial Accounting, Management Accounting, Corporate Reporting and Investment decision-making, Taxation, Forensic Accounting, International Accounting Standards and International Financial Reporting Standards (IAS/ IFRS), Procurement and Public Finance

Membership in Sub-Committees
- Chairperson of the Board Audit Committee
- Chairperson of the Board Human Resources and Remuneration Committee
- Member of the Board Related Party Transactions Committee
- Member of the Board Nominations and Governance Committee
- Member of Board Recoveries Voluntary Committee

Current Positions within People's Leasing Group
- None

Current Positions outside the People's Leasing Group
- Board Member of the Api Wenuwen Api Fund under the Ministry of Defense
- Board Member and Audit Committee Member of the Shrama Wasana Fund under the Ministry of Labour

Past positions held/ Experience
- Senior Lecturer at University of Moratuwa
- Associate Consultant at KPMG Sri Lanka

11. Ms. Nirosha Kannangara
Assistant General Manager – Company Secretary

Date Joined
02 May 2025

Qualifications
- Master of Laws (LL.M) – 2002, University of Colombo, Sri Lanka.
- Bachelor of Laws – Second class Honours (Lower division) – 1997 University of Colombo, Sri Lanka.
- Post Attorney Diploma in Banking and Insurance Laws – 2008 Advanced Legal Studies Unit of the Sri Lanka Law College.
- Attorney-at-Law of the Supreme Court of Sri Lanka from 01st of December 1998.
- Barrister and Solicitor to the Fiji High Court from 12th October 2018.
- Registered Company Secretary, in accordance with the Companies (Secretaries) Regulations in Sri Lanka to practice as a Corporate Secretary.
- Commissioner for Oaths since 1998.
- Notary Public since 1999.
- Accreditation Mediator in Fiji, since 2019.

Experience
26 years of overall experience in the field of law, banking, financial and company secretarial.

Key Skills
Advisory to the Board of Directors, Lecturer specialized in commercial law.

Current Positions
- Board/Company Secretary
- Secretary to the following Sub-Committees;

– Board Nominations and Governance Committee
– Board Related Party Transactions Review Committee
– Board Human Resources and Remuneration Committee
– Board Investment Committee
– Board Credit Committee
– Board Information Technology Committee
– Board Marketing Committee

Current Positions outside the People's Leasing Group
- Company Secretary of People's Leasing Fleet Management Limited
- Company Secretary of People's Leasing Property Development Limited
- Company Secretary to People's Leasing Havelock Property Limited

Past positions held/ Experience
- Assistant General Manager/Company Secretary U B Finance PLC.
- Director Legal at Sri Lanka Tourism Development Authority.
- Resident Magistrate to Fiji Judicial Department.
- Assistant Vice President Legal, Company and Board Secretary at Union Bank of Colombo PLC.
- Legal Consultant at the DFCC Bank and DFCC Vardhana Bank, Ratnapura Branch.
- Guest Lecturer at the Faculty of Graduate Studies, University of Colombo.
- Visiting Lecturer at the Management Faculty of the Kelaniya University, Kelaniya.
- Project – Co-ordinator at the Centre for the Study of Human Rights, Faculty of Law, University of Colombo.

Corporate Management




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Corporate Management

1. Mr. Sanjeewa Bandaranayake

Chief Executive Officer/ General Manager

Date Joined:
July 2007

Qualifications:
- FCA, FCMA (Sri Lanka), FCMA (Australia), Finalist of the CIMA (UK)

Experience :
Seasoned finance and corporate leader with over 37 years of professional experience, including more than 32 years of expertise in the Financial Services Sector.

Served as AGM / Financial Controller at Sampath Leasing and Factoring Ltd (Now Siyapatha Finance Ltd).

Served as Senior Manager - Finance & Administration, Commercial Leasing Company Ltd.

Key Skills:
Extensive expertise in Business Strategy and transformation, business turnaround and growth, treasury capital planning, HR, People leadership, administration, credit, branch network operations and Sustainability.

Positions held in People's Leasing Group:
Served as SDGM – Operations, DGM Finance & Administration.

Membership in Management Committees/Sub Committees:
- Chairman of ALCO
- Chairman of CMC
- Chairman of MIC
- Chairman of ITSC
- Chairman of ISC
- Chairman of SSC
- Member of EIRMC

Industry Representation/Other Directorships:
- Director of Leasing Association of Sri Lanka
- Director of People's Insurance PLC
- Director of People's Leasing Fleet Management Ltd
- Director of People's Leasing Property Development Ltd
- Director of People's Leasing Havelock Properties Ltd
- Director of People's Micro-Commerce Ltd
- Director of Alliance Finance PLC-Bangladesh
- Member of BAC – People's Micro-Commerce Ltd
- Member of RemCom – People's Micro-Commerce Ltd
- Council Member of the Finance Houses Association of Sri Lanka
- Chairperson of Board Strategic Plan Review Committee – People's Insurance PLC
- Member of Board Investment Committee – People's Insurance PLC
- Member of Board Nomination & Governance Committee – People's Insurance PLC
- Member of Related Party Transactions Review Committee – People's Insurance PLC
- Member of Board HR Remuneration Committee – People's Insurance PLC

Special Achievements/Representations:
- Appointed by CBSL to resurrect three troubled NBFI as Industrial Finance Ltd (IFL) - 2009, Central Industries and Financial Ltd (CIFL) - 2013 and People's Merchant Finance PLC (PMF) - 2015
- Spherehead the acquisition and merger of Seylan Merchant Finance PLC
- Represented PLC on the global stage, at international roadshows across the USA, UK, Dubai, Hong Kong, Singapore, Malaysia and India
- Lead the Company's landmark IPO of Rs. 7.2 Bn, recognized as the largest by a Homegrown Company in Sri Lanka

Past Positions held Outside the Group
- Former Director & Chairman of the Leasing Association of Sri Lanka
- Former Director of Credit Information Bureau of Sri Lanka
- Vice President of the Asian Financial Services Association (AFSA)
- Former Committee Member of the Ceylon Chamber of Commerce
- Former Council Member of the Sri Lanka Institute of Credit Management (SLICM).
- Former CEO of People's Merchant Finance PLC
- Former member of the CBSL Financial System Stability Consultative Committee

2. Mr. Udesh Gunawardena

Chief Operating Officer

Date Joined:
September 1999

Qualification:
- ACA, ACMA (Sri Lanka), Dip in Treasury Investment and Risk Management (IBSL), Word Prize Winner of ACS.

Experience:
Over 30 years of experience at senior levels in Finance and Operations and held various senior positions with particular emphasis on Accounting, Auditing, Financial Management, Treasury and overall Operations of NBFI Sector.

Key Skills:
Corporate Finance and Treasury Management, Capital Planning and Liquidity Management, Financial Strategy and Regulatory Compliance, Operational Management and Process Governance, Risk Management and Internal Controls, Strategic Planning and Business Transformation

Positions held in People's Leasing:
- Acting CEO of People's Leasing & Finance PLC
- Chief Internal Auditor of Peoples Leasing & Finance PLC
- CFO and the Company Secretary of Alliance Finance PLC Bangladesh
- Secretary to Board Audit Committee

Membership in Management Committees/Sub Committees:
- Chairman of MCC
- Member of ALCO
- Member of MIC
- Member of EIRMC
- Member of ITSC
- Member of ISC
- Member of CMC
- Member of SSC

Industry representation/Other Directorships:
- Non-executive Director of Alliance Finance PLC, Bangladesh
- Former Director of Leasing Association of Sri Lanka

3. Mr. Prabath Gunasena

Senior Deputy General Manager / Group Chief Information Officer (CIO)

Date Joined:
May 1999

Qualification:
- MBA, University of Western Sydney, Dip. in Computer System Design, NIBM Sri Lanka, Project Management for Information Systems Institute of Systems Science, National University of Singapore.

Experience:
Over 30 years of experience in Finance and ICT, inclusive 26 years of experience in the Banking and Finance sector.

Key Skills:
Particular emphasis on Strategic IT leadership, innovation, Business Intelligence, Automation, Cyber security and Enterprise Architecture.

Positions held in People's Leasing Group:
- Held various key roles as the Head of ICT to the entire group of PLC

Current positions in People's Leasing:
- Senior Deputy General Manager / Group CIO

Membership in Management Committees/Sub Committees:
- Member of IT Steering committee
- Member of IT Security Committee
- Member of EIRMC
- Member of Board IT Steering committee - PLC and PI
- Member of SSC

Special Achievements:
Honoured with the prestigious Chief Information Officer of the Year award by the Computer Society of Sri Lanka (CSSL)

4. Mr. Ranil Perera

Deputy General Manager – Operations

Date Joined:
October 1999

Qualifications:
MA in Regional Development & Planning (UOC), MBA (Manipal University), PGDip in Economic Development (UOC), BCom (Sp.) in International Trade (USJP), Part Qualified CIM (UK) & CA Sri Lanka.

Experience:
Over 26 years of experience in the Leasing and Finance industry, with extensive exposure in Risk Management, Recoveries, Operations, and Credit Administration.

Key Skills:
Risk Management, Operations Management, Credit Administration, Recoveries, Strategic Planning, and Financial Management.

Positions Held in People's Leasing:
- Served as Chief Risk Officer and Assistant General Manager – Recoveries

Membership in Management Committees/Sub Committees:
- Member of ALCO
- Member of MCC
- Member of ITSC
- Member of SSC

Other Directorships/Positions :
Director of Alliance Finance PLC - Bangladesh.

5. Mr. Neil Thushantha

Assistant General Manager – Branch Network

Date Joined:
March 2005

Qualifications:
B.Sc. (Agri) Special (Majored in Agri. Econ.) Second Class Hon. Upper Division from University of Peradeniya, Part qualification in (CIMA), UK

Experience:
Over 25 Years of experience in the financial services industry, with a strong background in Credit, Recoveries, Marketing, Fund Mobilisation, Branch Operation & Branch Network Development. Involve with Credit Analysis, Business Development & Strategic Planning, recovery management, and operational leadership.

Key Skills:
Credit analysis, Business development, Strategic planning, Branch operations and branch network development, Recoveries, marketing and fund mobilisation.

Positions held in People's Leasing Group:
- Served as CM – at People's Leasing & Finance PLC

Membership in Management Committees/Sub Committees
- Member of ALCO
- Member of MCC

Industry representation/Other Directorships –
- Non-Executive, Non-Independent Director, People's Micro-commerce Ltd
- Member of Board Integrated Risk Management Committee (BIRMC) People's Micro-commerce Ltd
- Member of Related Party Transactions Review Committee (RPTRC) People's Micro-commerce Ltd

6. Mr. Ganesan Thushyanthan

Assistant General Manager – Branch Network

Date Joined:
September 2004.

Qualification:
BA (Hons) in Economics (Monetary Economics) – UOC; MA in Economics (Financial Markets) – UOC; Certificate in Hire Purchase & Leasing Financing – IBSL; Higher Diploma in Computer Software Engineering – London TEC International.

Experience:
Worked as Assistant Lecturer at Department of Economics, University of Colombo (From 2002 to 2004).

Corporate Management

Key Skills:
Branch Network, Fixed Deposit & Savings, Gold Loan, Islamic Finance and Margin Trading.

Positions held in People's Leasing:
- Management Trainee to Senior Manager Branch Operations to overlook North and East Region

Memberships in Management Committees/Sub Committees:
- Member of ALCO and MCC

Other Directorships/Positions:
Non-executive Director of People's Leasing Property Development Ltd.

7. Mr. Nalin De Silva
Assistant General Manager – Recoveries

Date Joined:
January 1997

Qualifications:
Certificate in Hire Purchase & Leasing Financing (IBSL) and Management Development Programme – PIM (USJP).

Experience:
Over 29 years' experience in the Leasing & Finance sector, Branch Management, Credit, Marketing, Branch Network Development, Business Development and Recovery Operations at People's Leasing & Finance PLC.

Key Skills:
Strategic leadership, Branch Management, Operational Management and Recoveries

Positions held in People's Leasing:
- Senior Manager Branch Network – North Western Province

Membership in Management Committees/Sub Committees:
- Member of the MCC

8. Mr. Aminda Rajapaksa
Assistant General Manager – Internal Audit / Chief Internal Auditor

Date Joined:
March 2005

Qualifications:
B.Com. Special (USJP)

Experience:
Over 22 years experience in auditing, business process re-engineering and accounting in leasing and finance industry

Key Skills:
Auditing & Accounting

Positions held in People's Leasing:
- Senior Manager – Internal Audit

Membership in Management Committees/Sub Committees:
Secretary - Board Audit Committee

9. Ms. Zairaa Kaleel
Assistant General Manager – Compliance/ Chief Compliance Officer

Date Joined:
September 2020

Qualifications:
BCom (Hons) Sp (Peradeniya), LL. B (Hons) (UK), MBA (Kelaniya), FCMA(UK), CGMA, AIB(SL), CPA(Aus), ACSI(UK), AMBCS(UK), Dip in Compliance (IBSL)

Experience:
Over 22 years of extensive experience spanning across diverse sectors of the financial intermediaries, including Banks, Finance Companies, Margin Providers and Stock Brokers.

Key Skill:
Cultivated a profound understanding of compliance, Risk Management, and Information Governance.

Positions held in People's Leasing:
- Senior Manager – Compliance / Information Officer (RTI ACT)

Membership in Management Committees/Sub Committees:
- Member of the Product Development Committee
- Member of the ISC
- Member of the EIRMC
- Representing PLC as the Alternate, to the Council of the Finance House Association of Sri Lanka.

Industry representation/Other Directorships:
Immediate Past Chairperson of the Compliance Forum of the Finance Houses Association of Sri Lanka.

10. Ms. Priyanka Wimalasena
Assistant General Manager - Branch Network

Date Joined:
October 1999

Qualification:
B.com (Sp.) in Accountancy- USJP, Licentiate of ICASL, Dip. in Credit Management, HDip. in Credit Management.

Experience:
28 Years

Key Skill:
Leadership skill, Customer relationship, Risk and Credit Management, Sales & Business Development, Collection & Recovery.

Positions held in People's Leasing:
- Management Trainee to Chief Manager - Branch operations

Membership in Management Committees/Sub Committees:
- Member of ALCO, Member of MCC

11. Mr. Chamil Herath

Assistant General Manager - Branch Network

Date Joined:
May 2005

Qualifications:
BSc (Sp.) in Business Administration (USJP) and Licentiate Member of CA Sri Lanka (LICA).

Experience:
Over 27 years' experience in Finance and Leasing Sector

Key Skills:
Marketing, People Management, Personal Relationship and Leadership

Positions held in People's Leasing:
- Branch Manager to Chief Manager Branch Network

Membership in Management Committees/Sub Committees:
- Member of MCC, Member of ALCO

12. Ms. Akila Samarasinghe

Assistant General Manager - Risk & Control/ Chief Risk Officer

Date Joined:
March 2012

Qualifications:
ACA, ACMA, BSc (Sp.) in Business Administration USJP, Qualified in Risk in Financial Services – CISI (UK), and holder of a Diploma in Bank Integrated Risk Management with Merit from IBSL.

Experience:
Seasoned financial professional with 17 years of experience

Key Skills:
Risk Management, Strategic Planning, Business Continuity Planning Process Planning, Policy Formulation, upskilling and building team competencies, Ability to lead people from diverse background

Positions held in People's Leasing:
- Executive –Risk and Control to Acting Chief Risk Officer
- Secretary – EIRMC
- Secretary – ALCO
- Secretary – Steering Committee to Improve Operational Efficiency

Membership in Management Committees/Sub Committees:
- Secretary to the BIRMC
- Chairperson of EIRMC
- Member of ALCO
- Member of MCC
- Member of ITSC
- Member of ISC
- Member of SSC

Other Directorships/Positions:
- Director – People's Micro-commerce Limited
- Chairperson of the BIRMC of People's Micro-commerce Ltd
- Member of the BAC of People's Micro-commerce Ltd
- Member of Board RemCom of People's Micro-commerce Ltd.

13. Mr. Nishantha Perera

Assistant General Manager – Retail Products

Date Joined:
May 2014

Experience:
Over 35 years' experience

Key Skills:
Investment Banking, Capital Markets and Margin Trading

Positions held in People's Leasing:
- Senior Manager - Margin Trading and Portfolio Management & Chief Manager- Margin Trading and Portfolio Management

Membership in Management Committees/Sub Committees:
- None

Industry representation/Other Directorships:
- None

Senior Management



Mr. Samantha Abeywickrama
Chief Manager - Branch Network



Mr. Samantha Senavirathne
Chief Manager - Branch Network



Mr. Susil Priyantha
Chief Manager - Branch Network



Mr. Nishantha Weerasinghe
Chief Manager - Branch Network



Mr. Chandike Jayaweera
Chief Manager - Branch Network



Mr. A.B.Sutharsan
Chief Manager - Branch Network



Mr. Chinthana Bandara
Chief Manager - Branch Network



Mr. V. P. Saman
Chief Manager - Branch Network



Mr. Jayantha Madawala
Chief Manager - Recoveries



Mr. Fazmil Mowlana
Chief Manager - Islamic Finance & Digital Product



Mr. Chaminda Dharmarathne
Chief Manager - Branding & Communication



Mr. Bandula Kavisinghe
Chief Manager - IT Infrastructure



Mr. Lasantha Liyanage
Chief Manager - Head of Human Resources



Mr. Niranjan Selvanayagam
Chief Manager - Subsidiary Systems Management



Mr. Navindu Wijesekera
Chief Manager - ICT



Ms. Sumudu Silva
Chief Manager - Branch Network Support Services



Mr. Dharshana Gamage
Chief Manager - ICT



Mr. Saman Abeyweera
Chief Manager - Gold Loan



Mr. D.M.D.Bandula Samarajeewa
Chief Manager - Branch Network



Mr. Aruna Hewamadduma
Chief Manager - Branch Network



Mr. Ajith Senevirathne
Chief Manager - Branch Network



Mr. Pradeep Serasinghe
Chief Manager - Branch Network



Mr. D.A.Walpitagama
Chief Manager - Branch Network



Mr. S.P.Gamage
Chief Manager - Three Wheeler Unit

Senior Management



Mr. M. Kirupakaran
Chief Manager - Branch Network



Mr. Chandana Kumara
Chief Manager - Branch Network



Mr. Jayaruk Kotalawala
Chief Manager - Branch Network



Mr. Prasad Dasanayaka
Chief Manager - Head of Administration



Mr. Senaka Munasinghe
Chief Manager - Branch Network



Mr. Priyankara Gangabadage
Acting Chief Financial Officer



Mr. Shaja Sayar
Chief Manager - Chief Solution Architect



Mr. Dinesh Willarachchige
Chief Manager - Branch Network



Mr. Sumudu Fernando
Senior Manager - Classique Centre



Mr. Dilip Athukorala
Senior Manager- Information Systems Audit



Mr. R. Pushpamenan
Senior Manager -Internal Audit



Mr. G.P. Sirikumara
Senior Manager - Head of Policy and Business Governance



Mr. Asela Gunasekara
Senior Manager - Margin Trading



Mr. Darshana Samarakoon
Senior Manager - Branch Network



Mr. Sisira Herath
Head of Legal



Mr. Asela Gunatillake
Senior Manager - Branch Regulatory Support



Mr. Damitha Perera
Senior Manager - Battaramulla Branch



Ms. Aruni Gunawardena
Senior Manager – Deputy Company Secretary



Mr. Chamuditha Uduwella
Senior Manager - Information Security Officer

Mr. Y.M.W.P.C. Yapa
Senior Manager - Head of Business Development - Auto Trade

Corporate Governance

People's Leasing is committed to strong governance practices that uphold long term stability, ethical conduct, and sustainable value creation. Recognising that governance must continually evolve in response to emerging risks and stakeholder expectations, the Company adopts a proactive and adaptive approach, regularly reviewing and refining its governance framework to remain aligned with a dynamic operating environment.

People's Leasing's Approach to Corporate Governance

People's Leasing's approach to corporate governance revolves around four core principles; transparency, accountability, governance, and sustainability and is aligned with all applicable regulatory requirements as well as voluntary codes and best practice standards.

With new laws or regulatory expectations becoming increasingly more complex the People's Leasing Board conducts regular gap analysis to assess the extent of alignment with its existing practices. Based on these findings, relevant corporate policies, Standard Operating Procedures (SOPs), Terms of Reference of the Board and its subcommittees, as well as internal control frameworks are amended or reissued accordingly. In parallel, the Board also reviews the Company's governance structure to strengthen roles and responsibilities within the Board and management, introduce new oversight committees if required, or drive cross-functional collaboration to enhance risk governance, ethics, and sustainability integration.

Governance Framework

The People's Leasing Governance Framework comprises of a comprehensive internal policy architecture and well defined governance structured that are grounded in both regulatory requirements and voluntary best practices.



Regulatory Requirements

- Finance Business Act No. 42 of 2011
- Companies Act No 7 of 2007
- Listing Rules of Colombo Stock Exchange
- Finance Business Act Direction No. 05 of 2021 on Corporate Governance
- Finance Business Act Direction No. 06 of 2021 on Assessment of Fitness & Propriety of Key Responsible Persons
- The Anti-Money Laundering Laws and Regulations and Financial Transaction Reporting Act No. 6 of 2006 and its amendments
- The Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and its amendments
- The Inland Revenue Act No. 24 of 2017 and its amendments
- The Shop and Office Employees Act No. 19 of 1954 and its amendments
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- All other applicable regulations

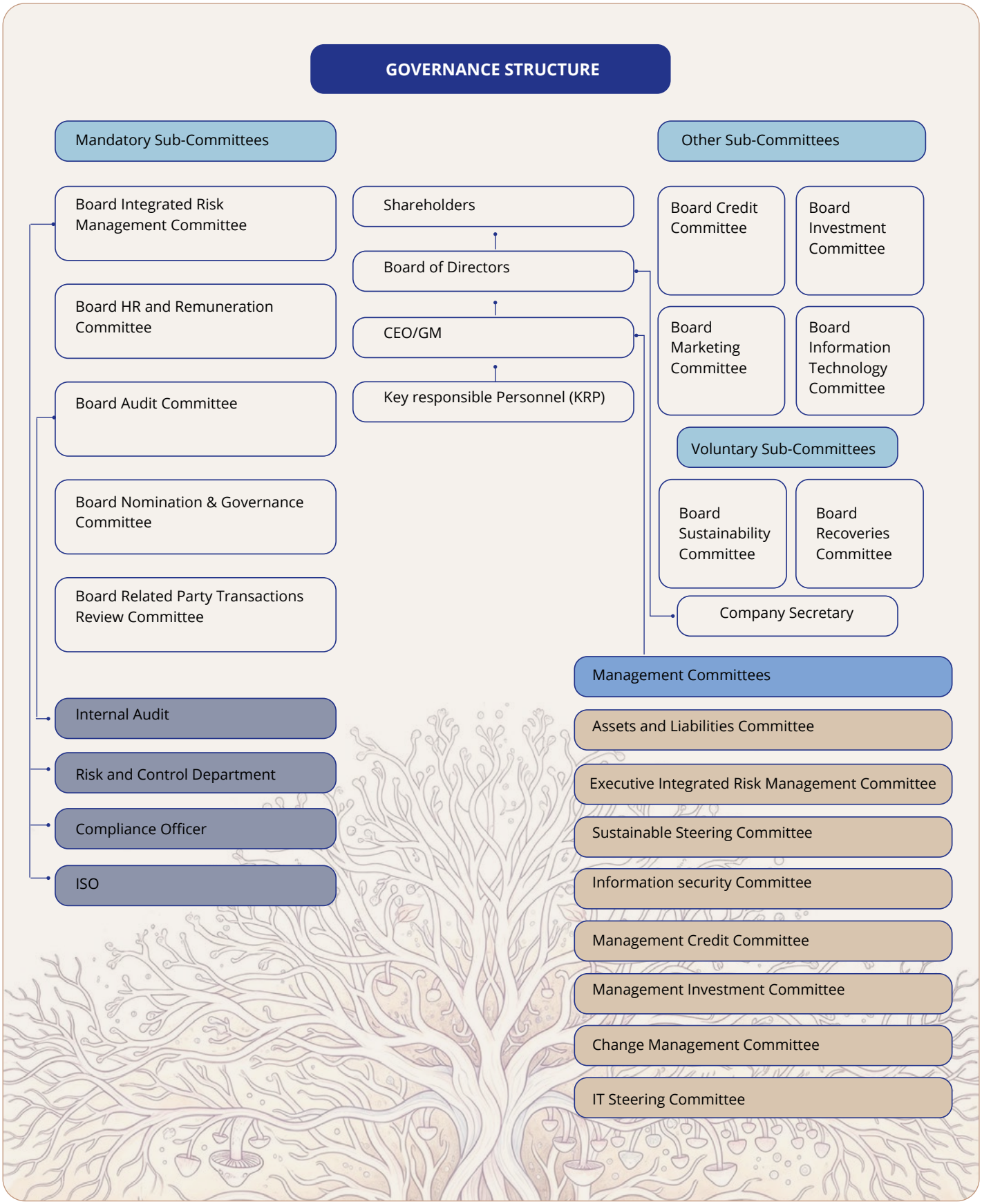
Internal Frameworks

- Vision Mission and Corporate Values
- Articles of Association
- Corporate Governance Charter/Board Charter
- Subsidiary /sub Subsidiary policy of parent
- Board-approved TORs of Board Committees
- Code of Business Conduct and Ethics
- Board-approved policy frameworks, Sustainability for governance, risk and operational areas including HR, IT security and data privacy sustainability
- Whistle-blower protection Policy
- Internal control procedures and processes
- Anti-money laundering/KYC policy
- Corporate Communication Policy

Voluntary Codes and Best Practices

- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- GRI Standards issued by the Global Reporting Initiative
- IR Framework issued by IIRC
- ISO 27001 information security system Standards
- UNGC Sustainability Principles
- ILO Convention for Social and Labour, issues including Human Rights
- Sustainable Development Goals (SDGs)
- Sustainability Standards & Certification Initiative of the European Organisation for Sustainable Development

GRI 2-9


GOVERNANCE STRUCTURE
Mandatory Sub-Committees
Board Integrated Risk Management Committee
Board HR and Remuneration Committee
Board Audit Committee
Board Nomination & Governance Committee
Board Related Party Transactions Review Committee
Internal Audit
Risk and Control Department
Compliance Officer
ISO
Shareholders
Board of Directors
CEO/GM
Key responsible Personnel (KRP)
Other Sub-Committees
Board Credit Committee
Board Investment Committee
Board Marketing Committee
Board Information Technology Committee
Voluntary Sub-Committees
Board Sustainability Committee
Board Recoveries Committee
Company Secretary
Management Committees
Assets and Liabilities Committee
Executive Integrated Risk Management Committee
Sustainable Steering Committee
Information security Committee
Management Credit Committee
Management Investment Committee
Change Management Committee
IT Steering Committee

Corporate Governance

GRI 2-12

The Board of Directors

People's Leasing's Board of Directors serves as the apex governing body and the ultimate custodian of the Company's corporate governance framework. The Board operates in line with a clear mandate that defines the duties, responsibilities and expectations of the Board of Directors.

Key Responsibilities of the Board Include;

- Steering People's Leasing towards sustainable long-term value creation for its stakeholders.
- Ensuring the Company operates in line with the highest standards of integrity, accountability, and ethical conduct.
- Defining the Company's vision, mission, core values, and overarching strategic direction.
- Providing leadership to guide the formulation and implementation of People's Leasing's corporate strategy and risk appetite.
- Exercising independent judgment in the review, approval, and oversight of management's execution of the Company's business strategy.
- Evaluating the Company's performance across key financial and non-financial parameters, identifying course corrections as needed
- Enabling a governance culture that supports innovation, agility, and resilience.

Matters reserved for Board Approval

Governance and Control	• Approval of principal regulatory filings • Review and update the Terms of Reference (TOR) and membership of Board Sub-Committees • Approval of Board and Board Sub-Committees performance evaluation process • Review and update the Corporate Governance framework • Approval of division of responsibilities between the Chair and Chief Executive Officer • Appointment (or removal) of Key Responsible Personnel
Board and Sub-Committees Membership	• Board appointments and removals • Establishment of Board Committee and their membership • Succession planning for key positions on the Board/ KRPs
Strategy	• Approval of the Company's strategic plan • Reviewing delivery of the strategy and measure performance against plan • Approval of major capital projects, investments, acquisitions, mergers or disposals
Risk, Capital and Liquidity Planning	• Changes relating to the Company's capital structure • Approval of the annual capital plan • Approval of risk appetite and liquidity risk appetite
Financial Results and Dividends	• Approval of interim and final financial statements, dividends and any significant change in accounting policies or practices
Remuneration	• Approval of the framework for determining the policy and specific remuneration of the Chair and Non-Executive Directors and KRPs • Approval of Non-Executive Director payments • Major changes in employee share schemes

Duties and Responsibilities of Individual Directors

All Board members are expected to discharge their responsibilities with integrity, diligence, and contribute effectively to the collective decision-making process of the Board. Each Director is expected to have a clear understanding of the Company's business, strategic goals, and risk landscape. Directors are required to uphold fiduciary duties, act in the best interest of the Company and its stakeholders, and avoid conflicts of interest at all times. They are expected to stay informed of legal, regulatory, and industry developments, and to continuously update their knowledge and skills to effectively oversee management performance and challenge strategic proposals when necessary. In doing so, individual Directors play a key role in maintaining the integrity of the governance process and upholding the trust placed in the Company by its stakeholders. Additionally, all Directors are required to engage in the annual self-assessment, which is an integral part of the comprehensive Board evaluation process to ensure continuous improvement in Board effectiveness.

GRI 2-13

Board Sub-Committees

To support the effective discharge of its oversight responsibilities, the Board has established a number of specialised Sub-Committees. The responsibilities delegated to each Sub-Committee are formally documented in each Committee's Terms of Reference (TOR), which have been approved by the People's Leasing Board. Committee TOR's are reviewed appropriately by the Board and updated as needed. Committee meetings are held in accordance with the required number of meetings specified in each respective TOR or as required, with the respective Committee Chair required to report back to the Board after each Committee meeting.

Statutory Sub-Committees	Composition	Areas of Focus
Board Audit Committee	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Oversees the integrity of financial reporting, internal controls, audit processes, risk management, and regulatory compliance.
Board Nominations and Governance Committee	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Oversees board composition, nominations, corporate governance frameworks and ensures effective governance practices across the Company
Board HR & Remuneration Committee	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Oversees human resource strategies, policies and performance management and makes recommendations on remuneration matters.
Board Related Party Transaction Review Committee	Four Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Reviews and monitors related party transactions to ensure compliance with regulatory requirements and safeguard shareholder interests.
Board Integrated Risk Management Committee	Two Independent Non-Executive Directors and One Non-Independent Non-Executive Director	Oversees the Company's risk management framework and monitors key risks across the organization.
Other Sub-Committees		
Board Credit Committee	Three Non-Independent Non-Executive Directors	Oversees credit policies, large exposures, credit risk management and ensures sound credit governance.
Board Investment Committee	One Independent Non-Executive Director and Two Non-Independent Non-Executive Directors	Reviews and provides oversight on investment proposals, performance and related strategic investment matters.
Board Information Technology Committee	One Independent Non-Executive Director and Two Non-Independent Non-Executive Directors	Oversees IT strategy, digital initiatives, information security and technology governance and risk management
Board Marketing Committee	Three Non-Independent Non-Executive Directors	Strategic guidance for an organization's marketing, branding, and public relations initiatives
Board Sustainability Committee	One Independent Non-Executive Director and Three Non-Independent Non-Executive Directors	Oversees the Company's sustainability strategy, initiatives and performance against sustainability goals.

The Board Sub-Committees were reconstituted in FY 2025 due to the status changes of a Board Member, appointment of a new member and cessation of a director.

At the Board meeting held on 23 September 2025, the Board Sub-Committees were reconstituted in compliance with corporate governance requirements. During this process, the "Board Information Technology and Digital Marketing Committee" was renamed the "Board Information Technology Committee," with the same members remaining in place. In addition, the "Board Marketing Committee" was formed as a new Sub-Committee, along with the Board Sustainability Committee, which is a voluntary committee. Further, at the Board meeting held on 24 June 2025 Board Recoveries Voluntary Committee was also formed. Furthermore, to expand the company's lending portfolio Board Debenture Oversight Committee was formed as a Board Sub-Committee to oversee and ensure the proper execution of the proposed Debenture issuance of the Company 2025/26.

GRI 2-12

Management Committees

Management Committees are appointed by the CEO and comprise members from the senior management team. These Committees are tasked with overseeing key areas such as credit risk, asset and liability management, compliance, IT, operations, and sustainability. Each Committee functions under clearly defined mandates and reporting lines, enabling informed, timely decision-making, fostering cross functional coordination, and ensuring that the Company operates in line with its governance, risk, and performance frameworks.

Corporate Governance

MANAGEMENT COMMITTEES at People's Leasing & Finance PLC
Driving strong governance and effective risk management through specialized committees focused on strategic oversight, operational excellence and sustainable growth.

01 Executive Integrated Risk Management Committee (EIRMC)

PERMANENT MEMBERS

- Chief Executive Officer
- Senior Deputy General Managers
- Deputy General Managers
- Assistant General Managers
- Chief Risk Officer
- Head of Compliance

SCOPE

The Committee focuses on reviewing assumed risks at the front-line, specifically focusing on Credit Risk, Operational Risk, Information Security Risk and Compliance Risk.

12 MEETINGS HELD DURING FY

02 Asset & Liability Management Committee (ALCO)

PERMANENT MEMBERS

- Chief Executive Officer
- Chief Operating Officer
- Head of Operations
- AGM's Branch Network
- Chief Risk Officer
- Head of FD & Savings
- Head of Finance
- Head of Treasury Operations

SCOPE

Main focus of the Committee is reviewing and managing assets and liabilities to achieve the Company's strategic objectives while maintaining liquidity and market risk within the Company's predetermined risk appetite and tolerance limits.

13 MEETINGS HELD DURING FY

03 Management Credit Committee (MCC)

PERMANENT MEMBERS

- Chief Operating Officer
- Head of Operations
- AGM – Recoveries
- Chief Risk Officer

SCOPE

Key focus areas of the Committee includes review and approve or recommend credit proposals within delegated authority, Review and approve or recommend recovery-related proposals, Review and recommend proposed amendments to Credit Policy and procedures.

18 MEETINGS HELD DURING FY

04 Change Management Committee (CMC)

PERMANENT MEMBERS

- Chief Executive Officer
- Chief Operating Officer
- Head of Operations
- Unit-In-Charge – Business Process Re-engineering
- Head of ICT

SCOPE

Review and approve the business requirements, prioritization of the requirements and to support communication and dissemination of project outcomes.

10 MEETINGS HELD DURING FY

05 IT Steering Committee (ITSC)

PERMANENT MEMBERS

- Chief Executive Officer
- Head of ICT Department
- Divisional Security Officer
- Informal Heads of ICT – Network/Server Management/Software/Hardware/New Business Development
- Chief Operating Officer
- Head of Risk
- Head of Branch Operations
- Head of Operations

SCOPE

The scope of the IT Steering Committee is to provide strategic direction and governance for the Company's information technology, information security, and network infrastructure while ensuring alignment with business objectives and regulatory requirements.

5 MEETINGS HELD DURING FY

06 Information Security Committee (ISC)

PERMANENT MEMBERS

- Chief Executive Officer
- Chief Operating Officer
- Head of ICT Department
- Information Security Officer
- Head of Operations
- Security Operation Center (SOC) Coordinator (Lead Information Security Engineer)
- Chief Risk Officer

SCOPE

The role of the Information Security Committee is to address issues related to information security, cybersecurity, technology adoption, and outsourcing, and to provide recommendations to the Board on technology risk management through BIRMC and BIC.

5 MEETINGS HELD DURING FY

07 Sustainability Steering Committee (SSC)

PERMANENT MEMBERS

- Chief Executive Officer
- Chief Operating Officer
- Chief Information Officer
- Head of Operations
- Chief Risk Officer
- Chief Finance Officer
- Head of Human Resources
- Head of Leasing & Loans
- Head of Sustainable Finance

SCOPE

Responsible for providing strategic leadership and oversight on sustainability matters by reviewing and recommending sustainability action plans, policies and frameworks.

02 MEETINGS HELD DURING FY

08 Management Investment Committee (MIC)

PERMANENT MEMBERS

- Chief Executive Officer
- Chief Operating Officer
- Chief Financial Officer
- Head of Strategy
- Head of Treasury

SCOPE

Responsible for reviewing/evaluating investment opportunities of People's Leasing & Finance PLC.

03 MEETINGS HELD DURING FY

OUR COMMITMENT Through these specialized committees, People's Leasing & Finance PLC ensures sound governance, effective risk management, operational efficiency and long-term value creation for all stakeholders.

GRI 2-11

Segregation of Functions

Segregation of Duties Between the Chairman and CEO

The People's Leasing Board is led by an Independent Non-Executive Chairman who is responsible for overseeing the work of the Board and the effectiveness of Board Committees. The CEO operates under the delegated authority of the Board and is responsible for the day-to-day management of the Company's operations and for delivering the strategic objectives as determined by the Board.

A clear distinction between the responsibilities of the Chairman and CEO ensures that no individual has unfettered decision-making power.

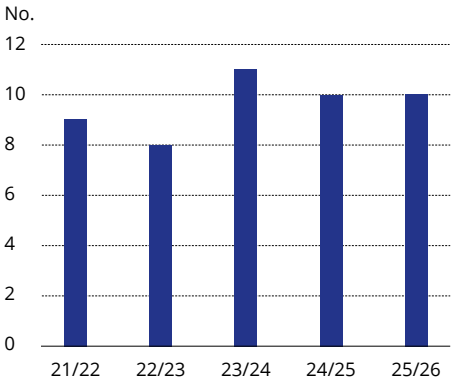
Chairman	CEO	Board Secretary
• Setting the Board's annual work plan and the agendas, in consultation with the Company Secretary. • Ensuring effective participation of all Board members during Board meetings. • Facilitating and encouraging discussions amongst all Directors of matters set before the Board. • Monitoring the effectiveness of the Board. • Oversight for stakeholder engagement.	• Appointing and ensuring a competent and suitably skilled corporate management team to support the execution of the Board approved strategy. • Developing and recommending to the Board business plans and budgets in line with the Board approved strategy. • Monitoring and reporting to the Board on the performance against strategy of the Company and its compliance with applicable laws and Corporate Governance principles. • Maintaining high standards of ethics in line with the People's Bank Group values • Ensuring that the Company operates within the approved risk appetite	• Assist in setting meeting agendas, maintaining minutes, and ensuring governance best practices. • Ensure compliance with laws, regulations, and filing of statutory returns. • Circulate Board papers, provide guidance on roles and obligations, and facilitate Director training. • Act as liaison between the Board, shareholders, and regulators. • Support the Board in ensuring ethical conduct and adherence to policies. • Maintain statutory records and ensure secure custody of corporate documents.

GRI 2-9

Board Composition

People's Leasing is governed by a ten member Board of Non Executive Directors whose collective expertise spans Banking and IT and Treasury. Throughout the financial year ended 31 March 2026, the Board's composition remained fully aligned with the Corporate Governance requirements of the Finance Business Act No. 5 of 2021 and the Listing Rules of the Colombo Stock Exchange.

Board Size



Board Diversity

Gender Diversity		Age Diversity		Expertise Diversity	
8	2	25-30	1	Accounting, Auditing & Management	3
		30-40	1	Banking & Finance	4
		40-50	1	Legal & Compliance	2
		50-60	5	Information Technology	1
		60-70	2	Marketing	1
				Academic and Professional Development	3

Corporate Governance

GRI 2-15

Board Independence and Conflicts of Interest

People's Leasing maintains a formal Code of Conduct & Ethics for Directors which clearly outlines procedures for managing conflicts of interest. These safeguards ensure that all Board decisions are made impartially and in the best interest of the Company, thereby protecting stakeholder trust and preserving the integrity of the governance framework.

In line with the Code of Conduct & Ethics for Directors, Directors are required to make full and timely disclosures of any potential conflict of interest, whether financial, relational, or otherwise. Disclosures must be made in writing to the Board Related Party Transaction Review Committee (BRPTRC). The BRPTRC reviews such disclosures with the Chair of the BRPTRC expected to disclose such matters at the Board meetings.

Where a conflict of interest arises, the Director concerned must recuse themselves from the relevant discussions and voting. Directors are further bound by strict confidentiality obligations and are prohibited from using privileged information for personal gain or for the benefit of any third party.

Related Party Transactions are disclosed in Note 56 of the Financial Statements on pages 420 to 426. The total number of Board seats (excluding directorship in People's Leasing) held by present Directors as of 31 March 2026 are summarised below.

Procedures for assuring Director Independence

Director Independence is determined against criteria as set out in the Finance Business Act Direction No. 5 of 2021, Listing Rules of the Colombo Stock Exchange and in compliance with Annexure C of the CA Code 2023.

Independent assessment of Directors is conducted annually by the Board, based on annual declaration and other information submitted by Non Executive Directors.

		Directorships at Listed Entities	Directorships at Unlisted Entities	Other positions
1	Prof. Ajantha Samarakoon	NIL	NIL	• Professor - Department of Commerce and Financial Management, Faculty of Commerce and Management Studies, University of Kelaniya
2	Mr. Clive Fonseka	NIL	• LankaPay Limited • Sri Lanka Banks' Association	• CEO/GM – People's Bank • Governing Board Member- Institute of Bankers of Sri Lanka
3	Mr. Pravir Dhanoush Samarasinghe	• Overseas Realty (Ceylon) PLC • Swadeshi Industrial Works PLC • John Keells PLC	• Mireka Capital Land (Pvt) Ltd • Mireka Homes (Pvt) Ltd • Havelock City (Pvt) Ltd • Realty Management Services (Pvt) Ltd • Overseas Realty Trading (Pvt) Ltd • Swadeshi Marketing (Pvt) Ltd • Hotel Developers (Lanka) Limited	• Trustee of the Employers' Federation of Ceylon • Council member of the Employers' Federation of Ceylon
4	Mr. Dulinda Perera	• People's Insurance PLC	• People's Micro-Commerce Ltd – Chairperson • Hotel Developers (Lanka) Limited • IKON Management Solutions Pvt Limited	• Member - Board of Management - Gambling Regulatory Authority
5	Ms. Udeni Gallage	• NIL	• NIL	• NIL

		Directorships at Listed Entities	Directorships at Unlisted Entities	Other positions
6	Mr. Sathananthan Sudarshan	• NIL	• Governance Consultants (Private) Limited - Chairperson	• Chairperson of Board Secretaries Forum of Sri Lanka Institute of Directors • Treasurer of the Sri Lanka Tennis Association • Member of the Board of Management of the Institute of Chartered Corporate Secretaries of Sri Lanka
7	Mr. Anura Perera	• Alliance Finance PLC – (Bangladesh)	People's Leasing Fleet Management Ltd - Chairperson	Deputy General Manager – People's Bank
8	Ms. Shameela Senaratne Loku Kaluge	• NIL	• NIL	• President of Association of Primary Dealers (APD) • Deputy General Manager – People's Bank
9	Mr. Jayantha Thilakarathne	• NIL	• People's Bank • People's Travels Pvt Ltd • CEB Employee Fund Pvt Ltd	• Head of Group HR & Legal – Nawaloka Group
10	Dr. Isuru Nadeesha Manawadu	• NIL	• NIL	• Senior Lecturer – University of Sri Jayawardanepura • Board Member of the Api Wenuwen Api Fund under the Ministry of Defense • Board Member and Audit Committee Member of the Shrama Wasana Fund under the Ministry of Labour

GRI 2-10

Board Processes

Selection and Appointment of New Directors

The process of selecting new Directors is overseen by the Board Nominations & Governance Committee (BNGC). The assessment of potential candidates is a comprehensive process involving a rigorous assessment of potential candidates based on how their skills and expertise can complement the Board quality and diversity.

Moreover, since the People's Leasing Board consists entirely of NED's the criteria for the selection of NED's follows the directives in the criteria set out under the Finance Business Act Direction No. 06 of 2021 on Assessment of Fitness & Propriety of Key Responsible Persons, Section 9 of the CSE Listing Rules on Corporate Governance and the Code of Best Practice issued by CA Sri Lanka (2023). Accordingly, appointments to the Board are subject to the approval of the Central Bank of Sri Lanka (CBSL) under the "fit and proper" criteria for Directors of financial institutions. All new appointments are communicated to the CSE and shareholders via an announcement which include a brief profile of the Director.

Re-election of Directors

In accordance with the Company's Articles of Association, the Directors have powers at any time and from time to time, to appoint any person to be a Director either, to fill a casual vacancy, or as an addition to the existing directors. However, any director so appointed shall hold office until the following Annual General Meeting (AGM). All such Directors are eligible to offer themselves for re-election by the shareholders, subject to the recommendation of the Board Nominations and Governance Committee (BNGC) thereby ensuring that all Board appointments remain accountable to the Company's shareholders. In addition, the BNGC assesses each Director's eligibility for re-election based on a comprehensive evaluation of their past performance, including attendance, active participation, contributions to Board discussions, and continued compliance with the fit and proper criteria applicable to Directors in compliance with the Finance Business Act Direction No. 06 of 2021 on Assessment of Fitness & Propriety of Key Responsible Persons.

Retirements and Resignation of Directors

As per the Finance Business Act No. 5 of 2021 on Corporate Governance, a Director who has served on the Board for a term of nine (9) years or reaches the age limit of seventy (70) years (whichever is first), will cease to be a Director unless special approval is obtained from the Director Supervision of the Non-Bank Financial Institutions confirming his/her fitness and propriety for continuity under the Finance Business Act No. 05 of 2021.

Corporate Governance

Announcement of new appointments, retirements, and resignations of Directors.

New appointments, retirements and resignations of Directors, are informed to the Director Supervision of the Non-Bank Financial Institutions in accordance with the Finance Business Act Direction No. 06 of 2021 on Assessment of Fitness & Propriety of Key Responsible Persons, as well as the Securities and Exchange Commission, as a margin provider.

Board Appointments during FY 2025/26	Board Resignations during FY 2025/26
Dr. Isuru Nadeesha Manawadu – Appointed as Independent Non-Executive, Director w.e.f. 23 September 2025	Mr. R.B.R. Emerson – Ceased to be a Director w.e.f. 23 October 2025

Board Effectiveness

Board effectiveness is maintained through continuous training, structured evaluations, and appropriately aligned remuneration for directors.

GRI 2-17

Training for Directors

Directors continue to participate in a comprehensive mix of internal and external training programmes, ensuring sustained knowledge enhancement and heightened awareness of evolving economic conditions, regulatory changes and industry-wide trends.

Name of the Training Session	Number of Directors Participated
How to be an Effective Director	3
Forum for Corporate Strategy for Independent Non-Executive Directors	6
Sri Lanka Institute of Directors CXO Forum	8
Board's Role in Mandatory Sustainability Reporting program I	3
Board's Role in Mandatory Sustainability Reporting Program II	6
Director's Accountability under Sri Lanka's PDPA	9
Board's Role in Mandatory Sustainability Reporting 2026	1

GRI 2-18

Board and Board Sub-Commiittee Evaluation

Effectiveness of the Board of Directors and its Sub-Commiittees is assessed annually in line with regulatory requirements. The process is carried out with each Director completing a comprehensive self-assessment form indicating their views on Board effectiveness across multiple dimensions, including Board composition and expertise, quality of deliberations, meeting procedures, strategic oversight, risk management, ethical governance, regulatory compliance and management engagement. Once completed, the assessments are submitted to the Company Secretary, who consolidates the results and presents a summary of findings through the Chairperson of the Board to the Nominations & Governance Committee. Such evaluation forms will be reviewed and evaluated by the Board Nominations & Governance Committee and table the Committee's recommendations to the Board, to identify ways to improve the procedures of the Board and its Sub-Committees.

A similar procedure is followed to evaluate the performance of the Board Sub-Committees. Additionally, Non-Executive Directors are required to assess the effectiveness and contributions of the Chairman. This evaluation process fosters greater accountability and encourages constructive feedback.

The most recent Board and Sub-Committees evaluations were formally tabled at the Board meeting held on 27 May 2026, with findings confirming that all Directors had effectively fulfilled their duties in accordance with the Board's mandate.

Evaluating the Performance of the MD/CEO

The performance of the CEO is evaluated annually by the Chairman based on the achievement of clearly defined short, medium, and long-term objectives that are mutually agreed upon at the beginning of the financial year. This assessment also considers the CEO's overall leadership effectiveness, strategic execution, financial performance, and ability to drive long term value creation. Upon completion of the review, the Chairman presents the evaluation outcomes, along with relevant observations and feedback, to the Board Human Resources and Remuneration Committee and thereafter to the Board for their consideration regarding the changes to the CEO's compensation, if any.

GRI 2-19,2-20

Directors Remuneration

All members of the People's Leasing Board are Non-Executive Directors, and their remuneration is benchmarked against prevailing industry standards and reviewed annually to ensure competitiveness and fairness. The Directors who serve on Board Sub Committees are entitled to receive additional fees.

The aggregate remuneration paid to Directors in FY 2025/26 was Rs. 66.39 Mn.

Board Activities in 2025/26

Process for Board meetings

Meeting Scheduling

Board meetings are held monthly, or more frequently if required by the Company Secretary in consultation with the Chairman. The Board Meeting Date is decided at a previous board meeting with the concurrence of all board members.

Meeting Preparation

The Company Secretary, in consultation with the Chairman, prepares the agenda to ensure that adequate time is allocated at each meeting to deliberate on all key matters. In line with the Board approved procedure, any Director may submit a written request to the Chairman to include additional items or proposals on the agenda. Once the agenda is finalised, all Directors are provided with comprehensive information relating to each agenda item. To ensure sufficient time for review and preparation, the Board Pack containing the relevant papers is circulated at least three (03) working days prior to the meeting.

Meeting Proceedings

It is mandatory for Directors to attend Board meetings. All Board members are expected to come well prepared and actively participate in all matters outlined under the agenda. The Chairman / Chairperson of each Board committee will be called upon to provide an update on significant matters discussed at their respective Board sub-committee meetings, which are typically scheduled before the Board meeting. The CEO will be invited to provide a comprehensive update on the Company's business and operations to date as well as an overview of the context in which these outcomes were achieved, while selected members of the Corporate Management are also invited to make presentations on the items set out under the agenda. The Company secretary maintains minutes of every Board meeting.

Post Meeting

The Company Secretary is required to submit the minutes of the meeting to the Chairman for approval prior to being circulated among the Directors and other members of Corporate Management who were present at the meeting. Minutes of the meetings are typically circulated within two weeks after the meeting date.

Access to Information

All Board Directors are entitled to access the information necessary to prepare for and participate meaningfully in Board deliberations. They may request data related to the Company's operations, financial performance, risk exposures, strategic plans, or any other relevant documentation. Directors are also permitted to engage directly with Key Management Personnel (KMP) for clarification where required through the Chief Executive Officer. Additionally, they may seek independent professional advice to support their duties as Board members, with all associated costs covered by the Company.

Corporate Governance

A total of 21 Board Meetings were convened during the financial year 2025/26. The attendance of Directors at these meetings is detailed in the table below.

Summary of Board & Board Sub-Committee Meeting Attendance – 2025/26

The table below sets out the total number of meetings held and attendance of each Director at Board Meetings and the Board / Board Sub-Committee Meetings for the Financial Year 2025/26.

Directors	BOARD	BAC	BIRMC	RPTRC	BNGC	BHRRC	BIC	BCC	BITC	BSC (w.e.f. 23 sep 2025)
Prof. Ajantha Samarakoon	21/21	-	9/9	-	-	-	-	-	-	-
Mr. Pravir Samarasinghe[1]	20/21	2/2[2]	-	-	10/10	4/4[8]	-	1/1[10]	-	-
Mr. Clive Fonseka	20/21	8/8	-	-	-	-	-	-	-	-
Mr. Dulinda Perera	21/21	-	-	8/8[5]	-	-	-	3/3	12/12	-
Ms. Udeni Gallage	21/21	-	-	9/9	-	-	-	-	12/12	2/2
Mr. Sathanathan Sudarshan	21/21	8/8	9/9	9/9	10/10	10/10	3/3	2/2[8]	-	-
Mr. Bradley Emerson[3]	14/14	-	-	-	7/7[3]	4/4[3]	-	-	9/9[3]	-
Mr. Anura Perera	21/21	-	9/9	-	-	-	3/3	-	3/3[11]	2/2
Ms. Shameela Loku Kaluge	20/21	-	-	-	-	-	3/3	-	-	2/2
Mr. Jayantha Thilakarathne	20/21	-	-	-	-	6/6[9]	-	3/3	-	2/2
Dr. Isuru Manawadu[7]	8/8	6/6	-	1/1[6]	3/3[7]	6/6[7]	-	-	-	-
Total Meetings Held	21	8	9	9	10	10	3	3	12	2

Notes : Figures represent Meetings Attended / Meetings Eligible - Not Applicable

1. Re-designated as Non-Independent Director w.e.f. 23 Jan 2025
2. Stepped down w.e.f. 23 Sep 2025
3. Ceased to be a Director w.e.f. 23 Oct 2025
4. Appointed w.e.f. 23 Sep 2025
5. Stepped down w.e.f. 22 Jan 2026
6. Appointed w.e.f. 22 Jan 2026
7. Appointed w.e.f. 23 Sep 2025
8. Stepped down w.e.f. 23 Sep 2025
9. Appointed w.e.f. 30 Oct 2025
10. Appointed w.e.f. 23 Sep 2025
11. Appointed w.e.f. 30 Oct 2025

Board Sub Committees

BRPTRC	BNGC	BAC	BIRMC	BHRRC	BIC	BCC	BITC	BSC
Board Related Party Transactions Review Committee	Board Nominations & Governance Committee	Board Audit Committee	Borad Integrated Risk Management Committee	Board Human Resources & Remuneration Committee	Board Investment Committee	Board Credit Committee	Board Information Technology Committee	Board Sustainability Committee

Board Oversight Responsibilities

Oversight responsibilities of the Board comprise of the following key areas.



Compliance

The Board remains fully accountable to its stakeholders and assumes ultimate responsibility for ensuring compliance with all applicable laws, regulations, codes, and governance standards. In fulfilling this duty, the Board closely monitors the evolving regulatory landscape to ensure timely compliance with all statutory requirements. Proactive steps are taken to implement new regulations, often ahead of mandatory timelines, underscoring the Board commitment to early adoption of regulatory requirements. In addition to meeting regulatory obligations, the Board also promotes the voluntary adoption of globally recognised governance practices that enhance stakeholder trust and organisational resilience. The Board affirms that People's Leasing is fully compliant with all applicable statutory and regulatory provisions. Moreover, the Board is satisfied that all reasonable steps have been taken to align with the voluntary governance codes to which the Company has committed.

GRI 2-27

Compliance Status

Regulation / code	Adoption	Adherence	Disclosure Table
The Companies Act No.7 of 2007 (Companies Act)	Mandatory	Fully Compliant	Pages 254 to 261
Listing Rules of the Colombo Stock Exchange (CSE)	Mandatory	Fully Compliant	Pages 471 to 476
Central Bank of Sri Lanka (CBSL), Finance Companies (Corporate Governance) Direction No. 05 of 2021	Mandatory	Fully Compliant	Pages 477 to 491
Code of Best Practice on Corporate Governance (2023) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Voluntary	Fully Compliant	Pages 472 to 495
SLFRS S1 and S2	Mandatory from 2026	Compliant	Pages 81 to 104

Risk Management and Internal Control

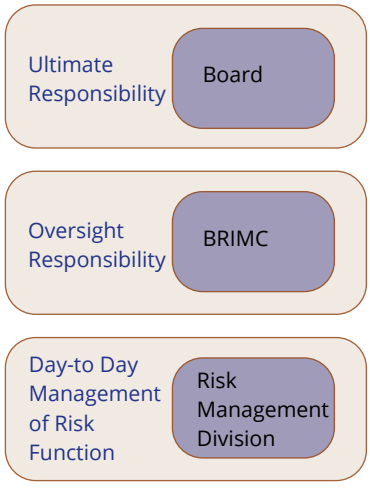
The Board of Directors holds ultimate responsibility for overseeing the Company's risk management and internal control framework. This responsibility encompasses establishing an Integrated Risk Management Framework to identify, assess, manage, and monitor all possible risks that may affect the achievement of People's Leasing's objectives.

The Board has delegated oversight of the Integrated Risk Management Framework to the Board Integrated Risk Management Committee (BIRMC). The BIRMC is responsible for reviewing the adequacy and effectiveness of the Company's Integrated Risk Management Framework, ensuring alignment with regulatory expectations, strategic priorities, and risk appetite. As part of their duties, the BIRMC also monitors key risk exposures, emerging risks, and mitigation strategies on a regular basis, providing timely updates to the Board.

Day-to-day implementation of risk management practices is the responsibility of the Risk Management Department, which operates independently but reports to the BIRMC. The Risk Management department is responsible for embedding risk awareness across the organisation, conducting risk assessments, developing risk mitigation strategies, and maintaining risk registers, and also plays a central role in stress testing and scenario analysis to ensure resilience in changing market conditions.

The Board ensures the establishment of an effective system of internal controls to support efficient operations, compliance with applicable laws, and protection of company assets. Scheduled audits by the Internal Audit division serves to assess the efficacy of the Company's risk management and internal control systems with audit findings together with the Management responses presented to the Board Audit Committee on a quarterly basis and from thereon to the Board.

Risk Governance Structure



For More Information, refer

Risk Management Report – Pages 283 to 298,
Board Integrated Risk Management Committee Report- Pages 271 to 274
Board Audit Committee Report -pages 262 to 284

Corporate Governance

Financial Reporting and Assurance

The Board holds ultimate responsibility for ensuring the integrity, accuracy, and transparency of the Company's financial reporting and assurance processes. The Board is responsible for ensuring that People's Leasing's financial statements are prepared in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act No. 07 of 2007, and the requirements of the Central Bank of Sri Lanka and the Colombo Stock Exchange.

The Board works closely with the Board Audit Committee to ensure the Company's financial statements present a true and fair view of People's Leasing financial position, performance, and cash flows. In this regard, the Board Audit Committee is tasked with reviewing the adequacy of the financial reporting process, internal controls over financial reporting, and compliance with accounting standards and regulatory frameworks. The Committee also ensures the independence and effectiveness of both internal and external auditors.

The Board is also responsible for ensuring that robust assurance mechanisms are in place. This includes an independent Internal Audit function, which conducts regular audits of financial processes and controls, and reports its findings directly to the Audit Committee.

External assurance is provided through the annual statutory independent audit.

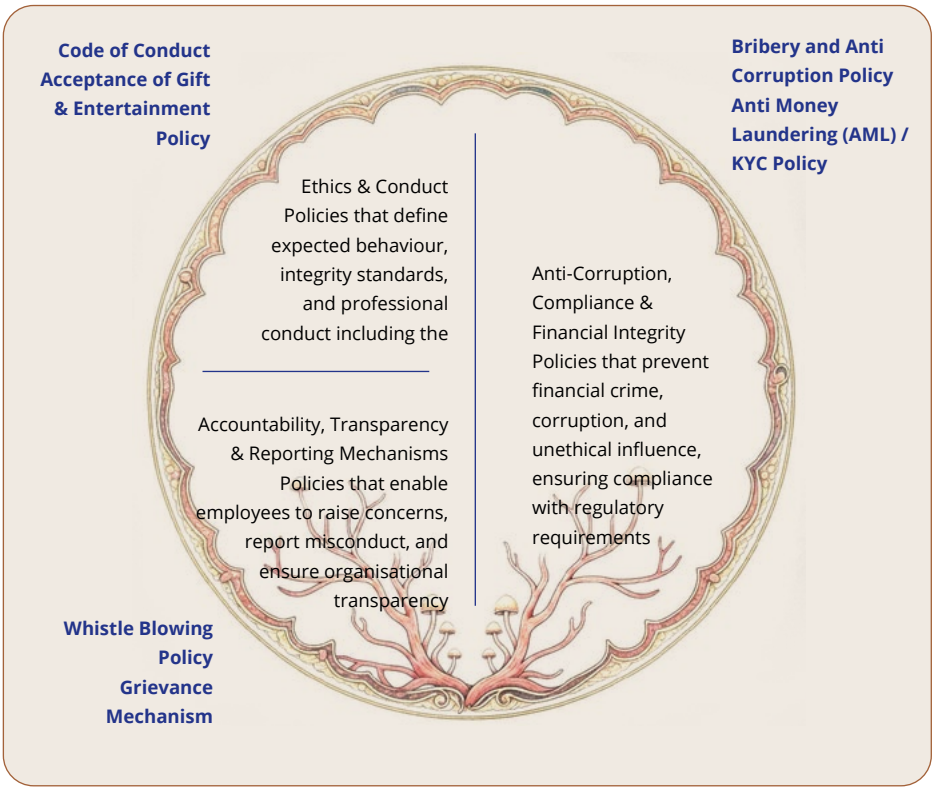
For more information please refer

Statement of Directors' Responsibilities – Pages 302 and 303,
Independent Assurance Report on Internal Control Over Financial Reporting - page 304,
Directors Statement on Internal Control - pages 305 and 306
Chief Executive Officer and Chief Financial Officer's Responsibility Statement - page 307
Audit Committee Report - pages 262 to 264
Independent Auditors' Report – pages 308 to 312

GRI 2-16,2-23,2-24,2-26,2-27,205-1,205-2,205-3

Ethics and Conduct

The Board of Directors sets the tone from the top to promote ethics and good conduct. This is supported by a comprehensive framework of Board approved conduct policies, codes, and standards that promote integrity, honesty, and ethical behaviour across all levels of the organisation. The Board ensures that these standards are embedded into the Company's operations and clearly communicated to all employees at every level of the organisation.



Regulation / code	Adoption
Code of Conduct	Mandatory
	The Board approved Code of Conduct sets out the highest standards of ethical behaviour expected from all employees and Directors, ensuring full compliance with applicable laws, regulations and industry best practices. Accessible via the intranet, the Code governs key areas such as legal compliance, confidentiality, ethical business dealings, insider trading, and environmental responsibility. It is introduced to all new employees during the induction process, while major suppliers are required to substantially adhere to its provisions. The Board has delegated responsibility for implementing and enforcing the Code to the CEO and the Corporate Management team, ensuring organisation wide accountability and consistent ethical conduct
Acceptance of Gift & Entertainment Policy	The policy is designed to reflect the Company's belief that no one employee should receive undue benefits that may negatively influence other employees' morale.
Bribery and Anti-Corruption Policy	The policy which is applicable to all Directors and employees without exception, describes the Company's stance against accepting bribes, kickbacks and facilitation payments during the course of business and the consequences associated with the breach of such conditions. Business partners and third parties who act on behalf of the Company are also required to abide by the guidelines set out under the Bribery and anti-Corruption policy.
Anti Money Laundering (AML) / KYC Policy	The policy sets forth guidelines and processes to detect, prevent, and report potential money laundering activities associated with the Company's core business lines. There were no reported incidents of non-compliance recorded in the year under review
Whistle Blowing Policy	The Whistle Blowing Policy provides a confidential mechanism for stakeholders to report improper, illegal, or unethical conduct within the Company, anonymously if preferred. Complaints may be submitted directly to the Chairman of the Board Audit Committee via email or written correspondence. Reported matters are independently investigated under the oversight of the Board Audit Committee, with progress and outcomes monitored through regular updates provided by the Chief Internal Auditor. Refer Internal Audit and Board Audit Committee section on Pages 250 to 251.
Grievance Mechanism	The Company maintains a structured grievance mechanism that enables employees to raise concerns confidentially and without fear of retaliation. Grievances are addressed through defined escalation procedures under the oversight of Human Resources personnel, ensuring fairness, transparency, and confidentiality. During the year, the framework was further strengthened through the introduction of a revised grievance policy. Refer Human Capital Section on Pages 186 to 187 for more details.

Ethics Training

The organization adopts a structured, continuous, and risk-focused approach to compliance training and awareness, ensuring that all staff are equipped with the necessary knowledge, skills, and judgment to operate within regulatory expectations. Regular training is delivered through the Learning Management System (LMS) to strengthen employee awareness and understanding of the Company's ethics and conduct related policies and practices.

IT and Information Security Governance

As a licensed financial institution operating within a highly regulated and data-intensive environment, safeguarding information and data assets remains a strategic priority for People's Leasing & Finance PLC. The Company maintains a strong commitment to information security, cybersecurity, and technology resilience to ensure the confidentiality, integrity, and availability of its information assets.

PLC maintains an Information Security Management System (ISMS) certified under the internationally recognized ISO/IEC 27001:2022 standard, demonstrating the Company's commitment to adhering to global best practices in information security governance and risk management.

The Company's information security governance framework is structured based on the Three Lines of Defense model, comprising the First Line (Information Technology Department), Second Line (Information Security Function, Risk Function and Compliance Function), and Third Line (Internal Audit Function). These functions collectively work towards achieving the Company's information security objectives while ensuring effective governance, oversight, risk management, and independent assurance.

Information security governance at PLC follows a top-down governance approach, driven by the Board of Directors and supported through Board-approved policies, frameworks, standards, and procedures relating to information security and technology risk management. Oversight responsibilities are carried out through regular reporting to the Board of Directors, the Board Integrated Risk Management Committee (BIRMC), and the management-level Information Security Committee (ISC).

The Company continues to proactively strengthen its information security posture through continuous monitoring, technology risk assessments, cybersecurity initiatives, security awareness programs, vulnerability management, and implementation of appropriate technical and organizational controls. In addition, due diligence and due care processes are embedded across technology operations and third-party engagements to ensure ongoing compliance with regulatory requirements and industry best practices.

Corporate Governance

GRI 2-14

Sustainability Governance and Reporting

The Board exercises clear stewardship over the Company's sustainability agenda, defining strategic priorities, ensuring alignment with corporate objectives and monitoring progress against measurable goals and targets. During the Financial Year a new Board Sub-Committee namely Board Sustainability Committee was established to drive sustainability strategies of the Company.

The Sustainability Steering Committee (SSC), reporting to the Board Sustainability Committee, drives the execution of the Company's sustainability agenda. Chaired by the CEO, this Committee provides strategic guidance and oversight for integrating sustainability principles into core business functions. It ensures that sustainability efforts are embedded across operations and remain aligned with evolving global benchmarks, including the Sustainability Standards and Certification Initiative (SSCI) issued by the European Organization for Sustainable Development (EOSD). The Management Committee ensures cross-functional collaboration and effective resource allocation in support of ESG goals.

Operational execution of the sustainability strategy is led by the Sustainable Finance Unit (SFU). This dedicated unit is responsible for implementing the sustainability roadmap, coordinating ESG initiatives across departments, and tracking progress against key action plans. The SFU also plays a critical role in cultivating ESG awareness and accountability across all levels of the business, promoting a company-wide sustainability culture.

The Committee also oversees the establishment and monitoring of sustainability KPIs, targets, risks and opportunities, ensuring appropriate mitigation and adaptation responses are implemented. It supports effective governance, risk management and ethical conduct related to Sustainability Related Risks and Opportunities (SRROs) and ensures compliance with regulatory requirements and sustainability frameworks. To ensure continuous improvement and alignment with the Board's strategic vision, the Head of the SFU provides periodic updates to the Board Sub Committee and the Board on sustainability performance. These updates include insights into emerging ESG risks and opportunities.

The Board's commitment to sustainability extends to ensuring clear, comprehensive and accurate reporting of Peoples's Leasing ESG performance and progress. Reporting is strengthened through the adoption of globally accepted reporting frameworks, such as the Global Reporting Initiative (GRI) Universal Standards, United Nations Sustainable Development Goals and the Sri Lanka Financial Reporting Standards - S1 & S2. Refer S1 and S2 Disclosure on pages 81 to 104.

Stakeholder Engagement

The Board places strong emphasis on open and constructive stakeholder engagement as a means of strengthening trust and gaining deeper insight into stakeholder expectations. In line with this direction, management teams are guided by Board approved policies to proactively communicate with stakeholders.
For more information, pls refer to the Stakeholder Engagement section on pages 54 to 67.

Shareholder Communication

Shareholders are engaged through multiple channels of communication, including the Annual Report, Annual General Meeting (AGM), regulatory filings, the investor relations page / media centre on the corporate website and through announcements in the CSE. Shareholders also have the opportunity to comment or make suggestions on publicly available information, through the Company Secretary, where all significant issues and concerns are referred to the Board with the views of the Management.

Annual General Meeting (AGM) and Voting Rights

The Annual General Meeting (AGM) serves as a key platform for shareholder engagement and corporate transparency. Convened at the end of each financial year under the oversight of the Board of Directors, the AGM provides shareholders the opportunity to engage directly with the Board, seek clarifications, and gain insights into the company's performance, strategy, and governance practices.

In accordance with statutory and regulatory requirements, the Notice of the AGM, the Annual Report, Audited Financial Statements, any proposed resolutions, and details of voting procedures are circulated to all shareholders at least 15 working days in advance. A digital version of the Annual Report is also uploaded to the CSE website and made available on the company's corporate website for easy access and download.

Shareholders are encouraged to exercise their voting rights either by attending the AGM in person or by appointing a proxy. A formal mechanism is in place to record and count all proxy votes cast for each resolution. Following the conclusion of the AGM, the outcome of the meeting is disclosed to the shareholders in line with the regulatory requirements.

Please refer Pages 471 to 495 of the Supplementary Section for the Company's Compliance with following Governance Frameworks:

- The Finance Business Act Direction No. 05 of 2021 on Corporate Governance issued by the Central Bank of Sri Lanka.
- Statement of Extent of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka

COMMUNICATION POLICY OF THE COMPANY

Clear Communication. Stronger Relationships. Sustainable Value.

Our Corporate Communication Policy ensures transparent, timely, accurate and responsible communication with all stakeholders, in compliance with regulatory requirements and grounded in our commitment to integrity and accountability.

APPLICABLE TO
All Directors, Officers, Employees and Independent Contractors

OUR COMMITMENT
Safeguard confidential and material non-public information and promote transparent engagement

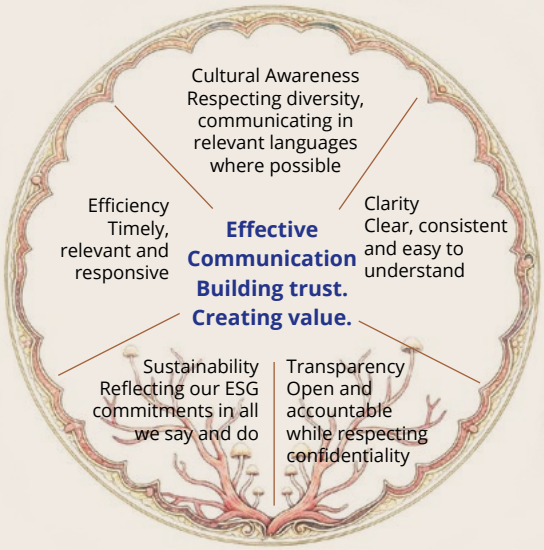
SCOPE
Applies to both external and internal communication across the Company and its subsidiaries

IN COMPLIANCE WITH
CBSL, Colombo Stock Exchange and other applicable laws and regulatory authorities

OUR COMMUNICATION OBJECTIVES

EXTERNAL COMMUNICATION
- Support strategic objectives including customer engagement, investor relations, branding and public accountability
- Enhance knowledge and awareness among all stakeholders

INTERNAL COMMUNICATION
- Strengthen organizational culture and employee commitment
- Encourage mutual information sharing – our people are ambassadors and multipliers



AUTHORISED SPOKESPERSONS

Only designated spokespersons are authorised to communicate with the media and financial analysts, unless otherwise approved by the Board.

- Chairman
- Chief Executive Officer / General Manager

This ensures consistency, prevents selective disclosure and protects stakeholder confidence.

KEY COMMUNICATION AREAS COVERED

Disclosure of Material Information
Timely, fair and accurate disclosure in line with regulatory obligations.

Media Relations
Engaging responsibly with the media through authorised channels

Stakeholder Engagement
Clear protocols for shareholders, customers, investors, creditors, regulators and employees.

Market Rumours & Information Leaks
Procedures in place to manage rumours, leaks and inadvertent disclosures.

Regulatory Communications
Open and timely communication with regulators and supervisory authorities.

Crisis Communication
Preparedness and clear escalation processes to protect stakeholder and reputation.

Data Privacy
Disclosures involving personal information are made in compliance with applicable data protection laws.

LISTEN. LEARN. IMPROVE.
We actively seek feedback from the media and our key stakeholder groups to continuously enhance our communication and strengthen relationships.

REVIEW & CONTINUOUS IMPROVEMENT
The Board of Directors periodically reviews the Corporate Communication Policy to ensure its continued relevance and effectiveness in meeting evolving regulatory requirements, stakeholder expectations, and business needs.

Through clear, consistent and responsible communication, we uphold transparency, build trust and create long-term value for all our stakeholders.

Internal Audit and Board Audit Committee

Strengthening Governance Beneath the Surface

In a resilient ecosystem, long-term sustainability depends not only on visible growth, but also on the underlying structures that preserve balance, strengthen resilience, and support stability. Reflecting the interconnected nature of the Company's operating environment, the Internal Audit function of People's Leasing & Finance PLC operates as an independent assurance mechanism that strengthens governance, enhances accountability, and supports sustainable value creation across the organization.

Operating under the independent oversight of the Board Audit Committee, the Internal Audit Department provides objective assurance on the effectiveness of internal controls, adequacy of risk management processes, regulatory compliance, integrity of financial and operational reporting, and overall governance effectiveness. While the function does not participate in operational decision-making, it plays a vital role in safeguarding the Company's resilience, transparency, and long-term sustainability.

Board Audit Committee Oversight

The Board Audit Committee continues to provide strong independent oversight and strategic direction to the Internal Audit function. The Committee comprises professionals with extensive expertise in accounting, banking, governance, and regulatory oversight, thereby strengthening the Company's governance framework and reinforcing accountability and transparency at Board level.

Expanding Audit Coverage in FY 2025/26

In line with business expansion and the evolving risk landscape, the Internal Audit Plan for FY 2025/26 reflected enhanced audit coverage and increased depth of review across operational, financial, technological, and compliance-related areas.

Board-Approved Audit Plan Included:

95
Branch Reviews
Including full-scope, process-specific, and gold loan reviews conducted across the branch network.

23
Head Office Department and Process Reviews
Comprehensive reviews covering key departments, operational processes, and control environments.

67
IT-Related Audits
Including centralized information system reviews and branch IT infrastructure reviews to strengthen technology governance and cybersecurity oversight.

06
Subsidiary Reviews
Reviews conducted across Group subsidiaries to strengthen governance, risk management, and operational oversight.

Ongoing Special Investigations
Targeted investigations conducted in response to identified irregularities, emerging risks, and operational concerns.

Continuous Data Analytics-Based Monitoring
Continuous monitoring through advanced analytics and system-based reviews to identify anomalies, unusual trends, and emerging risk indicators.

Overall Audit Coverage

In total, 191 audit engagements were planned during the year, representing a 36% increase compared to the previous year and ensuring broader oversight across operational, financial, technological, and compliance-related areas.

Risk-Based Assurance Framework

The annual audit plan is developed through a structured risk assessment process aligned with the Company's strategic priorities and approved risk appetite framework. Audit coverage is prioritized based on several key risk indicators, including portfolio concentration, non-performing loan levels, impairment trends, profitability indicators, prior audit ratings, regulatory exposure, and the time elapsed since the last review. This risk-based approach enables audit resources to be directed towards higher-risk operational areas while strengthening enterprise-wide risk visibility and proactive risk mitigation.

Advancing Data-Driven Internal Controls

Strategic Shift Towards Analytics-Driven Assurance

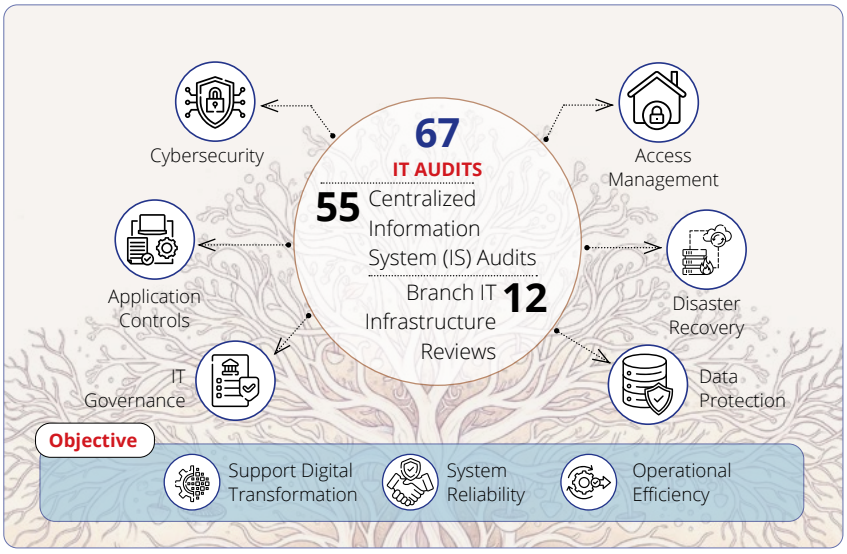
During the year, the Internal Audit function continued to strengthen its analytics-driven audit methodology by integrating advanced data analytics into audit and monitoring processes. This transition from traditional sample-based reviews towards continuous and full-population monitoring enhanced the effectiveness, efficiency, and precision of audit activities.

Key analytics coverage areas included:

- Savings operations, focusing on transaction monitoring, dormant account reactivations, and unusual activity patterns
- Credit operations, including disbursement anomalies, policy deviations, and early warning indicators
- Gold loan operations, focusing on valuation inconsistencies, renewals, policy deviations, and unusual transaction patterns

The increasing use of analytics-driven assurance strengthened the early detection of irregularities, reduced reliance on manual sampling, improved audit coverage, and enhanced the Company's proactive and preventive control environment.

Strengthening IT and Cyber Resilience



Whistleblower Communication Channel

People's Leasing & Finance PLC maintains a structured and confidential Whistleblower Communication Channel operating under the direct oversight of the Board Audit Committee and facilitated by the Internal Audit Department. The mechanism serves as an important governance tool that supports transparency, accountability, ethical conduct, and the early identification of potential risks and irregularities across the organization.

The framework enables employees and stakeholders to confidentially report suspected misconduct, unethical practices, regulatory breaches, fraud-related concerns, or other irregular activities without fear of retaliation. The mechanism also allows significant matters to be escalated directly to the Board Audit Committee, ensuring independent oversight and appropriate governance attention where necessary.

The Whistleblower Communication Channel supports:

- Confidential reporting of suspected misconduct and unethical behaviour
- Direct escalation of serious concerns to the Board Audit Committee
- Protection of whistleblowers against retaliation or discrimination
- Independent investigation and assessment of reported matters
- Transparent monitoring and follow-up of corrective actions

Functioning as an internal early-warning mechanism, the framework assists the Company in identifying emerging concerns at an early stage before they develop into broader operational, financial, regulatory, or reputational risks. Through this secure and independent communication pathway, the Company continues to strengthen its governance culture, reinforce accountability, and promote a strong and transparent control environment across the organization.

Supporting Sustainable Growth and Governance

The Internal Audit Department also continued to support governance and regulatory compliance through:

- Reviews of quarterly financial statements
- Verification of capital adequacy computations
- Reviews of regulatory reporting processes
- Oversight of gold auction procedures
- Subsidiary governance assessments
- Special investigations into identified irregularities

An Essential Governance Network

Operating largely behind the scenes, the Internal Audit function continues to play a critical role in strengthening governance, improving risk visibility, reinforcing internal controls, and supporting the long-term resilience and sustainability of the Company. Through its independent and objective assurance role, the Department remains committed to enhancing governance standards, strengthening risk intelligence, and supporting sustainable value creation across People's Leasing & Finance PLC.

Annual Compliance Report

Compliance within a Connected and Resilient Organization

The Compliance Department continued to strengthen People's Leasing & Finance PLC's governance framework by ensuring regulatory compliance, reinforcing operational resilience, and supporting sustainable business growth. The function operated as an integrated governance and oversight mechanism across branch operations, head office functions, and core operational systems, promoting a connected and responsive compliance environment.

The Compliance function remained focused on ensuring adherence to regulatory requirements issued by the Central Bank of Sri Lanka (CBSL) and other applicable regulatory authorities, while strengthening internal controls and supporting responsible business practices.

Through continuous monitoring, risk-based oversight, and proactive engagement with business units, the Compliance Department contributed towards maintaining organizational integrity, strengthening governance standards, and enhancing operational discipline.

Key Focus Areas during FY 2025/2026

During the year under review, the Compliance Department focused on strengthening critical compliance and governance areas across the organization.

Enterprise-Wide Compliance Monitoring

The Department continued enhancing compliance monitoring mechanisms to ensure timely identification and resolution of compliance risks across operational and business functions.

Key activities included:

- Branch reviews covering operational and regulatory compliance requirements
- Departmental reviews focusing on control effectiveness and process integrity
- System-based monitoring and exception reporting
- Risk-based reviews targeting sensitive and high-risk operational areas
- Follow-up reviews and validation exercises to ensure closure of identified gaps
- Monitoring activities continued to follow a risk-based approach, prioritizing areas based on:
- Risk exposure
- Regulatory sensitivity
- Business criticality
- Emerging risk indicators and historical trends

This framework strengthened preventive controls and supported continuous enhancement of the organization's compliance environment.

Regulatory Compliance Management

The Compliance Department maintained close oversight over evolving regulatory developments to ensure timely implementation of regulatory requirements. Key activities included:

- Monitoring CBSL circulars, directions, and supervisory communications
- Disseminating regulatory updates across branches and departments
- Coordinating implementation initiatives relating to regulatory changes
- Monitoring implementation progress across business functions
- Strengthening regulatory reporting and governance processes
- Supporting regulatory inspections and examinations

The Department continued maintaining constructive engagement with regulatory authorities while ensuring regulatory submissions remained accurate, complete, and timely.

A disciplined compliance approach ensured identified gaps and deviations were promptly addressed through corrective and preventive action mechanisms.

Governance and Control Framework

People's Leasing & Finance PLC continued maintaining a structured Compliance Governance Framework supported by clear accountability structures and oversight mechanisms.

The governance structure continued to operate through:

- Reporting lines to Senior Management and the Board
- Functional independence of the Compliance Department
- Clearly defined responsibilities across operational functions
- Policies, procedures, and internal control frameworks
- Structured escalation mechanisms and governance forums
- Coordination with Risk Management and Internal Audit functions

The Compliance Department continued supporting management by providing:

- Regulatory advisory and interpretation
- Assessment of compliance implications relating to business initiatives
- Guidance on control improvements and process enhancements
- Participation in governance and decision-making forums
- Support for risk-based and sustainable decision-making

This integrated governance model strengthened transparency, accountability, and operational resilience.

AML/CFT Compliance Framework

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) compliance remained a critical focus area during FY 2025/2026.

The organization maintained a risk-based AML/CFT framework designed to identify, monitor, and mitigate financial crime risks across customer onboarding, transaction processing, and account monitoring activities.

Key AML/CFT control mechanisms included:

- Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD)
- Risk-based customer profiling and segmentation
- Continuous transaction monitoring and alert management
- Sanctions and watch-list screening mechanisms
- Ongoing customer risk reviews
- Suspicious transaction reporting processes
- Strong documentation and audit trail controls

Key enhancements during the year included:
- Strengthening monitoring and surveillance mechanisms
- Improving system-based monitoring capabilities
- Enhancing customer information validation processes
- Strengthening AML/CFT awareness and training initiatives
- Enhancing coordination between Compliance, Operations, and business functions

The Department continued maintaining a proactive and disciplined approach towards financial crime risk management.

Compliance Culture and Capacity Building

People's Leasing & Finance PLC continued promoting a strong compliance culture across the organization, recognizing awareness, accountability, and ethical conduct as critical drivers of an effective compliance environment.

Training and awareness initiatives conducted during the year included:
- Organization-wide compliance training programs
- AML/CFT awareness sessions
- Risk-based and role-based training initiatives
- Regulatory update communications
- Onboarding compliance training for new employees
- Refresher programs and awareness campaigns

The organization further reinforced:
- Individual accountability for compliance obligations
- Ethical conduct and transparency
- Timely escalation of concerns and irregularities
- Management accountability for maintaining compliance standards

These initiatives strengthened compliance awareness and operational discipline across branches and support functions.

Systems, Data Governance and Digital Compliance

The organization continued strengthening digital compliance infrastructure and data governance practices to support effective monitoring and reliable regulatory reporting.

Key developments during FY 2025/2026 included:
- Strengthening monitoring capabilities within Finnet and related systems
- Enhancing exception reporting mechanisms
- Improving automated compliance controls
- Strengthening system validations
- Improving data integrity and monitoring processes
- Strengthening audit trails and traceability mechanisms
- Increasing integration across operational systems and compliance processes

The organization continued recognizing data accuracy and integrity as essential components supporting effective compliance management.

ESG Integration and Ethical Governance

The Compliance function continued supporting Environmental, Social and Governance (ESG) objectives through responsible governance practices and ethical business conduct.

Key focus areas included:
- Supporting governance and internal control frameworks
- Promoting ethical conduct and transparency
- Supporting responsible lending and customer protection practices
- Reinforcing accountability and regulatory discipline
- Supporting sustainability-focused operational practices

These initiatives contributed towards strengthening long-term sustainability objectives while reinforcing governance standards.

Key Challenges and Response Strategy

Key challenges encountered during FY 2025/2026 included:
- Increasing regulatory complexity
- Maintaining consistency across an extensive branch network
- Data quality and system integration challenges
- Sustaining staff awareness and operational discipline

To address these challenges, the organization continued to:
- Strengthen monitoring mechanisms
- Enhance communication and escalation processes
- Increase business engagement initiatives
- Leverage technology and system improvements
- Expand awareness and training programs

These measures supported continuous strengthening of the organization's governance and compliance framework.

Way Forward

The Compliance Department will continue evolving as a proactive and integrated governance function aligned with strategic priorities and evolving regulatory expectations.

Key priorities moving forward include:
- Strengthening predictive and risk-based compliance monitoring
- Enhancing AML/CFT surveillance capabilities
- Strengthening data governance and digital compliance infrastructure
- Expanding compliance awareness and training initiatives
- Enhancing integration across branches and operational functions
- Supporting stronger regulatory alignment and governance practices

The Compliance Department remains committed to safeguarding regulatory integrity, strengthening governance standards, and supporting sustainable growth through a connected, disciplined, and resilient compliance framework.

Annual Report of the Board of Directors on the Affairs of the Company

The Annual Report of the Board of Directors on the Affairs of the Company is presented as required by Section 168 of the Companies Act No. 07 of 2007. It also provides information required by the Finance Business Act No. 42 of 2011 and the Listing Rules of the Colombo Stock Exchange and the Directions issued thereunder, the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). As a top 100 listed finance company, the Company has made the mandatory disclosures relating to Sustainability Disclosure Standards S1 and S2 in this year's Integrated Report. Furthermore, the report aligns with the Global Reporting Initiative (GRI) framework, which has also been externally assured. The Company has introduced multiple digital formats for the Annual Report, including an HTML version, an interactive PDF,Whatsapp bot, Avatar video-Chatbot, Avatar text-Chatbot and AI-powered ten years videos summaries. These improvements enhance accessibility, accommodate a wide range of user needs, and make use of modern, interactive approaches to information sharing.

1. General

The Board of Directors of People's Leasing & Finance PLC has pleasure in presenting the Integrated Annual Report to the shareholders, together with the Audited Financial Statements of the Company and the Audited Consolidated Financial Statements of the Group for the year ended 31 March 2026 and the Auditors' Report on these Financial Statements conforming to all statutory requirements.

Further, this report adheres to the Guiding Principles and Content elements outlined in the <IR> Framework of IFRS Foundation, as well as the GRI Standards established by the Global Reporting Initiative, and SASB. This reflects our dedication to transparent and objective reporting, aimed at providing valuable insights to our shareholders and other crucial stakeholders. This report was approved by the Board of Directors on 03 June 2026.

Our Board of Directors, through diligent strategic planning, has set forth key imperatives and diligently executed strategies to manage risks and capitalize on opportunities. Furthermore, the Board has thoroughly scrutinized the Company's business plan and is confident in our ability to sustain operations well into the future, with ample resources at our disposal.

2. Nature of the Business

(Section 168 (1) (a)) – Companies Act No. 07 of 2007

The nature of the business of the Company and its subsidiaries together with any change thereof during the accounting period.

2.1 Vision, Mission and Corporate Conduct

The Company's Vision and Mission are provided on page 19 of this Annual Report. In achieving the Vision and Mission, all Directors and employees conduct their activities to the highest level of ethical standards and integrity, as set out in the Company's Code of Business Conduct and Ethics.

2.2 Principal Business Activities

The Company's principal business activities comprise providing finance leases, term loans, Islamic finance, margin trading, gold loans and the issuance of debt instruments and mobilisation of public deposits. The Company had six subsidiaries as at 31 March 2026 and the nature of business activities of these subsidiaries are described in "About Us" Section on pages 19 to 28 and in Accounting Policies on pages 320 to 328. The Company and its subsidiaries have not engaged in any activities which contravene any laws or regulations during the year under review. Fitch Ratings Lanka Ltd has assigned the Long-Term Rating of A (lka). The registered office and Head Office of the Company is located at No 1161, Maradana Road, Colombo 10, Sri Lanka.

2.3 Changes to the Group Structure

There has been no change to the Group structure during the financial year under consideration.

2.4 Branch Network

The total branch network of the Company as at 31 March 2026 comprised 112 fully-fledged branches.

2.5 Review of Operations

An overall assessment of the Company's financial position and performance during the year 2025/26 with comments on financial results and special events that took place, is contained in the Chairman's Message on pages 39 to 41, the Chief Executive Officer's Message on pages 42 to 44, and the Management Discussion and Analysis on pages 112 to 214 of this Annual Report. These reports form an integral part of the Annual Report of the Board of Directors on the Affairs of the Company. Segment- wise contribution to Group revenue, results, assets and liabilities is disclosed in Note 54 to the Financial Statements on pages 417 to 419 of this Annual Report.

2.6 Future Outlook

The Company's outlook based on the challenges, opportunities, and developments in the global market as well as in the Sri Lankan market is set out in the 'Strategy and Resource Allocation' section on pages 105 to 111 and in each Capital Report of this Annual Report.

3. Financial Statements

(Section 168 (1) (b) and (2))

Completed and signed Financial Statements of the Company and the Group for the accounting period.

The Financial Statements of the Company and the Group, duly certified by the Acting Chief Financial Officer and the Chief Executive Officer with the approval of the Chairman and a Director, have been prepared in accordance with the Sri Lanka Accounting Standards laid down by CA Sri Lanka and in compliance with the requirements of Companies Act No. 07 of 2007, appear on pages 313 to 453 of this Annual Report.

3.1 Directors' Responsibility for Financial Reporting

In terms of Section 150(1), 151,152 and 153(1) and (2) of the Companies Act No.07 of 2007, the Board of Directors of the Company and Group are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of the financial position and performance of the Group and the Company.

In this regard, the Board of Directors wishes to confirm that the Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity

and Statement of Cash Flows have been prepared in conformity with the requirements of SLFRSs and LKASs as mandated by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Companies Act No. 07 of 2007, Finance Business Act No. 42 of 2011 and Directions issued thereunder and the Code of Best practices on Corporate Governance issued by CA Sri Lanka.

The 'Statement of Directors' Responsibilities' is provided on page 302 to 303 and forms an integral part of this Report.

3.2 Directors' Responsibility for Corporate Governance / Directors' statement on internal control

This Report also provides the information and disclosures on mandatory Corporate Governance regulations required by the Companies Act No. 07 of 2007 and amendments thereto, the Listing Rules of the Colombo Stock Exchange (CSE) and The Finance Business Act directions No.05 of 2021 as well as the information and disclosures on voluntary adoption of the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

3.3 Financial Results and Appropriations

Interest Income

The total interest income of the Company and the Group was Rs. 41,123.71 million (Rs. 26,088.02 million in 2024/25) and Rs. 45,742.10 million (Rs. 29,525.69 million in 2024/25) respectively for the year ended 31 March 2026. A more descriptive analysis of the interest income is given in Note 6.1 and 6.1.1 to the Financial Statements on page 329.

Performance and Appropriations

The Company and the Group recorded a net profit of Rs. 5,081.08 million and Rs. 5,920.20 million respectively for the financial year 2025/26 (Rs. 3,603.38 million and Rs. 4,090.25 million in 2024/25). This represents an increased by 41.01% of the Company and increased by 44.74% of the Group profit compared to the previous year.

Details of the Company's performance and appropriation of profit are tabulated as follows

Company	2025/26 Rs. Million	2024/25 Rs. Million
Profit before income tax	8,558.36	5,788.34
Income tax expense	3,477.28	2,184.96
Profit for the year	5,081.08	3,603.38
Profit brought forward from previous year	19,976.74	19,884.83
Profit available for appropriation	25,057.82	23,488.21
Appropriations		
Dividend paid for previous/ current year	(1,508.06)	(3,016.13)
Other comprehensive income	(14.43)	(133.43)
Transfers to reserves	39.77	(361.91)
Total appropriation	(1,482.72)	(3,511.47)
Unappropriated profit carried forward	23,575.09	19,976.74

Provision of Taxation

Profit earned during the period is subjected to income taxes at the rate of 30%. Financial services are subjected to an 18% VAT rate and a Social Security Contribution Levy (SSCL) rate of 2.5% for the current year.

Accordingly, the current year income tax expense of the Company is Rs. 3,477.28 million, and a comprehensive note on the income tax expense and the deferred tax asset or liability of the Company and the Group are disclosed in Notes 17 and 44 respectively in the Financial Statements.

Property, Plant and Equipment, Right of use Assets and Intangible Assets

The total capital expenditure incurred on property, plant and equipment (including capital work in progress) of the Company and the Group in the year ended 31 March 2026 amounted to Rs. 564.93 million and Rs. 757.50 million respectively (Rs. 585.98 million and Rs. 783.46 million in 2024/25).

The total additions to right of use assets of the Company and the Group in the year ended 31 March 2026 amounted to Rs. 805.04 million to Rs. 945.89 million respectively (Rs. 996.22 million and Rs. 584.35 million in 2024/25).

In the year ended 31 March 2026, the Company and the Group invested Rs. 82.42 million and Rs. 91.18 million respectively to acquire intangible assets. (In 2024/25, the Company invested Rs. 4.38 million and the Group invested Rs. 15.77 million to acquire intangible assets).

The Directors confirm that there were no other significant changes in the Company's or its subsidiaries' fixed assets and market value of land which substantially differ from the book values thereof as disclosed in Note 32.4 on page 387.

The details of property, plant and equipment, right of use assets and intangible assets are presented in Notes 32, 33 and 34 to the Financial Statements on pages 384 to 391.

Freehold Land and Building

Extents, locations, valuations and the number of buildings of the entity's land holding are detailed in Note 32.4 on page 387 of this Annual Report and the net book values of freehold land and buildings owned by the Company and the Group as at 31 March 2026 as included in the Financial Statement was Rs. 1,039.83 million and Rs. 3,308.48 million respectively.

Annual Report of the Board of Directors on the Affairs of the Company

Valuation of the Land and Building

The Company engages independent professional valuers for revaluation of its freehold land and buildings as specified by the Direction No 04 of 2018 on 'Valuation of Immovable Properties' and subsequent amendments thereto issued by CBSL.

Revaluation of immovable properties obtained as collaterals against any accommodation granted are assessed based on the requirements in the Direction No 04 of 2018 on 'Valuation of Immovable Properties' and subsequent amendments thereto issued by CBSL. The assessment of immovable properties is carrying out by independent professional valuers as required by the said direction issued by CBSL.

The assessed fair value of the immovable properties does not consider for measurement of regulatory provisions for bad and doubtful debts as per Direction No 03 of 2006 and subsequent amendments thereto issued by CBSL.

Qualifications of Valuer

The valuation process of land and buildings of the Company was carried out by Messrs. K. T. D Tissera (FRICS (Eng.) FIV (Sri Lanka), who is a Chartered Valuation Surveyor, U. K. and the valuation of investment property was carried out by Messrs. S.A.M.A Perera Property Valuer (MRICS. U.K), Chartered Surveyor/Panel Valuer/ Incorporate Valuer.

Investments

Details of investments held by the Company are disclosed in Notes 22, 23, 24, 27, 28, and 29 on pages 354 to 356 and 376 and 378 to 379 the Financial Statements.

Equity

Stated Capital

The Stated Capital of the Company and the Group as at 31 March 2026 amounted to Rs. 20,512.33 million, compared to Rs 19,230.48 million as at 31 March 2025.

Reserves

The total reserves of the Company and the Group as at 31 March 2026 stood at Rs. 27,014.55 million and Rs. 32,973.71 million respectively. During the financial year under review Rs. 254.05 million was transferred from retained earnings to the statutory reserves. Information on the movement of reserves is given in the 'Statement of Changes in Equity' on pages 317 to 318 and in Notes 46 to 48 to the Financial Statements.

Debt Securities Issued

The details of debt securities issued are given in Note 37 and more comprehensive analysis of the Company's debentures is set out in Note 37.2 to the Financial Statements.

Capital Adequacy

Tier 1 capital ratio and total capital ratio of the Company computed as per the Finance Business Act Direction No. 03 of 2018 Capital Adequacy Requirement issued by the Central Bank of Sri Lanka stood at 15.25% and 18.88% respectively as at 31 March 2026. The information on minimum capital requirement is given on page 410 of this Annual Report.

4. External Auditors

(Section 168 (1) (c) (i) and (j))

The above sections define the Auditors' Report on Financial Statements of the Company and the Group with separate disclosure on amounts payable by the Company and its subsidiaries to the Auditors as audit fees and fees for other services rendered during the accounting period and Auditors' relationship or any interest with the Company and its subsidiaries.

4.1 Auditors and Their Independence

In accordance with the National Audit Act No.19 of 2018, People's Leasing & Finance PLC falls under the definition of 'Auditee Entity' and the Auditor General or any person authorised by the Auditor General shall carry out the audit of the Company and their responsibilities in relation to the Financial Statements set out in the 'Independent Auditors' Report' given on pages 308 to 312.

4.2 Auditors' Report

The Report of the Auditor on the Financial Statements of the Company and the Group is given on pages 308 to 312.

4.3 Auditors' Remuneration

Auditors were paid the following sums by the Company and the Group for audit and related services as well as for non-audit services including tax related services:

Fees	Company		Group	
	2025/26 Rs. Million	2024/25 Rs. Million	2025/26 Rs. Million	2024/25 Rs. Million
Audit and related services	7.58	7.58	17.07	15.66
Non-audit Services	4.72	3.76	17.10	3.76

4.4 Appointment of Auditors

According to Section 55 of the National Audit Act No.19 of 2018, People's Leasing & Finance PLC falls under the definition of 'Auditee Entity' and the Auditor General or any person authorized by the Auditor General shall carry out the audit of the Company for the ensuing financial year.

4.5 Material foreseeable Risk Factors

Material Foreseeable Risk Factors as applicable to the business operations of the Company and its subsidiary are set out in Notes 56 to the Financial Statements.

4.6 Risk Management and controls

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Board Audit Committee and the Board Integrated Risk Management Committee. The Board, through the Board Audit Committee and Board Integrated Risk Management Committee, conducts a review of internal controls covering financial, operational and compliance controls and risk management and has obtained reasonable assurance of their effectiveness and successful adherence therewith. Directors' Statement on Internal Control is on pages 305 to 306.

5. Accounting Policies and Changes During the Year

An alternative format has been used in presenting accounting policies to minimise the disclosure overload and clutter in the Financial Statements. These Financial Statements comply with the requirements of the Sri Lanka Accounting Standards – LKAS 1 on 'Presentation of Financial Statements' and with Section 168 (1) (d) of the Companies Act Nol 07 of 2007.

The significant accounting policies adopted in the preparation of the Financial Statements are given on pages 320 to 453. The significant changes to accounting policies adopted if any, in the preparation of the Financial Statements are given in Note 3.4 on page 324.

6. Board Of Directors

(Section 168 (1) (e),(f), (h))

The above sections define particulars of the entries in the Interests Register of the Company and its subsidiaries during the accounting period with remuneration and other benefits paid to the Directors of the Company and its subsidiaries during the accounting period and information on the directorate of the Company and its subsidiaries during and at the end of the accounting period.

6.1 Profiles

Names of the members of the Board of Directors together with their profiles including skills and experience are set out on pages 216 to 223 of this Annual Report.

6.2 Appraisal of Board Performance

The method used to appraise the performance of the Board of Directors is presented in the 'Corporate Governance' section on pages 215 to 282.

6.3 Other Directorships/Significant Positions of Directors

Information of the other directorships/ significant positions of the present Directors of the Company are given on pages 240 to 241.

6.4 Resignations and Appointments

During the year 2025/2026 under review, Mr. R.B.R. Emerson, ceased to be a member with effect from 23 October 2025. Dr. Isuru Nadeesha Manawadu was appointed to the Board as a Non-Executive Independent Director with effect from 23 September 2025, in accordance with Article 27(2) of the Articles of Association of the Company.

6.5 Independence of Directors

In accordance with the Finance Companies (Corporate Governance) Direction No. 5 of 2021, Rule 9.8.5 of the Colombo Stock Exchange (CSE) Listing Rules and Section A 5.4 of Code of Best Practice on Corporate Governance Prof. S.M.A.K Samarakoon, Mr. S Sudarshan, Ms. P.G.U. Gallage, and Dr.I.N. Manawadu who are Independent Non- Executive Directors of the Company, have submitted signed and dated affidavits and declarations as per the specimen given in the Finance Business Act No. 6 of 2021 on Assessments of Fitness and Propriety of Key Responsible Persons and listing rules issued by the CSE.

6.6 Directors Fit and Proper

In compliance with the Finance Companies (Corporate Governance) Direction No. 5 of 2021 and Rule 9.7.5 of the Colombo Stock Exchange (CSE) Listing Rules, both the Board of Directors and the CEO/GM have successfully met the fit and proper assessment criteria outlined in Direction No. 5 of 2021 and CSE rule No. 9.7.5. as at 31 March 2026. Additionally, as per the regulations of the Colombo Stock Exchange, each member of the Board has submitted a signed declaration confirming continuous satisfaction to the fit and proper assessment criteria throughout the financial year ending as at 31 March 2026.

6.7 Directors' and Officers' Liability Insurance

The Company has obtained a Directors' and Officers' Liability insurance cover from a reputed insurance Company in Sri Lanka providing worldwide cover to indemnify all past, present and future liability towards the Directors and Officers of the Company.

6.8 Directors' Remuneration

Directors' fees and emoluments paid by the Company and the Group for the year ended 31 March 2026 was Rs. 66.39 million and Rs. 96.19 million respectively. Comparative figures are given in Note 15 to the Financial Statements.

6.9 Interests Register/Directors' Interest in Transactions

In compliance with the Companies Act No. 07 of 2007, the Company maintains an Interests Register, which is available for inspection. The Directors of the Company have made general declarations of their interests in transactions of the Company as per Section 192 (2) of the Companies Act No. 07 of 2007. Details of the transactions disclosed therein are given on pages 420 to 426 under Related Party Transactions. Furthermore, the Chairman, the Board of Directors and the Chief Executive Officer of the Company have made general declarations that there are no financial, business, family or other material/relevant relationship(s) between themselves as required to be disclosed by the Finance Companies (Corporate Governance) Direction No. 05 of 2021.

The Directors at all times have declared all related party transactions with the Company and abstained from voting on matters in which they were materially interested.

6.10 Directors' Interest in Shares

The Directors have disclosed to the Board of their shareholding in the Company and any acquisitions or disposals thereof in compliance with Section 200 of the Companies Act No. 07 of 2007. The Directors' individual shareholdings along with the Chief Executive Officer's individual shareholding in the Company are given in the section titled 'Sustainable Value Creation for Investors' on pages 456 to 462 of this Annual Report.

Annual Report of the Board of Directors on the Affairs of the Company

Director's Interest Shares

Director's Name	As at 31.03.2026	As at 31.03.2025
Mr. K.C.J.C. Fonseka	67,836	66,133

6.11 Meetings

The details of Board meetings and Board subcommittee meetings are presented in the Corporate Governance Report on page 215 to 282 of this Annual Report.

7. Share Information

Significant shareholder information along with substantial shareholder details and other share-related information is presented in detail under the title 'Sustainable Value Creation for Investor' on pages 456 to 462 of this Annual Report.

7.1 Equitable Treatment to Shareholders

The Company has at all times ensured that all shareholders are treated equitably.

7.2 Dividends on Ordinary Shares

The Company paid interim dividend for the financial year 2025/26 of Rs. 0.70 per ordinary share in the form of a scrip dividend in October 2025. The Board of Directors are proposing a final dividend of Rs. 0.70 per ordinary share in the form of scrip dividend, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The Board of directors ensured that the Company would meet the requirements of solvency test in terms of section 56(3) of the Companies Act No.07 of 2007 and the Listing Rules of the Colombo Stock Exchange (CSE). Immediately after the distribution of interim dividend in accordance with section 56 (2), the Board obtained a certificate from the auditor on the Statement of Solvency in respect of dividend payments conforming to the above statutory provisions. This requirement will be full filled to in respect of the final dividend as well.

8. Donations

(Section 168 (1) (g))

Total amount of donations made by the Company during the accounting period.

During the financial year 2025/26, the Company made donations (including CSR) amounting to Rs.13.23 million (Rs. 1.08 million in 2024/25). The Company's Sustainable Finance Department handles the Corporate Social Responsibility (CSR) initiatives and activities. The CSR initiatives of the Company are presented in the sections titled 'Social and Relationship Capital' and 'Natural Capital' on pages 199 to 201 and pages 202 to 214 respectively.

9. Corporate Governance

(Code of Best Practice D.6, D 6.1, D.2, D 1.4)

The Board of Directors is committed to developing the corporate Governance principles of the Company and has adopted various policies to ensure that the highest principles of ethics and governance are maintained across the Organisation. In terms of the Finance Business Act Direction No. 05 of 2021 a policy on Communication with all stakeholders was formulated during the year governing the different participants in the Company – such as the depositors, shareholders, borrowers/ creditors and other stakeholders.

The Corporate Governance Charter was reviewed to ensure that the Company is in compliance with the recommendations of the Finance Companies (Corporate Governance) Directions No. 05 of 2021, the Listing Rules of the Colombo Stock Exchange (CSE) and the Code of Best Practices on Corporate Governance issued by CA Sri Lanka.

A Comprehensive Anti-Money Laundering Policy/Whistle Blower Policy/Anti-corruption and anti-bribery policy etc are in place to ensure best practices are embraced by the Company in conducting its operations. The Company at all times endeavors to ensure fair treatment to all stakeholders, in particular the depositors. Further, the Board adopted frameworks with the involvement of internal Management Committees for risk management and the process to identify, assess, monitor, and manage risks with clear delegation of responsibilities to ensure their effectiveness in supporting the achievement of the strategic, operational, and financial objectives of the Company.

Chairman's Affirmation on the Code of Business Conduct and Ethics

The Chairman affirms that People's Leasing & Finance PLC has introduced a Code of Business Conduct and Ethics where the Company-wide procedure is set for disseminating, monitoring and compliance with the Code of Business Conduct.

The Directors declare that:

1. The Company has not engaged in any activity which contravenes laws and regulations.
2. The Company has made all endeavors to ensure the equitable treatment of shareholders.
3. The business is a going concern.
4. Effectiveness of and successful adherence to internal controls and risk management is practiced by the Company. The measures taken in this regard are set out in the Corporate Governance Report on pages 215 to 282 of this Annual Report.
5. To the best of their knowledge, there has not been any violation of the Code of Business Conduct and Ethics of the Company.
6. Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.
7. Property, plant and equipment are reflected at fair value, where it is different from fair value and adequate disclosures are made.

In addition to that in a declaration on the Board Code of Conduct will be signed by the directors annually in connection with the requirement of Sustainability Standards Implementation & Management System (S-SIMS).

The Directors declare that:

1. To prioritize the Company's interests, disclose conflicts promptly, and ensure actions benefit all stakeholders
2. Commit to active participation in Board activities, contributing my expertise to advance organizational goals, and acting with integrity and diligence to avoid liabilities
3. To uphold the confidentiality of privileged information and Board discussions
4. To manage the resources responsibly and ensure legal and ethical use and to safeguard the Organization's financial health and reputation
5. To support Environmental, Social and Governance sustainability encouraging innovation across operations.
6. To uphold honesty, integrity, and professionalism and adhere to the highest ethical standards and to promote a culture of transparency, fairness, and respect within the organization
7. Not to engage in insider dealings, defined as the use of privileged information for personal gain or to benefit others at the expense of the Company
8. To adherence to the regulatory environment and ensuring compliance with relevant laws, regulations, directions and ethical standards governing the company
9. To foster a corporate culture of ethics and professionalism.
10. To hold themselves accountable for upholding principles and to address breaches promptly and transparently.

KRPs Declaration on Compliance with Code of Business Conduct and Ethics

To the best of their knowledge, there has not been any violation of the Code of Business Conduct and Ethics of the Company.

9.2 Compliance with Laws and Regulations

To the best knowledge and belief of the Directors, the Company and the Group have not engaged in any activity contravening any laws and regulations. During the year 2025/2026, the Company has implemented new controls to reinforce the control environment, and confirmed their effectiveness through verification by external auditors.

9.3 Statutory Payments

To the best of their knowledge and belief, the Directors are satisfied that all statutory payments due to the Government, other regulatory institutions and in relation to the employees have been made in time.

9.4 Environmental Protection

The Directors confirm that to the best of their knowledge the Company and the Group have not engaged in any activity which is detrimental to the environment.

9.5 ESG Reporting

Environmental, social and governance considerations can affect a Company's ability to execute its business strategy and create value. The Company's Annual Report should contain sufficient information on ESG risks and opportunities that are recognised, managed, measured and reported as set out on pages 74 to 80.

10. Acknowledgement

(Section 168 (1) (k))

Acknowledgement of the contents of this report/signatures on behalf of the Board by two Directors and the Secretary of the Company.

The Board of Directors has acknowledged the content of this Annual Report as disclosed on page 259.

11. Stakeholder Management and Integrated Reporting

Excellent job in portraying the holistic approach of the Company towards its stakeholders and value creation process. The comprehensive management of valued stakeholders, encompassing customers, employees, investors, suppliers, and the community, underscores the Company's commitment to sustainable growth. Moreover, the conscientious consideration of economic, environmental, and social impacts demonstrates the Company's dedication to responsible business practices.

This meticulous approach to capital management is evident in the detailed reporting provided in the Annual Report. The Management Discussion and Analysis section, spanning pages 112 to 214, encapsulates the Company's strategies, performance, and future outlook, thereby providing stakeholders with valuable insights into the Company's operations and its broader impact.

By integrating these aspects into its reporting process, the Company not only enhances transparency but also reinforces its role as a conscientious corporate citizen. This commitment to stakeholder engagement and sustainable practices serves as a commendable example within the industry, setting a high standard for responsible business conduct.

12. Outstanding Litigation

In the opinion of the Directors formed in consultation with the Company's lawyers, litigation currently pending against the Company will not have any material impact on the reported financial results or future operations of the Company. Details of litigation pending against the Company are given in Note 51 to the Financial Statements on pages 413 to 414.

13. Human Resources

The Company has adopted an absolutely non-discriminatory Employment Policy which respects individuals and provides career opportunities irrespective of gender, race or religion. As at 31 March 2026, a total of 3,251 persons were in employment (2,679 persons as at 31 March 2025) with the Company.

14. Internet of Things and Cybersecurity

(Code of Best Practice D 6,D 6.1,D.2,D 1.4)

The Board confirms that the Company has appointed an Information Security Officer (ISO) with sufficient expertise and authority and allocated regular and adequate time on the Board meeting agenda for discussions on cyber - risk management. Related information is set out in the Corporate Governance Report on page 247.

15. Events After the Reporting Period

Details of events after the reporting period are disclosed in Note 58 to the Financial Statements on page 453.

Annual Report of the Board of Directors on the Affairs of the Company

10. Compliance with Requirements on the Content of the Annual Report In Rule 7.6 of the Listing Rules

Rule Ref.	Information Required to be Disclosed	Status of Compliance	Page Reference
7.6 (i)	Names of person who were Directors of the Company during the financial year	√	216 to 223
7.6 (ii)	Principal activities of the Company and its subsidiaries during the year	√	320
7.6 (iii)	Information on 20 largest shareholders at the end of the year	√	459
7.6 (iv)	The public holding percentage	√	458
7.6 (v)	Directors' and Chief Executive Officer's holding in shares	√	461
7.6 (vi)	Information pertaining to material foreseeable risk factors	√	283-298
7.6 (vii)	Details of material issues pertaining to employees and industrial relations	During the year under review, there were no material issues pertaining to employees and industrial relations.	
7.6 (viii)	Information on buildings/land holdings and investment properties as at the end of the year	√	384-387
7.6 (ix)	Number of shares representing the stated capital as at the end of the year	√	409
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities and related information	√	458-459
7.6 (xi)	Ratios and market price information on equity, debt, change in credit rating	√	460-462
7.6 (xii)	Significant changes in the Company's or subsidiaries' fixed assets.		384-387
7.6 (xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	We did not raise funds through a public issue, Right issue or a private placement during the year	
7.6 (xiv)	Information in respect of employee share ownership or stock option schemes	The Company does not have any employee share ownership or stock option scheme at present.	
7.6 (xv)	Disclosure pertaining to corporate governance practice in term of Rules Section 9 of the Listing Rules		471-476
7.6 (xvi)	Related Party Transaction exceeding 10% of the equity or 5% of the total assets of the entity		420-426

11. Related Party Transactions

(CSE Listing Rules Section 9)

The Directors declare that the rules pertaining to Related Party Transactions in Section 9 of CSE Listing Rules have been complied with.

12. Going Concern

(Code of Best Practice D 1.4)

The Group's Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business in the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

In determining the basis of preparing the Financial Statements for the year ended 31 March 2026, the Management has assessed the existing and anticipated effects of economic, regulatory, and political volatility on the Group Companies and the appropriateness of the use of the going concern basis based on available information.

The Group evaluated the resilience of its businesses considering a wide range of factors under multiple stress-tested scenarios, relating to expected income, cost management, profitability, liquidity, and the ability to defer non-essential capital expenditure, unused credit lines and the ability to continue providing services to ensure businesses continues with the least possible impact.

Having presented the outlook for each industry of the Group to the Holding Company's Board and post evaluation of the above by the Management, and following due consideration the range and likelihood of outcomes, the Management is satisfied that the Company has adequate resources to continue in operational existence in the foreseeable future and continue to adopt the going concern basis in preparing and presenting these Financial Statements.

20. Annual General Meeting

The 30th Annual General Meeting will be held at the People's Bank Auditorium, People's Tower, Level 16, No. 371, Dr. Colvin R de Silva Mawatha, Colombo 2, on 30th June 2026 at 3.00 p.m. Notice of the meeting relating to the 30th Annual General Meeting is provided on page 516 of this Annual Report.

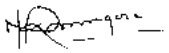
By order of the Board of Directors



Prof. Ajantha Samarakoon
Chairman



Dr. Isuru Manawadu
Director



Nirosha Kannangara
Company Secretary

1 June 2026
Colombo

Report of the Board Audit Committee



"The Board Audit Committee continued to assist the Board in discharging its oversight responsibilities by promoting the integrity of financial reporting, strengthening internal controls and risk management practices, monitoring regulatory compliance, and ensuring the effectiveness and independence of the internal audit functions."

Dr. Isuru Manawadu
Chairperson - Board Audit Committee

The Committee assessed the Company's compliance with financial reporting requirements, information requirements under the Companies Act, Finance Business Act and other relevant financial reporting related regulations (such as SLFRSs/LKAS) and requirements.

Board Audit Committee ("Audit Committee" or "the Committee") of the Company presents its report for the year ended 31 March 2026.

Composition

The Board Audit Committee (BAC) was reconstituted with effect from 11 February 2025 to ensure full compliance with the CBSL Corporate Governance and Listing Rules of the Colombo Stock Exchange (CSE). Accordingly, Mr. P. D. Samarasinghe, Independent Non-Executive Director, was appointed as Chairman of the Committee, together with Mr. S. Sudarshan, Independent Non-Executive Director, and Mr. K. C. J. C. Fonseka, Non-Independent Non-Executive Director.

Subsequent to this appointment, it was determined that the independence of Mr. P. D. Samarasinghe had been impaired, thereby necessitating a further reconstitution of the Committee. Accordingly, the BAC was reconstituted with effect from 23 September 2025. Following this reconstitution, Dr. I. N. Manawadu, Independent Non-Executive Director, was appointed as Chairman of the Committee, alongside Mr. S. Sudarshan, Independent Non-Executive Director, and Mr. K. C. J. C. Fonseka, Non-Independent Non-Executive Director. This composition aligns with the requirements specified by the regulators. The Board is satisfied that the current members of the Committee are competent in financial matters and have recent and relevant experience.

Name of the Committee Member	Membership Status
Dr. Isuru. N. Manawadu – Chairman of the Committee	Independent Non- Executive Director
Mr. S. Sudarshan	Independent Non- Executive Director
Mr. Clive Fonseka	Non-Independent Non- Executive Director

The profiles of the members are given on pages 216 to 223 of the Annual Report.
Mr. Aminda Rajapaksa serves as the Head of Internal Audit and functions as the Secretary to the Board Audit Committee.

Meetings

The Committee held eight (8) meetings during the financial year ended 31 March 2026. The proceedings of these meetings, including detailed deliberations on key matters, were regularly reported to the Board.

Representatives of the Company's External Auditors, namely the Auditor General and Ernst & Young, participated in two (2) meetings during the year. In addition, two (2) separate confidential meetings were held exclusively between the Committee and the External Auditors, without the presence of management, to facilitate open and independent dialogue. The proceedings of these meetings, including key matters deliberated, were duly reported to the Board.

The Chief Executive Officer, Chief Operating Officer, Acting Chief Financial Officer, and other members of senior management attended meetings by invitation, as required.

Attendance at the meetings during the year under review was satisfactory.

Committee Member	Directorship Status	Membership Status	Attendance
Dr. Isuru. N. Manawadu	Independent Non-Executive Director	Chairman (Appointed w.e.f 23.09.2025)	6/6
Mr. S. Sudarshan	Independent Non-Executive Director	Member	8/8
Mr. Clive Fonseka	Non-Independent Non- Executive Director	Member	8/8
Mr. Pravir D. Samarasinghe	Non-Independent Non- Executive Director	Chairman (Ceased w.e.f 23.09.2025)	2/2

The Board of Directors of People's Leasing & Finance PLC, at its meeting held on 23 September 2025, resolved to reconstitute the Board Audit Committee (BAC) with effect from the same date.

Accordingly, Dr. Isuru N. Manawadu, Independent Non-Executive Director, was appointed as the Chairman of the Board Audit Committee (BAC). Consequent to this reconstitution, Mr.

Pravir D. Samarasinghe, who had served as Chairman of the BAC with effect from 11 February 2025, ceased to be a member of the Committee.

Activities of the Committee During the Financial Year 2025/26

Terms of Reference of the Committee

The Board Audit Committee is appointed by the Board of Directors of People's Leasing & Finance PLC to assist and provide the board oversight of the integrity of financial reporting, adequacy of the system of internal control, assessment of the Company's compliance with legal and regulatory requirements.

The composition, scope, responsibilities, and authority of the Committee are governed by its Terms of Reference, which are reviewed once in every two years, or as required, to ensure continued alignment with evolving responsibilities and regulatory expectations.

The Terms of Reference were last reviewed at the BAC meeting held in September 2024 and were subsequently approved by the Board during the same month.

The Committee is vested with full and unrestricted authority to investigate any matter within its mandate. It has unhindered access to all records, data, and reports of the Company, as well as to management and staff, and is empowered to obtain any information it considers necessary for the effective discharge of its responsibilities.

The Committee is further authorised to seek independent external professional advice, where deemed appropriate, at the Company's expense.

Financial Reporting

The Committee assisted the Board of Directors in discharging its responsibility for the preparation of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company in conformity with the Sri Lanka Accounting Standards, the Sri Lanka Financial Reporting Standards, and Finance Business Act No. 42 of 2011 the Companies Act No. 7 of 2007, Sri Lanka Accounting & Auditing Standards Monitoring Board Act No.15 of 1995, rules and regulations of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka and Central Bank of Sri Lanka Directions.

The Committee reviewed the interim and annual financial statements, which were duly approved and signed by the Acting Chief Financial Officer and the Chief Executive Officer/Managing Director. These statements assure compliance with the Sri Lanka Accounting Standards, provisions of the Companies Act No. 7 of 2007, and provide the required information as per Rule 7.4 of the Colombo Stock Exchange.

The Committee reviewed and discussed the Company's interim and annual financial statements, assessed the acceptability of Accounting principles, significant estimates and judgments, and the impact of dividend declarations to the prudential ratios, in discharging their oversight responsibilities. The Committee reviewed the Impairment Policy Manual including the assessment of adequacy of provision for Expected Credit Loss (ECL) recognized in the financial statements.

External Audit

National Audit Act No. 19 of 2018, requires the Auditor General to carry out the audit by himself or any person authorized by the Auditor General. Accordingly, the Auditor General informed the Company of the appointment of Messrs. Ernst & Young to assist the Auditor General in performing the external audit for the FY 2025/26. Since the Auditor General is the External Auditor of the Company, as appointed under the Constitution, the Committee has no role to play in the appointment of the External Auditor.

The representative of the Auditor General participated in all Board Audit Committee meetings held during the financial year 2025/26.

Further, the Committee met twice during the financial year with Messrs. Ernst & Young, the external auditors appointed to assist the Auditor General under the provisions of the National Audit Act No. 19 of 2018. The initial meeting was held to discuss the audit plan, scope, and proposed audit methodology for the annual audit engagement. Subsequently, a second meeting was convened to review and discuss the audit findings and results.

The Committee held two confidential meetings with the external auditors without any other directors / senior management/employees being present to facilitate open discussion on material issues, problems, or reservations. This allowed the external auditors to address their concerns and opinions directly with the Audit Committee. Accordingly, the Committee was informed that the management has provided all necessary information and explanations as requested by the auditors, ensuring unrestricted coverage of their scope of work. The outcomes of these discussions were communicated directly to the Board by the Committee.

The Committee reviewed the non-audit services provided by the External Auditors to ensure that such services do not fall within restricted categories and do not impair the independence and objectivity of the External Auditors, who are appointed to assist the Auditor General.

The Committee also regularly reviews the Policy on the Engagement of External Auditors for the provision of non-audit services to ensure it remains up to date with evolving regulatory requirements and best practices. The Policy was last reviewed at the BAC meeting held in March 2026 and was subsequently approved by the Board during the same month.

The Management Letter for the financial year 2024/25 was presented directly to the Board in September 2025 by the External Auditors due to the temporary non-compliance in the composition of the Board Audit Committee prevailing at that time.

Notwithstanding the above, the Committee's established practice is to review the External Auditors' Management Letters together with the corresponding responses provided by Management. The Committee also ensures that appropriate actions are taken to effectively implement the recommendations set out in the Management Letters.

Internal Audit

A dedicated Internal Audit Department is responsible for executing the internal audit function and reports functionally to the Board Audit Committee. The Committee ensures that the internal audit function remains independent of the activities it audits and is adequately resourced with the requisite authority, skills, and expertise to discharge its responsibilities effectively and objectively. The rights, duties, responsibilities, and authority of the Head of Internal Audit and the Internal Audit Department are formally defined in the Internal Audit Charter, which is reviewed by the Committee and approved by the Board.

Report of the Board Audit Committee

The Committee adopts a proactive and risk-focused approach in overseeing the internal audit function. It reviews and approves the annual internal audit plan prior to the commencement of each financial year, ensuring alignment with the Company's risk profile and strategic priorities. This review includes a comprehensive assessment of resource adequacy, skill mix, and technological capabilities to ensure the uninterrupted delivery of assurance services. The Committee also monitors the progress of audit engagements against the approved plan and provides strategic guidance where necessary to address emerging risks and evolving business dynamics.

The Internal Audit Manual is reviewed annually to incorporate developments in operational processes, regulatory requirements, and industry best practices. Accordingly, the Committee reviewed and approved the revised Manual in March 2026, which was subsequently approved by the Board during the same month.

The Internal Audit Department conducts both on-site and off-site audits across business units and branch operations, providing comprehensive coverage of key risk areas. In addition, Information Systems Audits are carried out to evaluate the adequacy and effectiveness of the Company's information technology infrastructure, information security framework, governance structures, policies, procedures, and operational controls, benchmarked against recognized standards and best practices.

Significant audit findings, together with recommended corrective actions, are reported to the Committee for deliberation. The Committee rigorously evaluates these findings and ensures that appropriate and timely remedial actions are implemented by Management. Follow-up mechanisms are in place to monitor the status of outstanding issues until satisfactory resolution is achieved. The Committee also undertakes an annual performance evaluation of the Head of Internal Audit to ensure continued effectiveness and alignment with organisational expectations.

Furthermore, the Internal Audit Department continues to enhance its audit methodology through the increased adoption of data analytics and technology-driven tools. This enables the systematic identification of anomalies and exceptions across large data sets, supports continuous auditing practices, and strengthens risk coverage. These initiatives contribute to a more agile, insightful, and forward-looking internal audit function, thereby enhancing the overall effectiveness and efficiency of the Company's governance and control environment.

Regulatory Compliance

The Committee assessed the Company's compliance with financial reporting requirements, information requirements under the Companies Act, CBSL directions, Finance Business Act, and other relevant financial reporting-related regulations (such as LKASs/ SLFRS), as well as requirements. The Committee scrutinized the reports submitted by the Compliance Officer and the Internal Audit to monitor compliance with such legal and regulatory requirements.

The Committee further monitored the timely implementation of recommendations arising from the Central Bank of Sri Lanka's Statutory Examination Reports, along with Management's responses and the associated time-bound action plans, to ensure effective remediation and regulatory compliance.

Internal Controls

The Committee, assisted by the Internal Audit Division, assesses the adequacy and effectiveness of the Company's internal controls. The Internal Audit Department conducts assessments to ensure the efficiency and effectiveness of both the internal controls and the Management Information Systems, and verifies that the design of internal controls are effective, functioning properly, and that the respective process owners adhere to established procedures.

The Committee also reviewed the observations and recommendations of the External Auditors and the management's responses to them. Additionally, the Committee evaluates the effectiveness of the Company's Risk management function with the assistance of the Internal Audit Division.

The report on the "Internal Control System over Financial Reporting" was reviewed and approved by the Committee for inclusion in the Annual Report.

Whistleblowing

The Company's Whistleblower Protection Policy establishes a formal framework to support corporate fraud risk management by facilitating the reporting of suspected misconduct, unethical behavior, or illegal activities. The Policy ensures strict confidentiality and protection of whistleblowers and is accessible to employees via the Company's intranet.

To strengthen awareness and promote an ethical culture, an Employee Awareness Programme has been developed and made available through the Company's Learning Management System (LMS), enhancing employees' understanding of the Policy and reporting mechanisms.

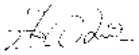
Employees who observe or become aware of improper, illegal, or unethical practices, or who receive credible information in this regard, are encouraged to report such matters directly to the Chairman of the Board Audit Committee.

The Policy was reviewed by the Board Audit Committee at its meeting held in March 2026 and was subsequently approved by the Board during the same month.

Robust procedures are in place to ensure that all reported incidents, whether received through whistleblowing channels or identified through other means, are subject to independent and objective investigation. The Committee receives quarterly updates on complaints reported through the Company's whistleblowing channels. In the absence of any such complaints, a "nil" report is submitted to the Committee to ensure continuous oversight.

Evaluation of the Committee

The Board Audit Committee discharged its responsibilities in line with the authority vested in it by its Terms of Reference. The Committee further conducted a self-assessment of its performance and concluded that it had effectively and satisfactorily fulfilled its responsibilities during the financial year 2025/26.



Dr. Isuru N. Manawadu
Independent Director
Chairman - Board Audit Committee

27 May 2026
Colombo

Report of the Board Human Resources and Remuneration Committee

GRI 2-19,2-20



"The Board Human Resources and Remuneration Committee (BHRRC) oversees the management of the company's people strategy, including compensation, performance management, recruitment, succession planning and learning and development for employees. This function involves developing and recommending human resources policies, evaluating the performance of executives and other key personnel, and providing guidance on salary adjustments and organizational changes."

Dr. Isuru Manawadu
Chairperson - Board Human Resources and Remuneration Committee

BHRRC is pleased to present its report for the financial year ended 31 March 2026. The BHRRC was established as a Sub-Committee of the Board to ensure fair human resource policies and procedures across the Group, alongside a robust remuneration structure designed to attract, retain, and motivate top-tier Key Responsible Personnel (KRPs) and employees who play a vital role in achieving the Company's strategic objectives. This includes developing performance-based incentives for the CEO, KRPs, and senior management, as well as defining performance metrics that are both relevant and challenging, with the aim of advancing stakeholder interests.

Composition of the Committee

The BHRRC comprises three Non-Executive Directors, the majority of whom are Independent Non-Executive Directors. The BHRRC is chaired by an Independent Non-Executive Director. Each member contributes valuable expertise and experience in corporate governance, leadership, and industry knowledge to the Committee's deliberations. The profiles of the members are given on pages 216 to 223 of the Annual Report.

No.	Name of the Director	Executive	Non- Exe	Independent	Non- Ind	04.04.2025	17.04.2025	19.05.2025	29.05.2025	19.11.2025	01.12.2025	29.12.2025	21.01.2026	28.01.2026	17.03.2026	No of Meetings Attended
1.	Dr. I N Manawadu (Chairperson) (Appointed w.e.f. 23/09/025) Upon re constitution of Sub Committees)		√	√	-	-	-	-	-	√	√	√	√	√	√	6/6
2.	Mr. S. Sudarshan (Appointed w.e.f. 11/02/2025		√	√	-	√	√	√	√	√	√	√	√	√	√	10/10
3.	Mr. J. Thilakarathne (Appointed w.e.f. 30/10/2025) Upon re constitution of Sub Committees)		-	-	-	-	-	-	-	√	√	√	√	√	√	6/6
4.	Mr. P D Samarasinghe (Appointed w.e.f. 11/02/2025) (Ceased to be a member of the Committee with effect from 23/09/2025)		√	-	√	√	√	√	√	-	-	-	-	-	-	4/4
5.	Mr. B. Emerson (Appointed w.e.f. 11/02/2025) (Ceased to be a member of the Board with effect from 23/10/2025)		√	-	√	√	√	√	√	-	-	-	-	-	-	4/4

Meetings

During the year under review, the BHRRC met ten (10) times, and all meeting proceedings were reported to the Board of Directors. Where necessary, the Chief Executive Officer and the Chief Manager- Group Human Resources attended meetings by invitation. The Company Secretary of Peoples Leasing serves as Secretary to the BHRRC.

Terms of Reference

The Board approved Terms of Reference (TOR) sets out the duties and responsibilities of the BHRRC. The TOR is reviewed annually by the Board and appropriate changes are made as needed to reflect compliance requirements and best practices. In the current year, the BHRRC's TOR was revised in line with the Finance Business Act Direction No. 5 of 2021 on Corporate Governance. The updated TOR incorporated in the Company's HR Policy Manual.

As set out in its TOR, the BHRRC assists the Board of Directors in fulfilling its oversight responsibilities by:

- Reviewing and approving the principles, parameters and governance of the Company's remuneration framework.
- Reviewing and approving the remuneration of Directors and Key Responsible Persons (KRPs), including setting the overall Remuneration Policy.
- Determining and periodically reviewing the payments and allowances made to Non-Executive Directors in accordance with, and within, the parameters set by the relevant regulatory authority.
- Providing the Board with assurance that the Company's remuneration practices comply with regulatory requirements and other applicable legislation.
- Providing the Board with assurance that the Company's remuneration framework aligns with People's Leasing's risk appetite, business strategy, culture, and values, and supports the long-term interests of the Company and its stakeholders, free from any form of bias.

Report of the Board Human Resources and Remuneration Committee

Remuneration Policy

The BHRRC is responsible for developing the Company's reward strategy to ensure employees are compensated in line with their performance, skills, experience, and level of responsibility. This approach helps the Company retain the talent needed to achieve its strategic goals. The People's Leasing Remuneration Policy supports the desired corporate culture by encouraging behaviours aligned with the Company's values, while also motivating employees to consistently deliver high performance in support of strategic priorities. The Company's remuneration policy is reviewed periodically, and updates are recommended by the BHRRC to reflect market changes, statutory revisions, and general living standards.

The Company has a performance-driven bonus policy that considers employees' contributions and achievements when determining compensation levels across all staff categories. The BHRRC is authorized to engage any external consultant or expertise as needed to assess the relevance of the remuneration levels applicable to the Directors and the CEO.

Authority

The Board is informed of the BHRRC's recommendations so it can make a final decision. The Committee is authorised to obtain professional advice whenever necessary at the Company's expense, and this is coordinated by the Head of Human Resources and the Company Secretary.

Activities 2025/26

During the year under review, the BHRRC recommended a series of strategic human resource, remuneration, and governance initiatives to the Board of Directors, aimed at further strengthening a performance-driven culture, enhancing organizational effectiveness, and ensuring alignment with regulatory requirements and the Company's long-term strategic objectives.
During the financial year 2025/26, the BHRRC also facilitated its decisions and recommendations through circular resolutions.

Performance & Remuneration

The Committee reviewed and recommended enhancements to the incentive framework across key business segments, aimed at better aligning rewards with individual and branch performance outcomes as well as overall business growth objectives, while supporting motivation and productivity across the branch network and marketing functions. Thereafter, the Committee recommended the payment of performance bonuses in December 2025 and April 2026 in line with established criteria. The annual salary increment cycle implemented in October 2025 was also noted and facilitated in accordance with the approved compensation framework.

Organizational Structure & Job Design

In parallel, the Committee undertook a comprehensive review of the Company's Organizational Structure and Departmental Structures, together with revisions to Corporate Management Job Descriptions, to ensure continued relevance to evolving business needs and role requirements.

Workforce Planning & Succession

Furthermore, the Committee focused on workforce sustainability and leadership continuity by reviewing succession planning arrangements for Corporate Management positions and reassessing the minimum retirement age policy, thereby supporting effective workforce planning and long-term organizational stability.

HR Policies & Process Improvements

In addition, key HR policies and procedures were reviewed and standardized in line with current practices and governance expectations. As part of operational improvements, recommendation was granted for the digitalization of personal files of resigned employees, enhancing efficiency, accessibility, and record management practices.

The Committee also reviewed the payroll arrangement and recommended the transition from the existing outsourced model to an in-house payroll processing system, with a view to enhancing operational efficiency, strengthening internal control, and improving data governance.

Employee Welfare & Benefits

Further, the Committee reviewed and recommended enhancements to employee welfare schemes, including revisions to staff vehicle loan facilities and increases in reimbursement limits for medical outdoor expenses, thereby strengthening the overall employee value proposition and supporting staff well-being.

Throughout the year, the Committee continued to ensure that all recommendations to the Board were aligned with sound governance principles, regulatory requirements, and the Company's strategic direction.

Succession Planning and Retention of Talent

The Company has outlined a comprehensive succession planning and talent retention strategy to support employee development and ensure long-term sustainability.
This approach is intended to strengthen employee engagement, build a robust leadership pipeline, and maintain a competitive edge. A job rotation and transfer policy is in place to enable staff secondments between companies within the Group. This provides employees with opportunities to broaden their experience, advance their careers, and achieve their goals. By implementing a structured succession and talent retention program supported by clear development plans and defined target timelines the Company will cultivate strong leadership capabilities and retain top talent.

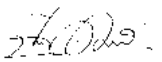
Directors Remuneration

The aggregate remuneration paid to the Directors/CEO/Senior Management during the financial year under review is given on the Note 15 of page 339 of the Annual Report, which is in line with the Board Remuneration Policy adopted by the Board.

Conclusion

The BHRRC urges the Board of Directors to prioritize attracting, retaining and developing skilled employees, while cultivating a culture that embraces diversity, equity and inclusion. It firmly believes that a strong human resources strategy is essential to the Company's long-term success.

The Committee wishes to thank Mr Bradley Emerson for his input to the Committee during his period as a member of the Committee.



Dr. Isuru Manawadu
Chairperson – Board Human Resources and Remuneration Committee

27 May 2026
Colombo

Report of the Board Related Party Transactions Review Committee

GRI 2-15



"The primary responsibility of the Board Related Party Transactions Review Committee is to ensure transparency and fairness in transactions involving the Company and its related parties, and to provide assurance to the Board that such transactions are carried out on an arm's length basis without leading to any conflict of interest. The Committee examines proposed related party transactions, provides impartial assessments, and ensures regulatory compliance, thereby safeguarding the interests of the Company and its Shareholders."

Udeni Gallage
Chairperson - Board Related Party Transactions Review Committee

The BRPTRC, a Sub-Committee of the Board, reviews and recommends all proposed transactions between the Company and its related parties.

This ensures transparency and upholds sound corporate governance principles within the Group.

The Board approved Related Party Transactions Policy outlines the criteria for identifying 'related parties' in accordance with regulatory requirements which are CBSL Directions, Listing Rules and non-regulatory requirements LKAS 24 of Sri Lanka Accounting Standards. The Policy ensures that the Company avoids transactions with related parties that may result in preferential treatment.

The Committee is pleased to present its report for the year ended 31 March 2026.

Composition of the Committee

The Committee consisted of three Non-Executive Independent Directors as at 31 March 2026 and as reconstituted effective 05 May 2026, the Committee currently consists of five Non-Executive directors including four Independent Directors. The Committee is chaired by an Independent Non-Executive Director.

The profiles of the members are given on pages 216 to 223 of the Annual Report.

Attendance

No.	Name of the Director	Executive	Non- Exe	Independent	Non- Ind	04.04.2025	23.04.2025	15.05.2025	23.06.2025	25.08.2025	22.10.2025	19.11.2025	19.01.2026	24.022026	No of Meetings Attended
1.	Ms P G U Gallage (Chairperson)		√	√	-	√	√	√	√	√	√	√	√	√	9/9
2.	Mr Dulinda Perera (stepped down w.e.f. 22/01/2026)		√	-	√	√	√	√	√	√	√	√	√	-	8/8
3.	Mr S Sudarshan		√	√	-	√	√	√	√	√	√	√	√	√	9/9
4.	Dr. I.N. Manawadu (appointed w.e.f. 22/01/2026)		√	√	-	-	-	-	-	-	-	-	-	√	1/1

** - The Committee was reconstituted effective 05th May 2026 by appointing Prof. Ajantha Samarakoon, Independent Non-Executive Director and Mr. P. Samarasinghe, Non-Independent Non-Executive Director, as members to the Committee.*

Meetings

The Committee met nine (09) times during the year under review.

As and when necessary the Chief Executive Officer, Chief Compliance Officer, Acting Chief Financial Officer and relevant Key Responsible Personnel or Senior Management officials, are requested to attend the Committee meetings by invitation.

The Secretary of the Company or any designated person appointed by her with the approval of the Chairperson of the Committee functions as the Secretary of the Committee.

The proceedings of the Committee meetings have been reported to the Board of Directors.

Report of the Board Related Party Transactions Review Committee

Terms of Reference

Terms of Reference ('TOR') sets out the functions of the Committee in line with the Finance Business Act Direction No. 5 of 2021 on Corporate Governance, Rule 9 of the Listing Rules of the Colombo Stock Exchange and requirements under LKAS 24 of Sri Lanka Accounting Standards.

Related Party Transactions Policy

The Company has a Board approved Policy for Related Party Transactions, which outlines the criteria for identifying 'related parties' in accordance with the regulatory requirements which are CBSL Directions, Listing Rules and non- regulatory requirements LKAS 24 of Sri Lanka Accounting Standards.

Additionally, via the affidavits tendered by the Directors, the related party transactions are disclosed annually. Further, the interest and shareholding of Directors and their related parties are disclosed at the monthly Board Meetings under a separate agenda item.

Furthermore, the Company's Code of Business Conduct and Ethics mandates that Board members assess potential or actual conflicts of interest arising from personal relationships, external associations, and material matters which may have a bearing on his/her independent judgment. Directors who have such potential or actual conflict of interests are required to immediately disclose such conflict with the Board of Directors as soon as he/she becomes aware of it.

Reviewing Policies and Procedures

The Related Party Transactions Review Committee reviews the Policies and Procedures on Related Party Transactions adopted by the Company.

Scope of the Committee

The Committee reviews all proposed related party transactions in advance, in accordance with the Finance Business Direction No. 5 of 2021 issued by the Central Bank of Sri Lanka (CBSL) and Listing Rules issued by the Colombo Stock Exchange (CSE) and Accounting Standards.

It recommends implementing policies and procedures to review the Company's related party transactions, as well as overseeing existing policies and procedures.

Further, the Committee recommends to the Board of Directors, where necessary, that the approval of the Company's shareholders be obtained by way of a Special Resolution prior to the concerned transaction being entered into, as specified in Sections 9.14.6 of the Listing Rules. Furthermore, the Committee establishes guidelines to be followed by the employees of the Company in respect of ongoing related party transactions.

Ensuring that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such Director is requested to do so by the Committee solely for the purpose of providing information thereon to the Committee without influencing voting on the matter.

Ensuring that immediate market disclosures and disclosures in the Annual Report as required by the applicable rules/regulations are made in a timely and sufficiently detailed manner.

Monitoring the Related Party Transactions, if any, to ensure that they are conducted in a manner that will prevent or mitigate the impact of any conflict of interest which may arise between the Company and its Related Parties.

Reviewing the TOR of the Committee periodically to ensure that it reflects the best practices of the industry at all times.

Performs other activities which the Committee deems appropriate and necessary for the performance of its duties and undertake other responsibilities which the Board may assign to the Committee from time to time.

Related Party Transactions During 2025/26

The Committee reviewed Related Party Transactions of the Company during the period of 01 April 2025 to 31 March 2026 and has thus complied with the rules pertaining to Related Party Transactions as set out in the Finance Business Act Direction No. 5 of 2021 on Corporate Governance, Section 9.14.5 of the Listing Rules of the CSE. The Company has not entered into any transactions as contemplated in Sections 9.14.6, 9.14.7 and 9.14.9 of the Listing Rules of the CSE.

All transactions entered into by the Company which fall under Finance Business Act Direction No. 5 of 2021 on Corporate Governance and Rule 9 of the Listing Rules of the Colombo Stock Exchange, as applicable section 9.14.8 of the Listing Rules have been disclosed in Note 56 to the Financial Statements on pages 420 to 426.

During the financial year 2025/26, decisions and recommendations of the Board Related Party Transactions Review Committee were also facilitated through circular resolutions.

Authority

The Committee recommendations are presented to the Board for final decision making on relevant matters. The Committee is authorized by the Board to obtain any information required from management and to obtain professional advice as and when it deemed necessary to fulfill its responsibilities effectively, at the expense of the Company which is coordinated by the Company Secretary.



Udeni Gallage
Chairperson - Board Related Party Transactions Review Committee

27 May 2026
Colombo

Report of the Board Nomination & Governance Committee

GRI 2-10



"The Nomination and Governance Committee's (BNGC) primary responsibilities include implementing a formal & transparent process for selecting Board candidates and Key Responsible Persons, evaluating Board members, advising on Board Structure and succession planning, and overseeing governance policies and procedures. The Committee works to strengthen corporate governance and support effective Board leadership."

S. Sudarshan
Chairperson - Board Nomination & Governance Committee

The Committee is pleased to present its report for the financial year ended 31 March 2026.

The Nominations & Governance Committee (BNGC) was established as a sub-committee of the Board in accordance with Section 10.4 of the Finance Business Act Direction No. 05 of 2021 and Rule 9.11 of the Corporate Governance Rules of the Colombo Stock Exchange. Its primary responsibility is to implement a formal and transparent process for the selection and appointment of new directors and senior management. This process ensures that the Company's Directors and Key Responsible Persons (KRPs) are fit and proper to hold office, in line with the criteria set out in directions issued by the Central Bank of Sri Lanka, the Colombo Stock Exchange Listing Rules, and other relevant statutes. The Committee also advises the Board on the structure and succession planning of the Company's directors.

The BNGC operates within the Terms of Reference (TOR) as approved by the Board which encompasses the CBSL regulations and CSE regulations given to BNGC.

Composition of the Committee:

The BNGC comprises three Non-Executive Directors, two-thirds of whom are independent. However, on 29 May 2025, one Independent Director disclosed a change in his independence status in accordance with Section 3.7(vii) of the Finance Business Act Direction No. 5 of 2021. The Committee promptly advised and guided the Board on the required remedial action by recommending the appointment of a new independent Director with expertise in finance and auditing to chair both the Board Audit Committee and the Board Human Resources and Remuneration Committee. This was done to ensure compliance with the minimum independent Director requirements set out in Section 3.7(a) of the above direction and Rule 9 of the Listing Rules issued by the Colombo Stock Exchange. Subsequently, the Central Bank of Sri Lanka approved the change in status of the Independent Non-Executive Director to Non-Independent Non-Executive.

Each member brings valuable expertise and experience in corporate governance, leadership, and industry knowledge to the Committee's deliberations. The profiles of the members are given on the pages 216 to 223 of the Annual Report.

Attendance

No.	Name of the Director	Executive	Non- Exe	Independent	Non- Ind	11.04.2025	17.04.2025	19.05.2025	29.05.2025	09.07.2025	04.08.2025	25.08.2025	22.12.2025	13.01.2026	30.03.2026	No of Meetings Attended
1.	Mr. S.Sudarshan (Chairperson w.e.f.11/02/2025)		√	√		√	√	√	√	√	√	√	√	√	√	10/10
2.	Mr. P.D.Samarasinghe (Appointed w.e.f.11/02/2025)		√		√	√	√	√	√	√	√	√	√	√	√	10/10
3.	Mr. Bradley Emerson (Appointed w.e.f.11/02/2025 and ceased to be a Director w.e.f. 23/10/2025)		√		√	√	√	√	√	√	√	√	-	-	-	7/7
4.	Dr. I.N.Manawadu (Appointed w.e.f.23/09/2025)		√	√		_	_	_	_	_	_	_	√	√	√	3/3

Meetings

The BNGC met ten (10) times during the year under review with all meeting proceedings reported to the Board of Directors.
When necessary, the Chief Executive Officer/ General Manager and Compliance Officer, as well as the Chief Manager Group Human Resources attended the Committee meetings by invitation.

The Company Secretary of Peoples Leasing & Finance PLC serves as the Secretary to the BNGC.

Report of the Board Nomination & Governance Committee

Terms of Reference

The Board has approved the Terms of Reference (the "TOR"), which set out the duties and responsibilities of the BNGC. The BNGC's TOR have been formulated in line with Finance Business Act Direction No. 5 of 2021 on Corporate Governance and Direction No. 6 of 2021 on the Assessment of Fitness and Propriety of Key Responsible Persons. The TOR is reviewed as needed, or once in every two years' time, by the Committee thereafter approved by the Board. Updates are made by incorporating changes required to maintain compliance and align with evolving best practices.

The Board Governance Charter and the policy on "Board of Directors Selection, Appointment, Nomination, Re-election, and Continuation" set out the procedures for nominating and appointing directors to the Board.

As set out in the TOR, the BNGC assists the Board of Directors in fulfilling its following oversight responsibilities.

- To implement a formal and transparent procedure to select/appoint new directors and senior management.
- Make recommendation to the Board for the appointment and re-appointment of Directors to the Board and Senior Management by considering such as a Director being fit and proper including but not limited to; qualifications, competencies, independence and relevant provision of the Companies Act and/regulatory bodies.
- Consider and recommend the selection and appointment of a Chairperson to the Board in case a vacancy arises;
- Ensure the Directors and the Senior Management appointed to the Company and performing duties at any point in time are fit and proper persons to perform their functions in conformity with regulatory requirements.
- Strive to ensure that the Board composition is not dominated by any individual or a small group of individuals in a manner that is detrimental to the interests of the stakeholders and the FC as a whole.
- Set the criteria, such as qualifications, experience and key attributes required for eligibility, to be considered for appointment to the post of CEO and Senior Management.
- Upon the appointment of a new director to the Board, the Committee shall assign the responsibility to the company secretary to disclose the required information to the shareholders.
- Consider and recommend (or not recommend) the re-election of current directors, taking into account the combined knowledge, performance towards strategic demands faced by the Finance Company and contribution made by the director concerned towards the discharge of the Board's overall responsibilities.
- Consider and recommend from time to time, the requirements of additional/ new expertise and the succession arrangements for retiring Directors and Senior Management.
- Regulatory (at least annually), review the structure, size and composition of the Board to ensure it has an appropriate balance of skills, diversity, experience, knowledge and independence, and report and make recommendations to the Board with regard to any changes.
- A member of the Committee should not participate in decisions relating to his/her own re-appointment and evaluation;
- Consider the succession plan for the members of the Board , Chief Executive Officer and ensure that there's a succession plan for all KRPs;
- Effective communication with shareholders on the Committee's work on behalf the Board through Committee report;
- A member of the Committee shall not participate in decision making relating to own appointment / reappointment and the Chairperson of the Board should not chair the Committee when it is dealing with the appointment of his/her successor.
- Prepare a report on the performance of the Committee's duties and functions and publish it in the Company Annual Report to be presented at the AGM of the Company.

Authority

The recommendations of the Committee are brought to the notice of the Board to make a final decision. Also it is authorized to obtain professional advice as and when required at the expense of the Company.

Activities 2025/26

During the year under review, the BNGC recommended promoting several senior staff members to the role of Key Responsible Persons of the Company. This was done by identifying and designating members of senior management who are positioned to significantly influence policy, direct business activities, and oversee business operations and risk management. Following a change in the status of an Independent Non-Executive Director, the Committee took further action by recommending the appointment of a new Independent Non-Executive Director. The recommendation considered the candidate's knowledge, skills, and experience to ensure that the Board is appropriately constituted in line with regulatory requirements, while also strengthening the Board's ability to fully carry out its responsibilities and enhancing the overall Board structure.

The Committee also ensured that it evaluated the Board of Directors' annual performance and reviewed their self-assessments.

It further examined the organizational structure and recommended that management bring in new expertise to replace retiring senior staff, create new designations to support potential divisions, strengthen the first, second, and third management layers, and prepare their successors.

Conclusion

The BNGC is committed to supporting the Board in identifying and endorsing applicants who possess the skills, knowledge, and experience needed to meet the Company's strategic requirements. It is also dedicated to ensuring that the Company and the Board reflect the desired diversity and provide opportunities for all stakeholders.

The Committee wishes to thank Mr Bradley Emerson for his input to the committee during his period as a member of the Committee



S Sudarshan
Chairperson – Board Nomination & Governance Committee

27 May 2026
Colombo

Report of the Board Integrated Risk Management Committee



"The Board of Directors of People's Leasing & Finance PLC which is primarily responsible for the integrated risk management initiatives has delegated its authority to the Board Integrated Risk Management Committee ("BIRMC" or "Committee") to review and assess the adequacy and effectiveness of the risk profile of the Company and the Group, in terms of Section 10.3 of the Finance Business Act (Corporate Governance) Direction No. 05 of 2021."

S. Sudarshan
Chairperson - Board Nomination & Governance Committee

Composition

The BIRMC comprised the following members whose profiles are given on pages 216 to 223.

Name of the BIRMC Member	Membership Status
Mr. S. Sudharshan	Committee Chairman (Non-Executive, Independent Director)
Prof. Ajantha Samarakoon	Committee Member (Non-Executive, Independent Chairman)
Mr. Anura Perera	Committee Member (Non-Executive, Non-independent Director)
Secretary to the Committee Ms. Akila Samarasinghe - AGM - Risk and Control/Chief Risk Officer	

Regular Attendees by Invitation
Chief Executive Officer/ General Manager
Chief Operating Officer
Chief Risk Officer
Head of Operations
Compliance Officer
Key Management Personnel from PLC Subsidiaries
Chief Executive Officer - People's Insurance PLC (PI)
Chief Executive Officer - Head of People's Micro-commerce Limited
Officer-in-charge of People's Leasing Fleet Management Limited
Chief Executive Officer – Lankan Alliance Finance Limited
Junior Executive - Finance -People's Leasing Property Development Limited & People's Leasing Havelock Properties Limited

Meetings

The Committee held nine (09) meetings during the year under review, the attendance of the members of the Committee was as follows.

No.	Name of the Director	Executive	Non-Executive	Independent	Non independent	No. of Meetings (Attended/ Eligible to attend)
1.	Mr S. Sudarshan - Committee Chairman		√	√		9/9
2.	Prof. Ajantha Samarakoon - Committee Member		√	√		9/9
3.	Mr. Anura Perera - Committee Member		√		√	9/9

Reporting to the Board

Immediately after the BIRMC meetings, risk assessment reports are submitted to the Board seeking their views, concurrence and/or specific directions. Minutes of the Committee which include the deliberations and conclusions reached were submitted to the subsequent BIRMC meeting for confirmation and adoption. All minutes of the meetings were formally approved by the Committee and confirmed by the Chairman.

Board Integrated Risk Management Committee Report

Activities

During the year under review, the Company continued to strengthen its risk governance structure through enhancements to key policies and frameworks. The Integrated Risk Management Policy was expanded to incorporate Environmental, Social and Governance (ESG) considerations, including climate-related risks, ensuring alignment with emerging regulatory expectations and sustainability priorities.

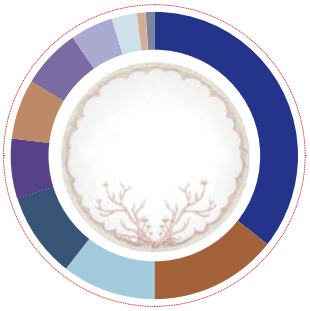
The Risk Appetite and Tolerance Statement was further refined to reflect evolving risk dynamics and to ensure effective alignment between strategic objectives and risk-taking capacity.

Further, during the period under review, the Liquidity Risk Management Framework and the Technology Risk Governance Structure were developed to strengthen the Company's risk management practices and ensure alignment with regulatory requirements and industry best practices.

The BIRMC reviewed and recommended several policies, procedures, and framework enhancements for Board approval, thereby strengthening governance, internal controls, and risk oversight mechanisms across the Company.

- The Committee recommended the Contingency Funding Plan of the Company for Board approval.
- The Committee reviewed and recommended the amendments to the TOR of ALCO for Board approval.
- The Committee reviewed the risk register quarterly, which was reported in line with the Corporate Governance Direction no. 5 of 2021.
- Reviewed the risk reports (Risk Dash-board/Risk Indicator reports) of PLC and its subsidiary companies. All participants at meetings were actively encouraged to review all risks comprehensively and also to undertake analyses going beyond the requirement of regulations.
- The Committee reviewed the ALCO, EIRMC, ISC & ITSC meeting minutes and discussed the concerned matters and proposed necessary actions.
- Reviewed Management level Committee Self-Assessments
- To create awareness, a special meeting was held to deliberate on corporate governance rules and directions.
- Discussions held on IT risk mainly focusing on Data Classification and Governance.

Key Areas of Discussion and Time Allocated



Risk Dash-Boards & Risk Report (PLC & Subsidiaries)	35.58%	Other	6.73%
IT Related	14.42%	Risk Register	4.81%
EIRMC/ALCO related	10.58%	Progress of BCP/Fire Drill implementation	2.88%
Policy Review	9.62%	ICAAP Review	0.96%
Procedure Manual Review	6.73%	Product Paper Review	0.96%
Compliance related	6.73%		

Risk Management Review

The Board of Directors of People's Leasing & Finance PLC is primarily responsible for ensuring the effectiveness of the integrated risk management framework of the Company and has delegated the oversight responsibility to the Board Integrated Risk Management Committee (BIRMC). The Committee supports the Board in reviewing and assessing the adequacy of the Company's risk management framework, risk profile, and the effectiveness of risk mitigation strategies in line with regulatory requirements and best practices.

Integrated Risk Management Approach

The Company continues to adopt an integrated approach to risk management, embedding risk considerations across all business activities. Key risks are monitored through established Key Risk Indicators (KRIs), risk dashboards, and the Company Risk Register, which are reviewed regularly by the BIRMC.

Quarterly risk reports, stress testing outcomes, and risk assessments are submitted to the Committee, enabling timely identification of emerging risks and implementation of appropriate mitigation strategies.

Credit Risk

Credit risk remained the most significant risk faced by the Company. The BIRMC closely monitored asset quality indicators, including non-performing loans and portfolio concentrations, and deliberated on strategies to strengthen portfolio quality.

The Company maintained a robust credit risk management framework supported by Board-approved policies, structured credit approval processes, and independent risk assessments. Enhancements during the year included refinements to credit risk rating methodologies, improvements to Expected Credit Loss (ECL) models, and strengthened Loan-to-Value (LTV) controls.

Post-disbursement monitoring and early warning mechanisms were further strengthened to identify emerging risks. Stress testing were conducted regularly to assess the resilience of the credit portfolio under adverse conditions.

Liquidity and Market Risk

The BIRMC reviewed liquidity and market risk exposures through regular analysis of ALCO reports, liquidity indicators, and stress testing results.

Liquidity risk was managed through maintaining adequate liquidity buffers, diversification of funding sources, and close monitoring of maturity mismatches and refinancing risks.

Market risk, particularly interest rate risk and commodity price risk, was actively managed through continuous monitoring and timely repricing strategies. Regular stress testing ensured that potential impacts on earnings and capital were adequately assessed and managed.

Operational Risk and Business Continuity

Operational risk management was strengthened through the implementation of a Board-approved framework aligned with regulatory requirements. Quarterly branch-level operational risk assessments and independent reviews were conducted to identify control gaps and implement corrective actions.

Business Continuity Planning (BCP) remained a key focus area, with regular BCP and fire drills conducted across the branch network. Digitalization of critical processes further enhanced preparedness and ensured minimal disruption during adverse events.

Information and Cyber Security Risk

The Company continued to enhance its information security framework in response to increasing digitalization and evolving cyber threats. Key initiatives during the year included the establishment of a 24x7 Security Operations Center (SOC), implementation of advanced monitoring systems, and strengthening of access controls.

Regular internal and external audits, vulnerability assessments, and compliance with international standards such as ISO 27001 ensured the effectiveness of the Company's information security controls. The BIRMC reviewed ICT risk assessments and monitored the implementation of corrective actions to strengthen cyber resilience.

During the period under review, the Information Security Department headed by the Information Security Officer was established. Information Security Officer directly reports to the Chief Executive Officer and escalated information security related papers to the BIRMC for recommendation to the Board.

Regulatory and Compliance Risk

The BIRMC reviewed the Company's compliance with applicable laws, regulations, and regulatory directions issued by the Central Bank of Sri Lanka. Regular compliance reports and updates on new regulatory requirements were reviewed to ensure adherence and timely implementation.

The Company maintained a strong compliance culture supported by structured monitoring mechanisms, internal controls, and periodic reviews.

Strategic Risk

Strategic risk was managed through a Board-approved strategic plan supported by annual business plans and performance monitoring frameworks. The BIRMC reviewed strategic risk indicators and assessed the effectiveness of strategies in response to changes in the external environment.

The strategic performance metrics ensured a proactive approach to long-term value creation and sustainability.

Sustainability/Environment, Social and Governance (ESG) related Risks

In preparation for the adoption of SLFRS S1 and SLFRS S2, the Company initiated structured processes to identify Climate-Related Risks and Opportunities (CRROs). Sustainability considerations were progressively integrated into the Enterprise Risk Management (ERM) framework, supported by enhancements to the Risk Dashboard and Risk Tolerance Statement.

Climate-related and sustainability risks are now incorporated into the Company's risk assessment, monitoring, and reporting processes, with periodic updates provided to the BIRMC and the Board through structured reporting mechanisms.

Group Risk Management

The Company adopted a decentralized approach to managing Group risk, with subsidiaries responsible for managing their individual risk profiles. The BIRMC reviewed risk dashboards and key risk indicators of subsidiary companies on a quarterly basis to ensure alignment with Group risk appetite and regulatory expectations.

People's Insurance PLC (PI)

- The Committee reviewed the underwriting quality, investment concentrations, motor claim ratios together with KRIs of default risk, operational risk, strategic risk, compliance risk on a quarterly basis.
- The Committee reviewed the PI's Compliance with the Risk-Based Capital Model regulated by the Insurance Regulatory Commission of Sri Lanka (formerly known as the Insurance Board of Sri Lanka)
- The Committee reviewed the industry analysis and deliberated on the future strategies of the Company.
- The Committee reviewed the progress of the action items agreed at the meetings.

Board Integrated Risk Management Committee Report

People's Micro-commerce Limited (PML)

- PML involves in the business of providing microfinance facilities to ensure financial inclusivity of the under privileged, rural and urban population and operates with a different risk profile.
- The Committee reviewed the asset quality and credit concentration sector-wise and product-wise.
- The Committee reviewed the Company's risk profile quarterly against set risk tolerance limits.
- The Committee deliberated and reviewed the future strategies of the Company.

People's Leasing Fleet Management Limited (PLFML)

- PLFML operations were mainly confined to valuation services.
- BIRMC quarterly reviewed the Risk Dashboard reports submitted by PLFML.
- The Committee deliberated on the future strategies of the Company.

Alliance Finance Limited (AFL) - (PLC's Bangladesh Subsidiary)

- BIRMC quarterly reviewed the Risk Dashboard reports submitted by AFL.
- CEO of AFL participated in BIRMC meetings through video conferencing to explain the operations of the Company and risk mitigating strategies.
- The Committee reviewed the future strategies of the Company.

Property Development Subsidiaries

- The Committee reviewed the Risk Indicator reports submitted by People's Leasing Property Development Limited and People's Leasing Havelock Properties Limited.
- The Committee reviewed the operations of these companies, including occupancy details.

The Risk and Control Department coordinated with the aforementioned subsidiaries of People's Leasing and briefed the Committee on the relevant information through various risk indicators and additional information.

Others

- Worked with the Senior Management closely and made decisions on behalf of the Board within the framework of the authority and responsibility assigned to the Committee.
- Supervised the procedures of Integrated Risk Management responsibilities pertaining to risk management strategies, policies and processes.
- Recommended corrective actions to mitigate the effects of specific risks at levels beyond the risk tolerance levels approved by the Board and on the basis of Company's policies, regulatory and supervisory requirements.

During the year under review, the BIRMC extended its support in line with the risk appetite and tolerance framework and also by reviewing and recommending policies, manuals and products to the Board, and in the execution of overall business strategy emphasising the upside and downside risks which can have an impact on the Company and the Group.

Conclusion

During the year under review, the BIRMC continued to support the Board in strengthening the Company's risk management framework, ensuring that risks are effectively identified, assessed, and managed within the approved risk appetite.

Through continuous enhancements to policies, processes, and systems, the Company remains well-positioned to navigate emerging risks, including sustainability, technology, geopolitical and climate-related risks, while maintaining resilience and supporting sustainable business growth.



S Sudarshan
Chairperson – Board Integrated Risk Management Committee Report

27 May 2026
Colombo

Report of the Board Credit Committee



"This Year Has Been Defined by Consistently Reviewing Major Credit Facilities and Strengthening Credit Quality and Performance Through Ongoing Assessments of Credit Standards, Policies, and Procedures, While Also Evaluating Proposals to Introduce New Products for the Company."

Jayantha Thilakarathne
Chairperson - Board Credit Committee

The Board Credit Committee (BCC) is pleased to present its report for the financial year ended 31 March 2026.

The BCC is a Board Sub-Committee established by People's Leasing & Finance PLC (People's Leasing) to oversee the quality and performance of the credit portfolio, ensure the effectiveness and administration of credit-related policies, and review and approve the credit limits above specified thresholds.

Composition of the Committee

The BCC consists of three Non-Executive Directors. The BCC is chaired by a Non-Executive, Non-Independent Director. Each member brings valuable expertise and experience in credit risk management to support the Committee's deliberations. The Profiles of the members are given in the pages 216 to 223 of the Annual Report.

Attendance

No.	Name of the Director	Executive	Non-Executive	Independent	Non-Ind	24.04.2025	26.08.2025	29.12.2025	No of Meetings Attended
1	Mr J Thilakarathne (Chairperson) (appointed as the Chairperson w.e.f. 01 /04/2025)		√	-	√	√	√	√	3/3
2	Mr Dulinda Perera		√	-	√	√	√	√	3/3
3	Mr Pravir Samarasinghe (appointed w.e.f. 23/09/2025)		√	-	√	-	-	√	1/1
4	Mr S Sudarshan (stepped down w.e.f. 23/09/2025)		√	√	-	√	√	-	2/2

Meetings

The BCC held three (03) meetings during the year under review, with all meeting proceedings reported to the Board of Directors.

The Company's Chief Executive Officer is a permanent invitee to the Committee and attends all BCC meetings. When necessary, members of Senior Management attend BCC meetings by invitation.

The Company Secretary or any designated person appointed by her with the approval of the Chairperson of the Committee functions as the Secretary of the Committee.

Board Credit Committee

Terms of Reference

The BCC, is carrying out its tasks under the Terms of Reference (TOR) approved by the Board. The Board Approved TOR sets out the duties and responsibilities of the BCC. TOR is required to review once in every two years.

As set out in its TOR, the BCC assists the Board of Directors in fulfilling its oversight responsibility by;

- Considering and recommending to the Board of Directors on the overall Credit Strategy and Credit Policy of the Company
- Considering and recommending to the Board of Directors on Manuals and lending guidelines related to Credit including any changes required from time to time
- Reviewing and recommending the appropriate portfolio mix/ diversification by considering Market Conditions/ Economic Climate of the Country, Risk Appetite, Regulatory Requirements and Risk Return Tradeoff
- Sanctioning of Credit Proposals – The BCC shall consider and approve/decline credit proposals within its delegated credit approving authority limits
- Reviewing and making suitable recommendations to the Board on the Credit Proposals that are beyond its delegated credit approving authority limits
- Reviewing the Credit Portfolio, Portfolio Performance and delinquency on regular basis with a view to consider all issues that may materially impact on the credit quality of the company and to ensure the adequacy of loan loss provisions.
- Evaluating the effectiveness of the follow-up and/or corrective action implemented by the Management to address the deterioration in the asset quality and recommended the required changes, if any.
- Considering and approving exposure limit/loan to value ratio for each type of collateral based on the current economic climate of the Country and risk appetite of the Company and conducting periodic reviews of the same
- Reviewing and approving the Credit scoring Model to evaluate the Credit Risk or the Probability of Default of the Borrowers and reviewing the same at least once in every year
- Product development – Review and recommend credit related product development proposals submitted by the Management considering Marketability, Margins, Collateral, Recovery or Collection process, Control requirements, Regulatory requirements and overall risk relating to the product.
- Credit Administration – Periodically review Credit administration process and make sure that the process is effective to deliver a smooth and fast service to clients while ensuring the process has adequate control mechanisms to mitigate operational risks
- Promote Credit Culture within the Company by adhering to the regulations relating to credit, best practices in credit while maintaining high level of ethical standards.

Authority

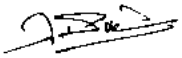
The recommendations of the BCC are brought to the notice of the Board. The BCC is authorized to obtain professional advice as and when required at the expense of the Company.

Activities 2025/26

- During the year under review, the BCC consistently reviewed extension of significant credit facilities.
- The delegated Credit authority limits were reviewed in line with the Credit Organizational structure.
- The BCC also reviewed the proposed amendments to Credit Policy, Credit Procedure Manual and Terms of Reference of Management Credit Committee and made recommendations to the Board.
- Further, the BCC reviewed the proposals for introduction of new products and recommended them to the Board.
- During the financial year 2025/26, the BCC also facilitated its decisions and recommendations through circular resolutions.

Conclusion

The Committee acknowledges the importance to act as stewards of the Company's capital, the BCC continues to refine the Company's credit policies to ensure they remain adaptable in potentially unstable environments. The Committee not only reviewed high-value credit proposals that exceeded management's limits, but also closely monitored the quality of our expanding portfolio. The Committee also aids to reinforce sound lending standards and practices while ensuring compliance with applicable regulations.



Jayantha Thilakarathne
Chairperson – Board Credit Committee

27 May 2026
Colombo

Report of the Board Investment Committee



The Board Investment Committee's major responsibility is to oversee and advise the Board on investment strategies, by reviewing and evaluating investment opportunities to ensure that the Organization's financial objectives are realized while minimizing risk. The Committee reviews the investment policy, treasury functions, portfolio performance, studying & analyzing methods to strengthen the capital of the Company and suggest changes to the Board.

Anura Perera
Chairperson - Board Investment Committee

The Board Investment Committee (BIC) is pleased to present its report for the financial year ended 31st March 2026.

The BIC is a Board Sub-Committee of People's Leasing & Finance PLC (PLC) established to oversee the Company's investment activities in line with its strategic direction. The Management Investment Committee makes necessary recommendations to the Board Investment Committee on potential investment opportunities. The BIC was formed on 27th December 2021, and the Committee has been monitoring and guiding Management and the Board as stipulated in its Terms of Reference.

Composition of the Committee

The BIC consists of three Non-Executive Directors, including one Independent Director. The Committee is chaired by Non-Independent Non-Executive Director. The Committee members possess industry expertise in evaluating and analyzing investment proposals and advising on managing associated risks. The Profiles of the members are given on the pages 216 to 223 of the Annual Report.

Attendance

No.	Name of the Director	Executive	Non-Executive	Independent	Non-Ind	04.08.2025	12.12.2025	20.01.2026	No. of Meetings Attended
1	Mr P G A C Perera (Chairperson)		√		√	√	√	√	3/3
2	Mr S Sudarshan		√	√		√	√	√	3/3
3	Ms Shameela Loku Kaluge		√		√	√	√	√	3/3

Meetings

The BIC met three (03) times during the year under review and the proceedings of the Committee meetings are regularly reported to the Board of Directors.

The Chief Executive Officer, Chief Operating Officer, Head of Operations, Head of Finance, Head of Treasury Front Office, Head of Margin Trading and Portfolio Management, and Secretary – Board Investment Committee are permanent invitees as per the Term of Reference.

The Secretary of the Company or any designated person appointed by her with the approval of the Chairperson of the Committee functions as the Secretary of the Committee.

Terms of Reference

The Board approved Terms of Reference (TOR') sets out the duties and responsibilities of the BIC. The TOR is reviewed annually by the Committee and appropriate changes are made to ensure compliance requirements, governance and best practices.

Board Investment Committee

As set out in the TOR, the BIC assists the Board of Directors in fulfilling its oversight responsibility;

- To establish PLC's investment strategy to be in line with the Company's Vision and Mission and review annually.
- To assess if such investments are in line with the Company's Investment Policy Statement.
- To evaluate investment opportunities or investments that have a substantial impact on the business structure of the Company, including acquisitions/ divestments/spin-offs/mergers, investments in subsidiaries/associates/ special purpose vehicles, investment in debt or equity instruments (except for trading purposes), investment in term deposits and government securities (except for investments aimed at fulfilling statutory requirements and investment properties)
- To evaluate the Company's investment portfolio risks and returns.
- To review the progress of due diligence and progress of potential investments such as acquisitions/divestments/spin-offs/mergers, etc.
- To review and monitor the Company's Capital Adequacy and make appropriate recommendations to the Board.
- Any other matters relating to investments referred to the Committee by the Board

Authority

The Committee is authorized by the Board to investigate any activity within its Terms of Reference (TOR) and make relevant recommendations to the Board to arrive at a final decision. The BIC is authorized to obtain legal or other professional advice as and when required at the expense of the Company.

Activities 2025/26

No material new investments were undertaken during the year. The Committee reviews the performance of investment portfolio of the Company and makes necessary recommendations thereon. During the financial year 2025/26, the BIC also facilitated its decisions and recommendations through circular resolutions.

Conclusion

The Committee remains committed to its oversight responsibilities and will continue to monitor the existing investments and evaluate new investment activities to ensure the optimal best possible outcomes for the company and its stakeholders.



Anura Perera
Chairperson – Board Investment Committee

27 May 2026
Colombo

Report of the Board Information Technology Committee



"The Board Information Technology Committee (BITC) of People's Leasing & Finance PLC was initially established as 'Board Information Technology and Digital Marketing Committee' by the Board of Directors on 27 March 2025 and renamed as Board Information Technology Committee (BITC) on 23 September 2025 with the primary objective of assisting the Board in formulating, overseeing, and monitoring the successful execution of the Company's Information technology, Information security, Cyber security, Data protection and related technological strategies that align and support the business mandate of the organization. The Committee functions in line with the requirements of the Finance Business Act Direction No. 01 of 2022 on Technology Risk Management and Resilience and supports the Board in ensuring that the Company's Technology framework & strategy aligns with its overall business strategy, operational requirements, and regulatory obligations. The Committee continues to further advice and continuously monitor the progress the Management has had on the above accord and reports the progress of the same to the Board of Directors of People's Leasing and Finance PLC."

Dulinda Perera
Chairperson - Board Information Technology Committee

The Board Information Technology Committee (BITC) is pleased to present its report for the financial year ended 31 March 2025.

Composition of the Committee

The BITC consists of three Non-Executive Directors including one Independent Director. The BITC is chaired by a Non-Executive Non-Independent Director. The Profiles of the members are given on pages 216 to 223 of the Annual Report

Attendance

No.	Name of the Director	Executive	Non- Exe	Independent	Non- Ind	10.04.2025	28.05.2025	19.06.2025	02.07.2025	20.08.2025	27.08.2025	03.09.2025	30.09.2025	27.10.2025	25.11.2025	06.01.2026	10.03.2026	No of Meetings Attended
1.	Mr Dulinda Perera (Chairperson)		√	-	√	√	√	√	√	√	√	√	√	√	√	√	√	12/12
2.	Mr Bradley Emerson (Ceased to be a director w.e.f.23/10/2025)		√	-	√	√	√	√	√	√	√	√	√	√	-	-	-	9/9
3.	Ms P G U Gallage		√	√		√	√	√	√	√	√	√	√	√	√	√	√	12/12
4.	Mr P G A C Perera (appointed w.e.f. 30/10/2025)		√	-	√	-	-	-	-	-	-	-	-		√	√	√	3/3

Meetings

The BITC met twelve (12) times during the year under review and the proceedings of the Committee meetings are regularly reported to the Board of Directors. During the year under review, the Committee held regular meetings to deliberate on matters relating to Information Technology governance, digital transformation initiatives, cyber security, information security risk Management, major technology investments, and regulatory compliance requirements. The Committee also reviewed reports submitted by Management on the status of key IT projects, information security initiatives, IT risks, and technology infrastructure developments.

The Chief Executive Officer/General Manager and the Senior Deputy General Manager – IT and Secretary to the Committee regularly attend Committee meetings, while other members of senior Management, consultants, or relevant officers are invited as and when necessary to provide technical or operational insights.

The Secretary of the Company or any designated person appointed by her with the approval of the Chairperson of the Committee functions as the Secretary of the Committee.

Terms of Reference

The BITC operates under a Board approved Terms of Reference which sets out the Committee's objectives, composition, authority, responsibilities and reporting requirements. The primary responsibility of the Committee is to assist the Board in overseeing the Company's Information Technology, Cyber Security, Information Security and Digital Transformation Strategies while ensuring alignment with the overall business strategy and regulatory requirements.

Report of the Board Information Technology Committee

The Committee is responsible for reviewing and monitoring the Company's IT governance framework, technology investments, digitalization initiatives, cyber security measures, information security programs, and IT Risk Management practices. The Committee also reviews significant IT infrastructure investments, major technology-related projects, third-party involvement in IT functions including cloud services and compliance with applicable laws, regulations and directions relating to technology risk management and resilience.

In addition, the Committee receives regular updates from Management on the status of IT projects, technology implementations, information security initiatives, IT risks, and operational resilience measures and provides recommendations to the Board on matters relating to Information Technology and Cyber Security governance. The Committee further ensures that the Company remains aware of emerging technological trends, innovations, and industry developments that may impact the strategic direction and operational effectiveness of the organization.

Authority

The BITC is authorized by the Board of Directors to review, evaluate, and make recommendations on matters relating to Information Technology, Information Security, Cyber Security, Digital Transformation, and Technology Risk Management within the Company. The Committee is empowered to obtain any information required from Management and engage with external parties including consultants and auditors, where necessary to fulfill its responsibilities effectively.

The Committee is authorized to review and recommend significant IT infrastructure investments, technology-related policies, governance frameworks and strategic initiatives for Board approval, as recommended by the Management of the company as deemed fit. It may also seek independent professional advice and invite members of senior Management, external experts, consultants, or other relevant parties to attend meetings and provide technical guidance or information on matters under consideration.

Further, the Committee is authorized to review matters relating to IT risks, cyber security, information security, operational resilience, third-party service providers & cloud-based services and where appropriate, refer matters to other Board Sub-Committees for further consideration. The Committee reports its observations, findings, and recommendations to the Board of Directors to support informed decision-making and effective oversight of the Company's technology environment.

Activities 2025/2026

During the year, the Committee carried out its responsibilities in accordance with its Terms of Reference approved by the Board. The Committee reviewed the Company's IT and digitalization strategies to ensure alignment with the overall corporate strategy and business objectives. It also deliberated on future IT investments, enterprise digital transformation initiatives, and emerging technology trends that may impact the Company's operations and long-term strategic direction.

The Committee monitored the effectiveness of the Company's IT governance framework, Information Security Management practices and cyber security controls. Regular updates were obtained from Management regarding software development projects, IT infrastructure improvements, technology architecture, significant information security projects, and implementation of security plans. The Committee further reviewed IT-related policies, Risk Management frameworks, and compliance with applicable regulatory requirements, including Technology Risk Management and Resilience Directions issued by the Central Bank of Sri Lanka.

In addition, the Committee reviewed and recommended significant IT infrastructure investments and assessed third-party involvement in IT-related services, including cloud-based solutions, to ensure that appropriate controls and safeguards were in place, as recommended by the Management for the future IT readiness of the organization.

The Committee also discussed technology-related risks and provided recommendations to strengthen operational resilience, data protection, information security and cyber security preparedness across the organization.

The Committee continues to advise the Management on overcoming possible non-compliances that were monitored and areas that warrants further improvements in ensuring that the organization is ready for potential technological risks and adverse consequences it may have to face. The Committee has further directed the Management with strict adherence to specific timelines, a future roadmap for ensuring that the organization is fully compliant with regulatory requirements as well as being futuristically and technologically ready to cater to its existing mandate.

During the financial year 2025/26, the BITC also facilitated its decisions and recommendations through circular resolutions.

Conclusion

The BITC wishes to express its appreciation to the IT team and all the employees for their dedication and diligence in managing the company's IT operation. The Committee also wishes to thank Mr. Bradley Emerson for his input to the committee during his period as a member of the Committee. The Committee remains committed to its oversight responsibilities and will continue to monitor and evaluate IT related functions to ensure the optimal best possible outcome for the company and its stakeholders.



Dulinda Perera
Chairperson – Board Information Technology Committee

27 May 2026
Colombo

Report of the Board Sustainability Committee



"The Board Sustainability Committee remains committed to overseeing the Company's sustainability strategies and performance in line with its long-term business objectives while driving the Company's sustainability agenda in alignment with evolving local and global sustainability standards. Environment, Social and Governance Sustainability continue to form the foundation of responsible and resilient business growth. During 2025/26, particular focus was placed on the first year implementation of SLFRS S1 and SLFRS S2 to strengthen the management of Climate Related Risks and Opportunities while creating long-term sustainable value creation for all our stakeholders."

Anura Perera
Chairperson - Board Sustainability Committee

The Board Sustainability Committee (BSC) is pleased to present its report for the financial year ended 31 March 2026.

The BSC is a Board Sub-Committee of People's Leasing & Finance PLC (PLC), established during the financial year 2025/26 to support the Board of Directors in providing strategic oversight and governance of the Company's sustainability agenda.

The Committee is supported by the Sustainable Finance Unit (SFU) and the Management Level Sustainability Steering Committee (SSC), which provide recommendations and updates on the progress of the Company's sustainability roadmap in compliance with regulatory requirements.

Following the establishment of the Committee, Terms of Reference (TOR) were developed and approved by the Board of Directors with the recommendation of the members of BSC to ensure effective governance and oversight of sustainability-related matters.

Composition of the Committee

The BSC comprises four Non-Executive Directors including and one Independent director and is chaired by a Non-Independent Non-Executive Director. The profiles of the members are given on pages 216 to 223 of the Annual Report.

Attendance

No.	Name of the Director	Executive	Non- Ex.	Independent	Non- Ind	03.02.2026	24.03.2026	No of Meetings Attended
1	Mr P G A C Perera (Chairperson)		√		√	√	√	2/2
2	Ms P G U Gallage		√	√		√	√	2/2
3	Ms Shameela Loku Kaluge		√		√	√	√	2/2
4	Mr J Thilakarathne		√		√	√	√	2/2

Meetings

The BSC held two (02) meetings during the year under review, and all proceedings were regularly reported to the Board of Directors.

The Chief Executive Officer/General Manager, Chief Operating Officer, Chief Information Officer, Head of Operations, Chief Risk Officer, Chief Financial Officer, Head of Human Resources, Head of Leasing & Loans and Head of Sustainable Finance shall be the regular attendees for the Committee meetings while other members of senior Management, consultants, any relevant officials and/or any external experts may be invited as and when necessary to provide technical or operational insights or to provide pertinent information as necessary.

The Secretary of the Company or any designated person appointed by her with the approval of the Chairperson of the Committee functions as the Secretary of the Committee.

Terms of Reference

The Board approved Terms of Reference (TOR) clearly defines the objectives, roles, responsibilities and mandates the BSC in supporting the Board's strategic oversight of Environmental Social and Governance (ESG) matters. The TOR was established during the financial year 2025/26 following the formation of the BSC.

Board Sustainability Committee

As stipulated in the TOR, the Committee's charter will be reviewed at least once in every two years to ensure alignment with evolving corporate governance practices, industry developments and regulatory requirements.

In line with the approved TOR, the BSC assists the Board in fulfilling its oversight responsibilities relating to the Company's sustainability strategy, governance and ESG performances.

The Committee shall provide assistance and make considered recommendations to the Board. The duties of the BSC are as follows;

1. **Strategic Oversight of Sustainability**

   Oversee the implementation of the Company's sustainability strategy and ensure sustainability is integrated into business operations and decision-making.

2. **Governance of Sustainable Finance Activities (SFAs)**

   Monitor Sustainable Finance Activities (SFAs) in line with Central Bank of Sri Lanka (CBSL) requirements.

3. **Oversight of ESG and Sustainability Related Risks**

   Review and monitor ESG and Sustainability Related Risks and Opportunities impacting the Company.

4. **Oversight of Sustainability related Policies, Reporting & Disclosures**

   Review sustainability, ESG and sustainable finance related policies, frameworks, disclosures and reporting requirements.

5. **Monitoring Sustainability Performance**

   Monitor the Company's sustainability performance, initiatives and progress towards sustainability objectives

6. **Board Capacity & Competency**

   Ensure the Board and senior management possess the required knowledge and competencies to oversee sustainability matters effectively.

7. **Reporting to the Board**

   Provide regular updates and recommendations to the Board on sustainability performance, key developments and sustainability-related matters.

Authority

The recommendations of the BSC are submitted to the Board of Directors for final approval. The BSC supports the Board by providing strategic oversight and governance of the Company's sustainability strategy, ESG practices, Sustainability Related Risks and Opportunities, regulatory compliance and sustainability disclosures while promoting responsible and sustainable business practices across the organization.

Activities 2025/26

- The Committee held its inaugural meeting during the financial year 2025/26 during which the TOR set out in the BSC Charter were formally reviewed subject to Board approval.
- Reviewed and recommended the TOR of the Management-level SSC, subject to Board approval.
- Reviewed the Company's identified Climate-Related Risks and Opportunities (CRROs) and the related assessment framework and provided strategic direction for the implementation of SLFRS S1 and SLFRS S2 to ensure compliance with mandatory reporting requirements for 2025/26.
- Conducted a capacity-building programme on SLFRS S1 and S2 for the Board of Directors.
- The Chairperson of the Board, Chairperson of the BSC, and the Chief Executive Officer/General Manager participated in the Global Sustainable Finance Conference (GSFC) 2025, convened by European Organisation for Sustainable Development (EOSD), in support of the Company's journey towards the EOSD Sustainability Standards and Certification Initiative (SSCI).
- Reviewed the Company's progress towards the EOSD Sustainability Standards and Certification Initiative (SSCI).
- Conducted a Board Skills and Experience Gap Analysis to assess the Board's knowledge and expertise in relation to SLFRS Sustainability Disclosure Standards and the management of SRROs.
- Completed a Board and Corporate Management Competency and Diversity Matrix in line with the implementation of EOSD SSCI standards.
- Reviewed the Company's Purpose Statement and High Impact Goals in alignment with the EOSD SSCI framework.
- Reviewed progress on the Company's Sustainability Roadmap to ensure alignment with regulatory requirements and evolving sustainability expectations.
- During the financial year 2025/26, the BSC also facilitated its decisions and recommendations through circular resolutions.

Conclusion

The BSC acknowledges the importance of fostering a strong sustainability culture and advancing the Company's sustainable journey in line with the Central Bank of Sri Lanka's Sustainable Finance Roadmap 2.0. The Committee remains focused on effectively managing Sustainability-Related Risks and Opportunities, reinforcing the Company's role in promoting a resilient and sustainable economy.

The Committee also records its appreciation to all members for their valuable contributions during the financial year 2025/26.



Anura Perera
Chairperson - Board Sustainability Committee

27 May 2026
Colombo

Risk Management Review

Beneath every resilient ecosystem lies an unseen yet highly intelligent network—mycelium—continuously sensing its environment, transmitting signals, and redistributing resources to sustain balance and growth. It does not operate in isolation; rather, its strength lies in the depth of its connections, its responsiveness to change, and its ability to adapt to emerging conditions.

In a similar vein, People's Leasing & Finance PLC's risk management framework functions as an interconnected system that spans the entire organization. It links governance, processes, controls, and culture into a cohesive structure that enables the continuous flow of risk intelligence. Through this integrated approach, the Company is able to proactively detect emerging risks, assess their potential impact, and respond in a timely and coordinated manner.

During the year under review, the Company further strengthened this "living network" of risk management, enhancing its ability to monitor evolving internal and external developments that could affect performance, financial stability, business sustainability, and stakeholder confidence. This approach ensures that risk management is not merely a control function, but a dynamic capability, supporting informed decision-making, safeguarding resilience, and enabling sustainable growth in an increasingly complex and uncertain environment.

Our Approach to Risk Management

People's Leasing & Finance PLC has in place an Integrated Risk Management (IRM) Framework that clearly defines the governance structures, policies, processes, and procedures required to manage its risks. The framework is designed to ensure that risks are identified, assessed, monitored, and managed effectively, minimizing the likelihood of unexpected losses or disruptions that could adversely affect the Company's financial health, reputation, or regulatory standing. The IRM framework also supports the identification and evaluation of emerging risks and opportunities, enabling People's Leasing to stay agile and responsive in a dynamic business environment.

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Risk Governance and Oversight

Nodes of Governance: Strength in Connection

Within a mycelium network, strength lies not in a single point, but in the connections between many. Similarly, the Company's governance structure operates through multiple, interlinked nodes of oversight.

At the centre, the Board of Directors defines the direction of the network with setting the risk appetite, approving policies, and ensuring that risk-taking remains aligned with strategic objectives. Surrounding this core, specialized Board Committee, Board Integrated Risk Management Committee (BIRMC) functions as the critical node, focusing on distinct risk dimensions while remaining connected to the whole. At the executive level, committees such as ALCO, ITSC, MCC, and the EIRMC translate oversight into action, ensuring that risk responses are timely, coordinated, and aligned across business functions. Binding these layers together is the Risk & Control Department, which acts as the network's sensing and signalling mechanism. Through continuous monitoring, stress testing, and forward-looking analysis, it ensures that information flows seamlessly across the organization, enabling informed decision-making at every level.

The Board of Directors

The Board of Directors , as the highest governing body of the Company, sets the overall tone and direction for risk management, including establishing an appropriate organization-wide risk control framework comprising the risk appetite, tolerance thresholds, risk management policies and standard operating procedures. The Board also provides strategic oversight by regularly reviewing key risks, monitoring the adequacy of internal controls, and assessing whether risk mitigation measures align with the Company's short-, medium-, and long-term goals.

Board Committees

Supporting the Board in fulfilling its risk management responsibilities are several key Board Committees, including the Board Integrated Risk Management Committee (BIRMC), Board Audit Committee (BAC), Board Credit Committee (BCC), and Board Investment Committee (BIC). Each of these Committees plays a crucial role in monitoring risk to ensure adherence to risk tolerance limits within their respective areas, especially in light of shifts in the external environment, and provide recommendations to the Board for any necessary adjustments. They are also responsible for developing and implementing risk control frameworks, enhancing risk monitoring and reporting systems, and fostering a strong, organization-wide risk awareness culture. These Committees offer oversight and guidance to Corporate Management to ensure the effective execution of the IRM Framework across operations.

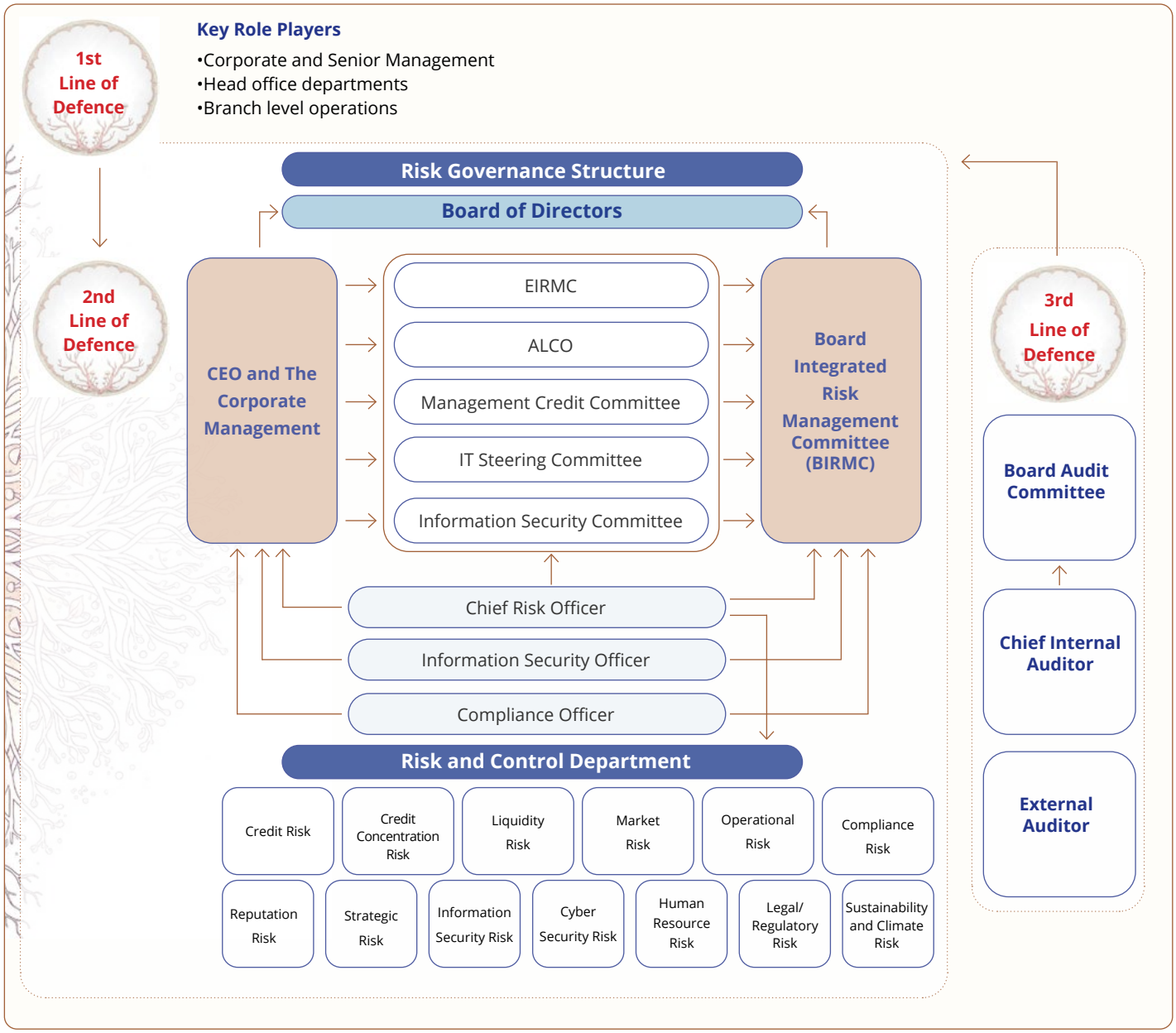
Risk Management Review

Executive level committees

Executive level committees further strengthen the risk management by providing targeted oversight over specific risk areas, ensuring a proactive and coordinated approach to managing the Company's overall risk exposure. These include the Asset and Liability Committee (ALCO), IT Steering Committee (ITSC), Management Credit Committee (MCC), and the Executive Integrated Risk Management Committee (EIRMC), chaired by the CEO, COO, and CRO respectively.

Risk & Control Department (RCD)

The RCD plays a central role in supporting the Board, its Committees, and executive-level committees in overseeing and managing risk across the organisation. Led by the Chief Risk Officer, the RCD is tasked with monitoring key risks while ensuring that effective mitigation measures are implemented in alignment with the Board-approved risk management framework. Beyond risk monitoring, the RCD provides critical input to the capital planning process by assessing how evolving risk exposures may affect the Company's capital adequacy and financial resilience. Through its work, the RCD ensures that decision-makers at all levels are equipped with timely, accurate risk insights to safeguard the institution's stability and support sound, risk-informed strategic planning.

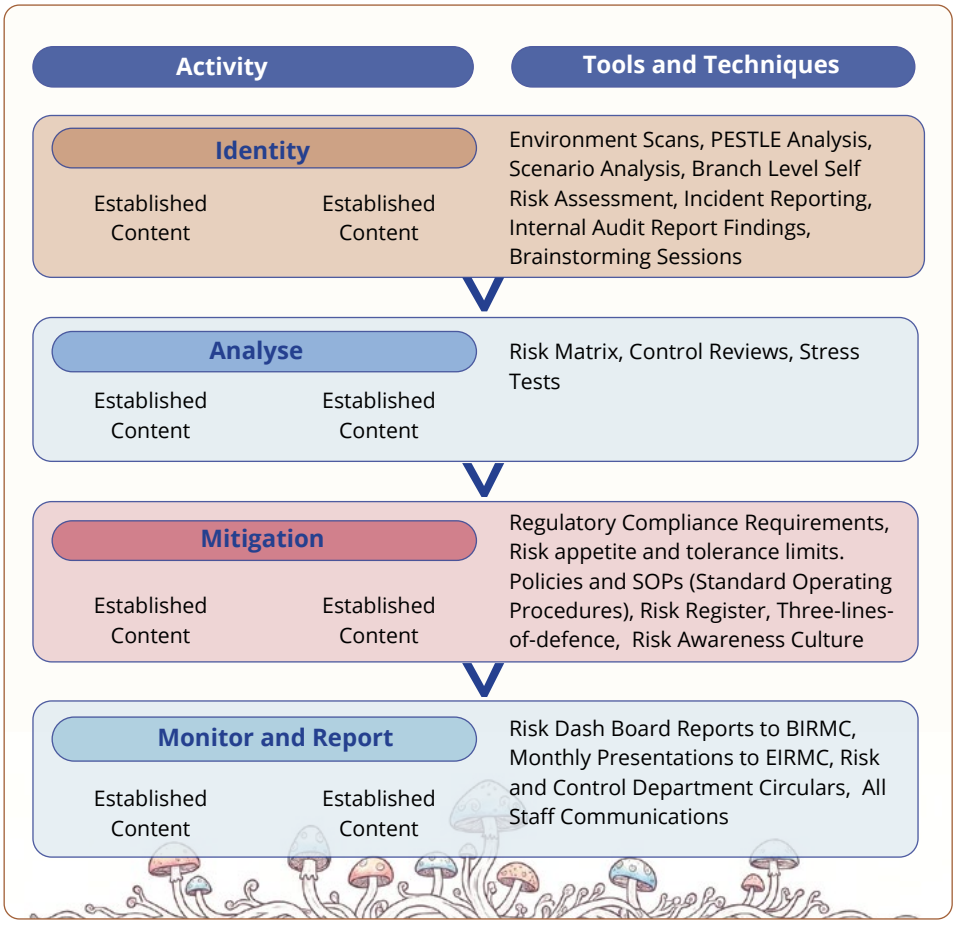


Risk Management Process

The Flow of Signals: A Continuous Risk Process

A mycelium network thrives on the constant exchange of information. In a similar vein, the Company's risk management process is built on the continuous flow of signals.

Risks are identified through environmental scanning, PESTLE analysis, scenario modelling, branch-level assessments, and internal audit insights, capturing both internal vulnerabilities and external pressures .These signals are evaluated using structured risk matrices and analytical tools, enabling the organization to prioritize risks based on their likelihood and impact. Mitigation strategies are then deployed through well-defined controls, policy frameworks, and risk appetite thresholds, supported by the three-lines-of-defence model. Finally, insights are transmitted across the network through dashboards, reports, and committee deliberations ensuring that risk awareness is shared, understood, and acted upon collectively.



Risk Control Architecture

Structural Integrity: Anchoring the Network

While adaptability is essential, resilience depends on structure.

The Company's risk management process is underpinned by a robust risk control architecture, which provides the operational foundation on which risk management is executed.

Risk Appetite

The Board approved risk appetite which defined as a collection of maximum allowable thresholds for each risk type, provides clear boundaries within which management can pursue business objectives to ensure overall risk-taking remains consistent with the Company's capacity, capital strength, and strategic goals. The Board works closely with the risk committees to review and update the risk appetite as needed, taking into account the evolving risk environment. This ensures that the IRM framework remains both robust and adaptive over time.

Stress Testing

Stress testing is a key tool used by the RCD to monitor and assess risk exposures under a range of scenarios. Stress tests help quantify potential losses, assess capital adequacy, and evaluate the resilience of the Company's balance sheet under stressed conditions. The insights gained from stress testing are critical for informing the Board regarding capital planning, adjustments to risk appetite limits, enhancing contingency plans, and strengthening the risk awareness culture.

Risk Register

The risk register tracks all identified risks across the Company's risk universe and serves as a continuously updated record of the evolving risk landscape. The risk register is continually updated to reflect new risks, changes in existing risks, and emerging trends based on ongoing monitoring, environmental scans, internal assessments, and external developments. It details the nature of each risk, its potential impact, likelihood, assigned ownership, and the corresponding mitigation measures or controls in place to support proactive management of the risk.

Internal Capital Adequacy Assessment Process (ICAAP)

The ICAAP process was voluntarily adopted by People's Leasing where comprehensive stress tests are performed to forecast minimum capital requirements to safeguard against potential losses under stress conditions. Having voluntarily adopted the latest BASEL guidelines as a benchmark for its ICAAP, the RCD performed stress tests for

Risk Management Review

all risk pillars in line with BASEL guidelines to determine the impact on the Company's capital position. Stress tests are also performed prior to the declaration of dividends/ interim dividends in line with the CBSL regulatory requirements.

Risk Awareness Culture

The Company continues to foster a strong risk-awareness culture, where responsibility for risk management is embedded across all levels. Guided by leadership and reinforced through training and communication, every employee becomes part of the network, contributing to early detection, informed response, and collective resilience.

Summary of Key Risks

Risk Category	Risk Indicator	Unit	Risk environment	Appetite	31.03.2026	31.03.2025
Credit Risk	Non-Performing Ratio (Gross)- 6 Months	(%)	Internal	<10	1.68	4.16
	Non-Performing Ratio (Gross) - 3 months	(%)		<15	2.17	6.57
	P&L Charge Ratio (On Profit)	(%)		<20	7.56	(12.60)
	NPL/Impairment Coverage Ratio	(%)		>75	116.29	96.28
Credit Cocentration Risk	Single / Group Borrower Limit	Rs. billion	Internal	As per CBSL	Complied	Complied
	HHI Score	Points		<0.40	0.27	0.15
Liquidity Risk	Liquid Assets Ratio	(%)	Internal	>100	184.98	189.52
	Maturity Mismatch ratio	(%)		>-45	3.86	-0.34
	Facilities Granted from Stable Sources	(%)		<150	105.37	102.57
	Maximum single Depositor Concentration	(%)		<5	6.19	6.16
	Exposure to bulk deposits(Over Rs.100Mn)	(%)		<20	31.96	27.57
Market Risk	Interest Rate Sensitivity	(%)	External	<6	2.14	1.52
	Repricing gap ratio (up to three months)	(%)		>-20	16.69	16.32
Operational Risk	Frauds (value as a % of operational expenses)	(%)	Internal	<0.5	0.00	0.65
	Unsatisfactory Audits (as a percentage of total audit reviews)	(%)		>15	0.00	0.00
	Staff Turnover Ratio (Annual)	(%)			18.00	16.32
	Cost to Income Ratio	(%)		<50	51.16	54.96
Regulatory Risk	Capital Adequacy Ratio		Internal			
	Tier 1 capital ratio	(%)		>10	15.25	22.94
	Total Capital Ratio	(%)		>14	18.88	22.68
	Capital Funds Ratio	(%)		>12.5	28.66	33.36
Strategic Risk	Return on Equity	(%)	Internal	>15	11.30	8.56
	Return on Assets	(%)		>3.5	3.32	3.27
	Net Interest Margin	(%)		>7.5	8.94	8.64
	Gearing Ratio	Times		<7	5.48	3.32
Investment Risk	Equity Investments ratio	(%)	External	<4.5	0.22	0.65
	Non-trading/strategic investments as % of equity	(%)		<12.5	8.34	8.72
Information Security Risk	Information Security Incident Management	Periodic Review	Internal	Checked by ISO	Checked	Checked
	Business Continuity Management-ICT				Checked	Checked
	Access Management			Periodic user access review	Complied	Complied
Sustainability Risk	Climate - sensitive sector exposure	(%)	External	<20	8.23	12.98

Key Risk Domains FY 2025/26

Credit Risk

Risk Overview
Credit risk is the most significant risk faced by the Company. Credit risk comprises two key components;

Default risk
Arises when borrowers fail to meet their repayment obligations on time, resulting in potential financial loss to the Company.

Credit Concentration risk
Potential loss arising from significant exposure to a single borrower, group of related borrowers, sector, or product that does not perform as anticipated.

Risk Management Approach : Managing the Core Flow

Credit risk management reflects the interconnected nature of the lending portfolio, where stress in one segment can propagate across sectors and borrower groups. Similar to mycelium detecting nutrient imbalances, the Company leverages early-warning indicators, sectoral monitoring, and enhanced credit analytics to identify emerging stress points. Continuous portfolio surveillance, stress testing enables timely intervention, ensuring stability across the broader credit ecosystem.

Default Risk Management:
The following structures are in place to manage Default Risk

- Monitoring of default risk is a shared responsibility across the organisation, with Corporate Management closely supervising portfolio exposures and ensuring strict adherence to internal controls and lending SOPs. The Risk and Control Department continuously tracks early-warning indicators to identify emerging risks. A structured recovery framework guides branch teams in executing collection activities, while the Recovery Division oversees all recovery actions and manages litigation arising from these processes.
- Clearly defined Standard Operating Procedures (SOPs) based on a Board approved Credit Policy ensure consistent credit underwriting standards, delegated approval authorities, and structured documentation requirements to facilitate disciplined and prudent lending decisions across the network.
- A well-defined credit governance structure supports the approval process. Credit proposals flow through designated approval authorities within the Credit Network, with proposals above certain identified delegated limits reviewed by the Management Credit Committee (MCC). The independence of the Chief Risk Officer (CRO) is maintained to ensure objective risk assessment and balanced decision-making aligned with the Company's risk appetite.
- Credit assessments incorporate both external and internal risk indicators. Information obtained from CRIB reports, together with behavioural and repayment history data, is used to evaluate borrower creditworthiness and identify early signs of potential stress.
- Post-disbursement monitoring forms an integral part of the control framework. The Risk and Control Department (RCD) conducts independent loan reviews to assess compliance with approved terms and underwriting standards.
- Collateral valuations are carried out by registered valuers to ensure adequacy and reliability of security coverage, while early-warning monitoring mechanisms operated by RCD helps to detect emerging risk trends in a timely manner.

Credit Concentration Risk Management:

- Credit concentration risk is managed in accordance with Board-approved exposure limits established for each sector and asset class. The Risk and Control Department continuously monitors the overall lending portfolio, including significant exposures, to ensure compliance with these approved thresholds and initiates corrective measures where necessary.
- Regular reporting is provided enabling effective oversight, timely performance tracking, and supporting a comprehensive credit stress testing programme.

Risk Management Review

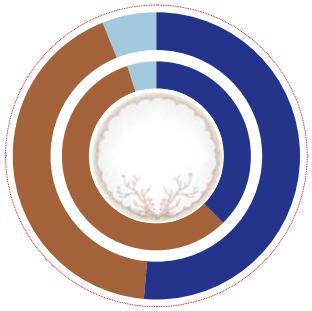
Credit Risk Overview – FY 2025/26

Nature of the Risk faced in FY 2025/26	Our Response
Improved economic conditions in Sri Lanka strengthened market confidence and credit appetite during the year. Meanwhile the reopening of vehicle importation after a prolonged pause provided renewed momentum to the leasing sector. Against this backdrop, the Company pursued measured portfolio growth, particularly within leasing and gold loan segments, which required closer monitoring of credit risk to ensure credit quality.	The Credit Risk Management Framework and Credit Policy were enhanced through strengthened governance roles, prudential exposure controls, and improved credit lifecycle risk measurement, monitoring, and control processes, ensuring continued alignment with regulatory expectations, portfolio quality objectives, and sustainable business growth. Key developments during the year include; • Credit risk–related indicators were realigned in line with developments in the operating environment, with Board approval. • Credit policies were updated to reflect prudential considerations and refinements to customer-level risk rating methodologies to ensure alignment with regulatory requirements and prevailing risk conditions. • The Expected Credit Loss (ECL) computation was enhanced through refinements to the model back-testing process. In response to cyclone-related developments, additional scenario considerations were incorporated to identify elevated risk segments. Regular stress testing continued during the year, focusing on potential market downturns and adverse price movements affecting credit exposures. • In line with portfolio growth, the Risk and Control Department reviewed Loan-to-Value (LTV) limits across asset classes. Borrower exposure limits and individual threshold levels were realigned based on regulatory requirements and observed credit risk trends. • Risk identification mechanisms were strengthened with the introduction of a more granular credit evaluation system incorporating multiple risk constituents. Branch-level observations channeled through the recovery function further enhanced early risk detection across the portfolio. • The RCD's post-disbursement review process was reinforced with enhanced system-generated reporting, enabling more detailed portfolio analysis. In addition, controls relating to Politically Exposed Person (PEP) facilities were strengthened to support enhanced due diligence (EDD) and approvals in line with internal thresholds and regulatory requirements.

Digitalization of Credit Risk Management

Digitalization remains a critical enabler of disciplined credit risk governance and operational efficiency. During the year, the Company further enhanced its CORE–CMS integrated credit system. The updated platform supports end-to-end credit onboarding, automated workflow across delegated approval levels, and embedded control checkpoints with automated risk-trigger mechanisms. Enhanced analytical capabilities within CORE–CMS meanwhile facilitate client-, group-, and sector-level risk profiling and more data-driven credit decisions, while supporting early identification of emerging credit deterioration.

Product Concentration



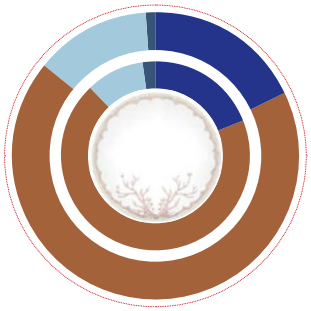
	24/25	25/26
Loan	37.7%	51.6%
Lease	57.3%	42.4%
Islamic Products	5.0%	6.0%

Geographic Concentration



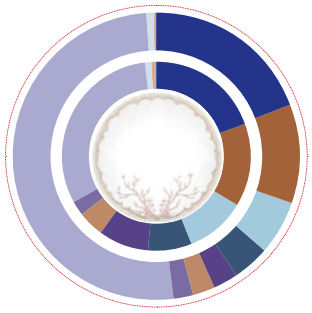
	24/25	25/26
Western Province	40.1%	38.4%
Southern Province	12.8%	13.0%
Central Province	10.7%	10.6%
North Western Province	7.9%	8.0%
Sabaragamuwa Province	7.2%	7.4%
Uva Province	6.1%	5.8%
North Central Province	5.3%	5.8%
Eastern Province	5.1%	5.8%
Northern Province	4.8%	5.2%

Concentration By Size of Advance



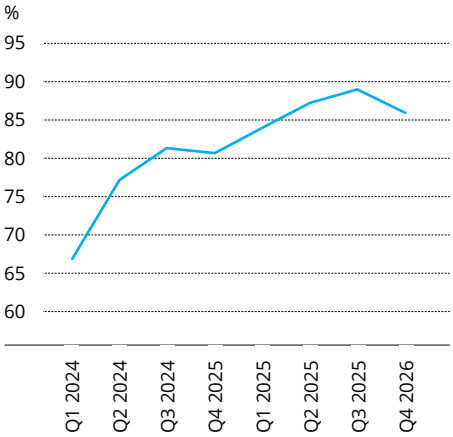
	24/25	25/26
< 1 Mn	19.4%	18.0%
1 Mn to 10 Mn	68.9%	68.1%
10 Mn to 100 Mn	9.9%	12.9%
> 100 Mn	1.8%	1.0%

Concentration By Sector

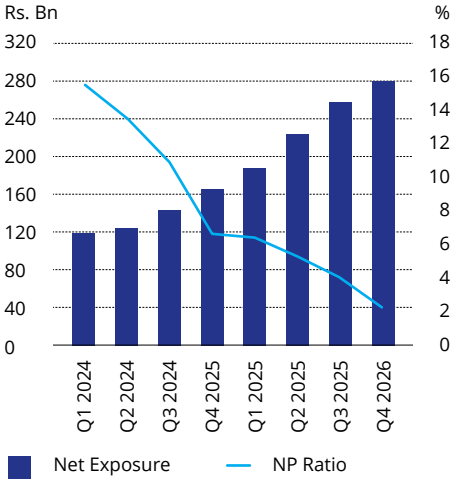


	24/25	25/26
Transport	19.6%	19.3%
Traders	14.1%	11.2%
Agriculture	10.3%	6.0%
Construction	7.4%	4.1%
Services	8.7%	2.8%
Manufacturing	4.5%	2.7%
Tourism	2.3%	2.2%
Others	31.1%	50.8%
Financial Services	1.2%	0.7%
IT Industry	0.7%	0.2%

Total Net Advances to Total Assets



NP Ratio and Net Exposure - CBSL NP



Risk Management Review

Liquidity Risk

Risk Overview
Liquidity risk refers to the risk that the Company may be unable to meet its financial obligations as they fall due, without incurring unacceptable losses.

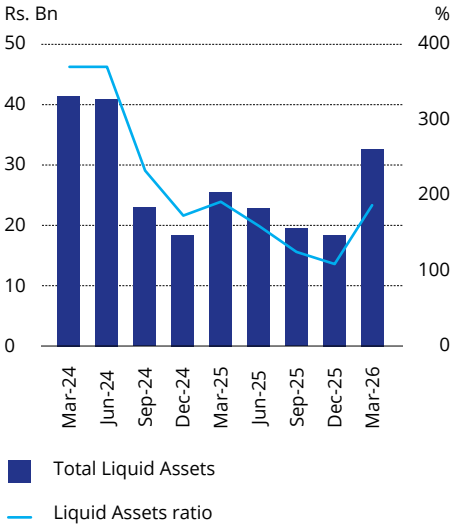
Risk Management Approach : Sustaining Continuity
Liquidity management mirrors the flow-based efficiency of mycelium networks, which continuously redistribute resources to sustain equilibrium. The Company maintains a balanced funding structure through proactive monitoring of cash flows, maturity mismatches, and funding concentrations. By maintaining adequate liquidity buffers, diversified funding sources, and contingency plans, the Company ensures uninterrupted financial flow even under stressed conditions.

The Board of Directors, the Board Integrated Risk Management Committee (BIRMC) and the Asset and Liability Committee (ALCO) review periodic reports on key liquidity indicators to ensure that liquidity risk is maintained within the approved risk appetite and agreed parameters. ALCO monitors the Company's liquidity profile on a regular basis, including mismatch reports, funding projections and key liquidity metrics, to facilitate timely management actions where required.

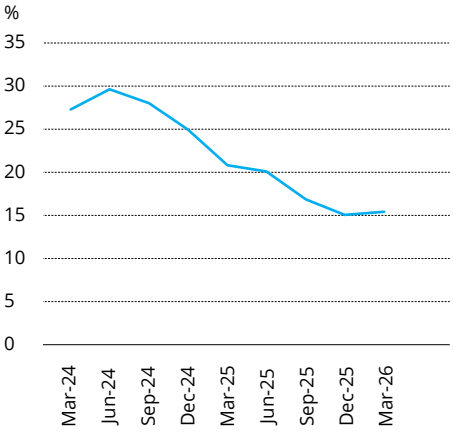
The Treasury Department is responsible for the day-to-day management of the Company's liquidity risk. The Company assesses its liquidity position using both stock and flow approaches. The stock approach is applied to determine the static liquidity position through the computation of balance sheet-based ratios and benchmarking these against the approved risk appetite. In addition, the flow approach is used to monitor cash flow mismatches across defined time buckets, enabling the Company to identify short-term liquidity requirements, emerging liquidity risks and proactively manage liquidity buffers.

Nature of the Risk faced in FY 2025/26	Our Response
The Company operates with a structural maturity gap due to the nature of the business model (medium-to-long tenor lending funded through shorter tenor liabilities). This mismatch increased the need to maintain adequate liquidity buffers and stable funding sources, while ensuring that cash inflows from assets remain sufficient to meet liability outflows. The Company's funding profile remains significantly dependent on customer deposits (including Fixed Deposits), which exposes the Company to renewal/rollover risk during periods of market volatility and competitive pricing pressures. The borrowing portfolio indicates a sizeable portion of liabilities falling within one year, increasing sensitivity to deposit repricing and renewal behaviour. However, the deposit renewal ratio was remained above 65%, reflecting stronger depositor confidence. In stressed market conditions, access to wholesale funding may become constrained and the cost of incremental funding may rise sharply. This risk is further elevated when market interest rates fluctuate, causing sudden movements in funding costs and pricing competition. Liquidity pressures may arise from unanticipated deposit withdrawals, settlement obligations, disbursement surges and delayed recoveries. Although the Company maintained a positive excess liquidity position during the reviewed period, the excess liquidity levels are subject to change depending on market and operational cash flows.	• During the period under review, the Company maintained an excess liquidity position. Excess liquidity levels served as a key buffer to absorb potential short-term liquidity shocks and ensure uninterrupted settlement of obligations. • To enhance funding resilience and reduce dependency on any single source, the Company maintained committed funding lines from multiple counterparties. • The Company continued to monitor both maturity mismatch and repricing mismatch profiles. This ensures early identification of liquidity gaps and supports corrective actions. • The Company conducted liquidity stress assessments to ensure that liquidity risk management remained forward-looking, enabling management to implement mitigating actions well in advance of potential stress events. • The Company maintained a contingency funding plan to address crisis situations, in the event they arose. • The Company is in the process of establishing and enhancing a robust Liquidity Risk Management Framework in accordance with the Finance Business Act Direction No. 03 of 2025 on Liquidity Risk Management, to further strengthen liquidity resilience and regulatory compliance

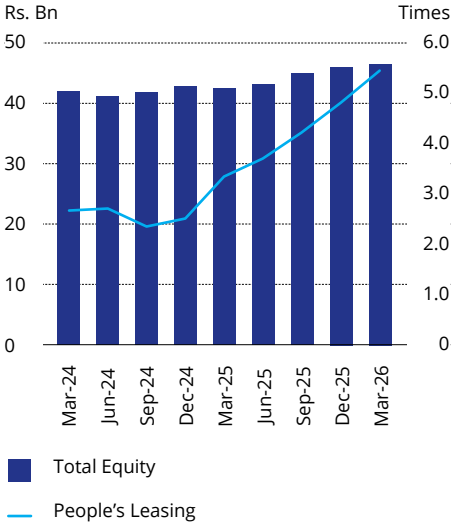
Regulatory Liquid Assets to Total Assets



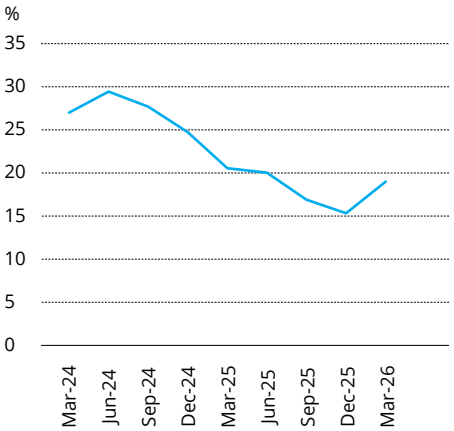
Core Capital to Risk Weighted Assets



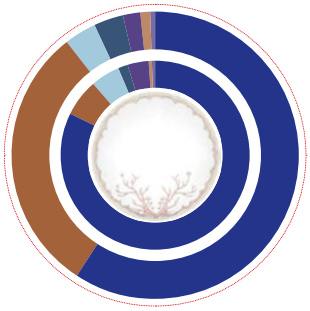
Borrowing to Equity



Capital Base to Risk Weighted Assets (RWCAR)

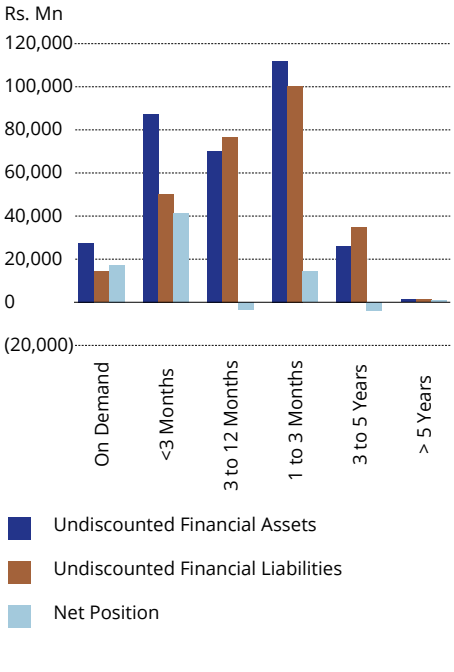


Funding Divesification



	24/25	25/26
Fixed Deposits	82.33%	59.24%
Term Loans	6.38%	30.22%
Savings Deposits	4.98%	3.80%
Short Term Loans	1.73%	3.24%
Debentures	3.56%	1.95%
Securitization	0.00%	1.02%
Mudaraba	0.00%	0.54%

Maturity Profile of Financial Assets & Liabilities



Risk Management Review

Operational Risk

Risk Overview
Operational risk refers to the potential for losses arising from inadequate or failed internal processes, systems, people or external events. This includes risks related to technology failures, fraud, human error, regulatory compliance, and business continuity.

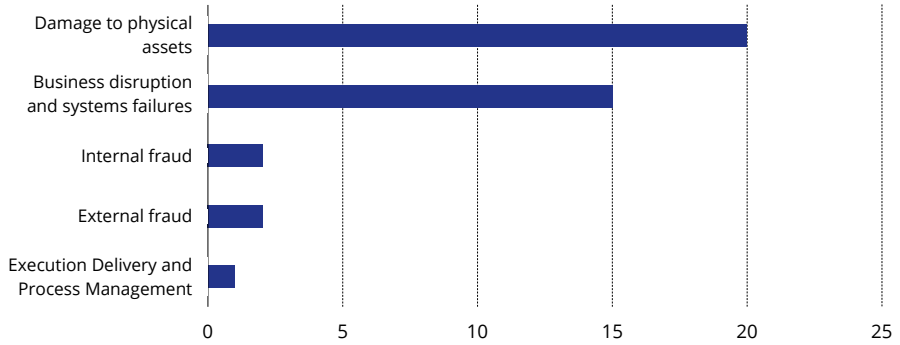
Risk Management Approach : Strengthening Internal Pathways
Operational risk management is structured to enhance organizational resilience, similar to how mycelium adapts to disruptions in its environment. Through branch-level risk assessments, incident reporting, and Business Continuity Planning (BCP), the Company ensures that disruptions are quickly identified and contained. The distributed nature of controls and accountability across functions enables rapid response and recovery, minimizing operational disruptions.

The RCD is tasked with continuous, proactive identification of operational risks using several methodologies, including the Branch Operational Risk Self-Assessments, the incident reporting mechanisms, insights from drills conducted under the Business Continuity Planning (BCP) process and on-site inspections. Additionally, findings from internal audit reports serve as a critical input for operational risk identification.

All operational risk events detected through these sources are carefully reviewed and presented at the monthly EIRMC meeting to ensure appropriate follow-up actions are taken. Moreover, the Board-approved BCP provides a structured foundation to help the Company respond effectively to unforeseen disruptions, ensuring operational continuity and the ability to meet stakeholder commitments.

Nature of the Risk faced in FY 2025/26	Our Response
Increasing regulatory expectations, together with the evolving operating environment, required the strengthening of operational risk governance frameworks and risk management practices across the organization. The Company's operating processes and environment changed significantly due to increased business volumes and adverse business conditions arising from the cyclone experienced in the third quarter of the financial year, necessitating a reassessment of the relevance of assumptions used in the Stress Testing Policy. To streamline document maintenance and ensure centrally updated information, the digitalization of the BCP process is necessary.	• The Board approved the Operational Risk Management Framework in line with the Finance Business Act Direction No. 04 of 2024 on Operational Risk Management issued by the Central Bank of Sri Lanka (CBSL). The Framework provides a structured approach for the identification, assessment, monitoring, and reporting of operational risk events across the Company. • The Stress Testing Policy was reviewed and aligned with the Company's prevailing operating environment to ensure the continued relevance of stress scenarios and to support forward-looking risk assessment and the maintenance of prudent capital buffers • The Department has initiated the BCP submission, review and approval process. This initiative will enable the Department to centrally maintain BCP documents and ensure up-to-date information on staff roles in BCP teams, Fire Teams, and Call Tree contact details. • Quarterly Branch Operational Risk Self-Assessments continued to function as a key risk governance tool, enabling the timely identification and evaluation of operational risk exposures at branch level. The findings of these assessments were rigorously reviewed, and appropriate remedial measures were implemented to address control gaps and mitigate identified risks. • To further strengthen the control environment, structured branch inspections were conducted by the Risk & Control, Compliance, Internal Audit, and Gold Loan Departments. • During the financial year, Business Continuity Plan (BCP) drills were conducted across all branches to strengthen preparedness for potential disaster situations. Despite the impact of adverse weather conditions affecting several branches in the Central and Eastern Provinces, disruptions were minimal due to improved awareness and preparedness initiatives across the branch network.

Operational Risk Event Type 2025-26



Market Risk

Risk Overview
Market Risk refers to the potential loss to the Company arising as a consequence of changes in market conditions such as the movement in interest rates (Interest Rate risk) and fluctuations in the commodity prices (Commodity Price Risk).

Risk Management Approach : Responding to External Conditions
Market risk management reflects the ability to sense and respond to external environmental changes. As mycelium systems respond to shifts in external conditions, the Company continuously monitors interest rate movements and commodity price fluctuations. Through proactive repricing strategies, sensitivity analysis, and stress testing, the Company maintains agility in responding to evolving market dynamics.

Interest Rate Risk (IRR)
Interest rate risk is managed through a coordinated and forward-looking framework led by the Treasury, which continuously monitors key market benchmarks to anticipate shifts and protect target margins. Regular reporting to ALCO enables timely re-pricing of assets and liabilities, while detailed reviews of repricing gaps and sensitivity analyses strengthen risk responsiveness. With the oversight from the BIRMC and ongoing stress testing by the RCD, the Company ensures that potential impacts on net interest margins and profitability are carefully assessed.

Commodity Price Risk
The RCD exercises oversight of gold price risk by continuously monitoring daily market movements and volatility. Regular stress tests are conducted to assess potential gold price fluctuations and actively evaluate their impact on People's Leasing & Finance PLC. Key insights and recommendations from this analysis are reviewed by ALCO and subsequently escalated to the BIRMC and the Board.

Nature of the Risk faced in FY 2025/26	Our Response
During the FY 2025/26 Sri Lanka's interest rate risk was guided by a cautious and steady approach from the Central Bank of Sri Lanka. Following a 25 basis point cut to 7.75% in May 2025 to stimulate growth, the OPR remained stable through early 2026 as the bank balanced gradually improving inflation with external uncertainties. This stable policy environment provided a predictable backdrop for financial institutions, shaping repricing strategies and interest rate risk management across the economy.	• Over the year, People's Leasing's Treasury closely tracked key interest rate benchmarks, enabling proactive repricing of assets and liabilities to protect margins. ALCO monitored repricing gaps and conducted sensitivity analyses, while the BIRMC reviewed these exposures against risk thresholds every two months. Complementing this, the RCD's stress tests assessed the impact of rate movements on net interest margins.

Risk Management Review

Stress Test for Liquid Assets (Immediate withdrawal of deposits)

Scenario	1	2	3
Magnitude of shock	5%	7%	10%
Fall in Liabilities (Rs. Mn)	8,576	12,006	17,152
Revised Liquid Assets (Rs. Mn)	24,086	20,656	15,510
Revised Required Liquid Assets (Rs. Mn)	16,774	16,421	15,891
Liquid asset ratio	143.59%	125.79%	97.60%
Liquid asset ratio - After adjusting for contingent funds	356.26%	343.03%	322.09%

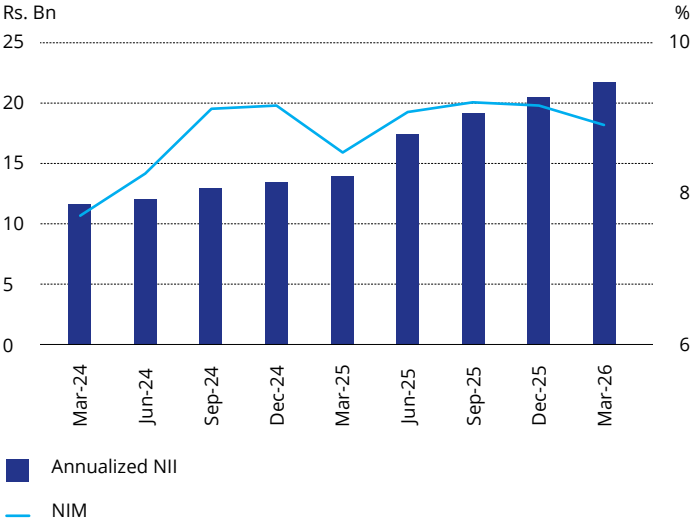
Liquid asset ratio : Liquid asset available / Minimum of Liquid assets as per CBSL Direction

Stress Test on NII-Interest Rate Shock

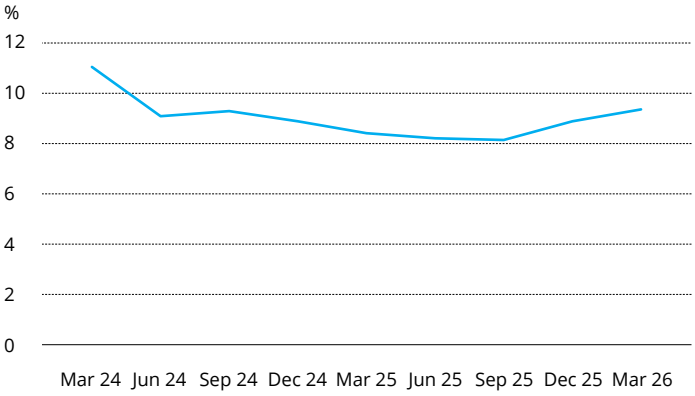
Scenario	Impact on NII (Rs. '000)			
	2025/26		2024/25	
	Increase	Decrease	Increase	Decrease
1%	446,786	(446,786)	285,687	(285,687)
3%	1,340,357	(1,340,357)	857,060	(857,060)
5%	2,233,928	(2,233,928)	1,428,434	(1,428,434)

Market Risk Scorecard - FY 2025/26

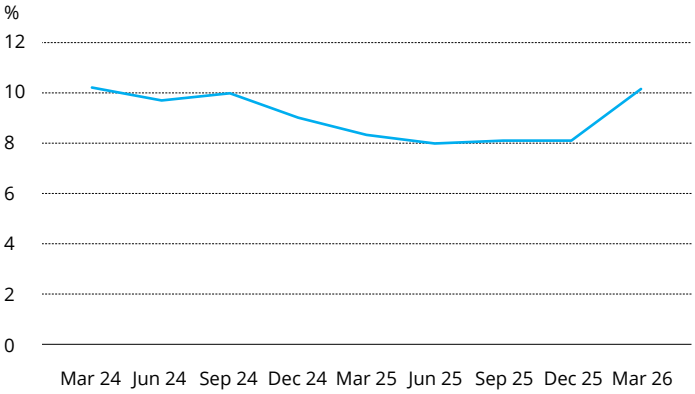
Net Interest Income & Net Interest Margin



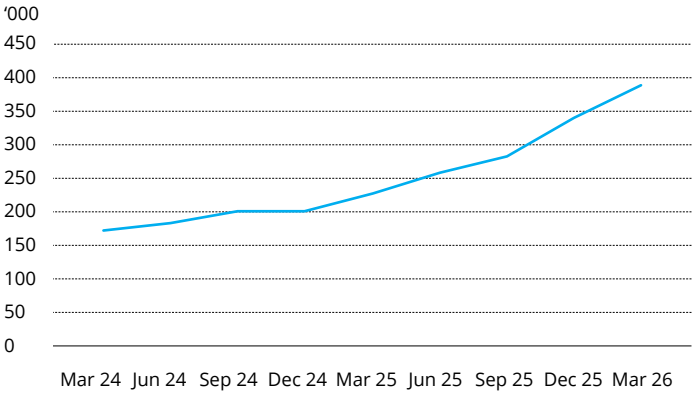
AWPLR Movement



Treasury Bill Rates



Gold Price (24K Soverign)



Information Security Risk

Risk Overview
Information security risks relate to potential threats such as data breaches, cyberattacks, unauthorized access, malware, phishing, and system failures due to the increasing reliance on digital systems, customer data, online transactions, and interconnected financial platforms.

Risk Management Approach : Protecting the Network
As the network becomes increasingly digital, safeguarding its integrity is critical. Information security safeguards the integrity of the Company's digital ecosystem, much like mycelium protects and sustains its internal network. With increasing digital inter-connectivity, the Company has strengthened cybersecurity frameworks, real-time monitoring systems, and access controls to prevent disruptions and unauthorized intrusions. Continuous enhancements ensure that the information network remains secure, reliable, and resilient.

Peoples Leasing maintains a disciplined and proactive approach to monitoring and enhancing information security resilience through a series of structured assurance activities, including:

- Regular internal information systems audits conducted to verify adherence to established controls and best practices.
- Annual ISO 27001:2022 certification audit ensuring alignment with international information security standards.
- On-site examinations by the Central Bank of Sri Lanka (CBSL) as part of ongoing regulatory oversight.
- Biannual vulnerability assessments, red-team exercises, and annual third-party penetration testing to identify and mitigate potential vulnerabilities.
- External IT General Control (ITGC) and third-party assurance audits, providing independent validation of the company's control environment.

By continuously investing in advanced cybersecurity technologies, policy enhancements, and personnel training, the company remains committed to maintaining a robust and adaptive information security framework that protects its customers, operations, and reputation. The company will continue to evolve its cyber risk management capabilities in alignment with global standards and regulatory developments to ensure ongoing resilience in an ever-changing digital financial landscape.

Nature of the Risk faced in FY 2025/26	Our Response
As a financial services provider, safeguarding sensitive customer data, maintaining the integrity and confidentiality of sensitive corporate information, and ensuring the uninterrupted availability of critical systems are central to sustaining customer trust and regulatory compliance.	• During the year under review, Information Security Department headed by Information Security Officer (ISO) which directly report to the CEO was established. • Information Security Department headed by ISO, comprehensively review the compliance with the Technology Risk Management and Resilience Direction No. 01 of 2022 • The Information Security Policy was comprehensively updated to address emerging cyber risks, evolving threat landscapes, and new compliance requirements. **Enhancements in Cybersecurity Monitoring and Control** • Introduction of a Cybersecurity Risk Heat Map to visualize and assess the level of cyber risks across the organization, enabling prioritized risk mitigation and proactive corrective actions. • Establishment of a 24x7 Security Operations Center (SOC), equipped with a Security Information and Event Management (SIEM) system for real-time monitoring, detection, and response to potential threats. • Deployment of a Privileged Access Management (PAM) system to ensure secure and controlled access to critical systems by authorized personnel only. • Implementation of a 24x7 Network Operations Center (NOC) to continuously monitor network performance and swiftly resolve any network-related issues.

Risk Management Review

Strategic Risk

Risk Overview
Strategic risk is the potential impact of poor strategic choices, ineffective execution, or failure to adapt to changing market, customer, competitive, technological, regulatory, or macroeconomic conditions that could hinder the company's long term objectives.

Risk Management Approach : Adaptive Growth and Direction
Strategic risk management aligns with the adaptive growth characteristics of mycelium, which evolves in response to environmental conditions. The Company's strategic planning process incorporates continuous environmental scanning, scenario analysis, and performance monitoring to ensure that business strategies remain relevant and responsive to change. This enables sustainable growth while maintaining alignment with long-term objectives.

Strategic risk is managed by the Board with the Board-approved strategic plan serving as the main tool for addressing long-term business risks. The five year strategic plan is reviewed by the Board and updated annually. This is supported by detailed business plans and an annual budget for the purpose of mobilising resources to drive both financial and non-financial performance.

The annual strategy review process involves an in-depth analysis of both internal and external conditions, with a score card based qualitative model aligned with the Internal Capital Adequacy Assessment Process (ICAAP) used to measure and monitor strategic risks. This model incorporates various strategic risk indicators, with particular focus on factors such as the implementation of business strategies, external PESTLE (Political, Economic, Social, Technological, Legal and Environmental) factors influencing decisions, and key financial performance ratios.

The CEO is tasked with executing the strategy, while the Board and relevant Committees, with support from the RCD, continually monitor the Company's performance against the established budgets and strategic goals.

Reputational Risk

Risk Overview
Reputation Risk refers to the potential erosion of goodwill and/or downgrade in the industry standing owing to various internal and external factors.

Risk Management Approach :Trust within the Ecosystem
Reputation represents the trust that sustains relationships within a broader ecosystem. The Company manages reputational risk through strong governance, transparent stakeholder communication, and consistent service delivery. By maintaining credibility and reliability across all touch points, the Company reinforces its position within the financial ecosystem.

Sustainability & Climate Risk

Risk Overview
Sustainability risk refers to the potential negative impact that environmental, social, and governance (ESG) factors may have on People's Leasing's long-term financial performance and resilience. This includes risks arising from climate change, environmental regulations, social inequalities, governance failures, and reputational damage.

Risk Management Approach :System-wide Interdependence
Sustainability risk most closely reflects the essence of the mycelium concept—interdependence within a larger ecosystem. Climate-related risks are integrated across all risk categories, recognizing that environmental events can have cascading effects on credit quality, operations, and financial stability.

- Sustainability and climate-related risks are integrated into the Company's Enterprise Risk Management framework and considered under key risk categories. These risks are monitored through periodic risk reporting and are subject to review through management committees and Board-level oversight structures.
- Sustainability and climate-related risks have been incorporated into the Company's Integrated Risk Management Policy.
- Climate-related physical risks that may disrupt branch operations, service delivery, and business continuity have been incorporated into the operational risk management process to strengthen resilience and continuity planning.
- The Board is provided with quarterly updates on climate-related risks through the Company Risk Register. Risk heat maps and incident reports that provide structured information on likelihood, impact, risk rating, and mitigation actions implemented.

Nature of the Risk faced in FY 2025/26	Our Response
Cyclone Ditwah posed a significant risk to the Company by disrupting economic activity, weakening borrowers' repayment capacity, and damaging financed assets and collateral.	• The Company carried out a sector-wise impact assessment to identify the most affected industries and customer segments. Based on this assessment, higher-risk sectors and regions are being closely monitored, and appropriate credit risk management actions are being taken to strengthen resilience against future climate-related events. In addition, cyclone-impacted branches and fixed assets were identified by obtaining relevant details through the established committee and centralizing the information. Based on this consolidated assessment, the Insurance was informed to initiate the necessary actions in relation to the affected branches and fixed assets, including damage assessment and insurance claim procedures. • The Integrated Risk Management Policy was updated to incorporate Environmental, Social and Governance (ESG) risks, with particular focus on climate-related exposures affecting sensitive sectors, and these considerations were progressively embedded into enterprise-wide risk assessment, monitoring, and reporting processes. Consistent with this update, the Risk Appetite Statement and related monitoring mechanisms were enhanced to reflect sustainability dimensions, enabling clearer articulation of acceptable risk thresholds and stronger alignment between strategy and risk-taking capacity. • A sustainability risk indicator was introduced into the Risk Tolerance Limits during the year and reported to the Board Integrated Risk Management Committee (BIRMC) through the Company's Risk Dashboard once-every-two-months basis.
SLFRS S1 and S2 Integration	In line with SLFRS S1 and SLFRS S2, the Company has begun embedding climate-related risk identification, governance, and disclosures into its IRM Framework, recognizing climate risk as a key driver of financial and non-financial risk across its operations and value chain. Climate-related risks are systematically incorporated into the Company's Integrated Risk Management Framework, enabling structured identification, assessment, monitoring, and mitigation. The Company has identified key climate-related risks and opportunities across its portfolio and operations, categorised broadly as: • Physical Risks – including the impact of extreme weather events and long-term climatic changes on customers, collateral, and operational infrastructure. • Transition Risks – Risks arising from regulatory, technological, and market shifts associated with the transition to a low-carbon economy, which may affect asset quality and sectoral exposures. Physical and transition risks are assessed through portfolio-level analysis and ongoing monitoring. In parallel, the Company continues to promote sustainable financing by supporting environmentally responsible assets such as energy-efficient vehicles and renewable energy-related financing, thereby aligning risk mitigation with business opportunities.

Risk Management Review

Nature of the Risk faced in FY 2025/26	Our Response
	In line with SLFRS S1 and S2 requirements, the Company is progressing towards establishing measurable indicators and targets to monitor climate-related performance. This includes expanding exposure to sustainable financing segments, improving operational resource efficiency, and exploring methodologies to quantify financed emissions in alignment with internationally recognized frameworks. The Board of Directors, supported by relevant Board Sub-Committees, provides oversight on climate-related risks and opportunities, ensuring that these are aligned with the Company's strategic priorities and risk appetite. Management level committees support the effective implementation of climate risk management practices by embedding sustainability considerations into business operations, risk processes, and decision-making frameworks. Ongoing capacity building initiatives are undertaken to enhance internal competencies in managing CRROs. This interconnected approach ensures that sustainability considerations are embedded into decision-making, strengthening long-term resilience. People's Leasing and Finance PLC remains committed to continuously enhancing its climate-related risk management practices, ensuring that CRROs are embedded within its governance, strategy, and risk management processes, while contributing to the development of a resilient and sustainable financial sector.

Group Risk

Risk Overview Group risk relates to the interconnected exposure across subsidiaries, where risks emerge, transmit, and are managed through decentralized yet coordinated oversight across the Group.
Risk Management Approach : Decentralised yet Connected Oversight The Group risk management approach reflects a decentralized but interconnected structure, similar to independent nodes within a mycelium network. Each subsidiary manages its own risk profile while remaining aligned with overall Group risk governance through regular reporting and oversight. This structure enables flexibility at the entity level while ensuring consistency and coordination across the Group. To ensure alignment with the overall Group strategy, each subsidiary provides a quarterly risk update to the Group BIRMC.

FINANCIAL STATEMENTS

Regenerating for Tomorrow



E S T

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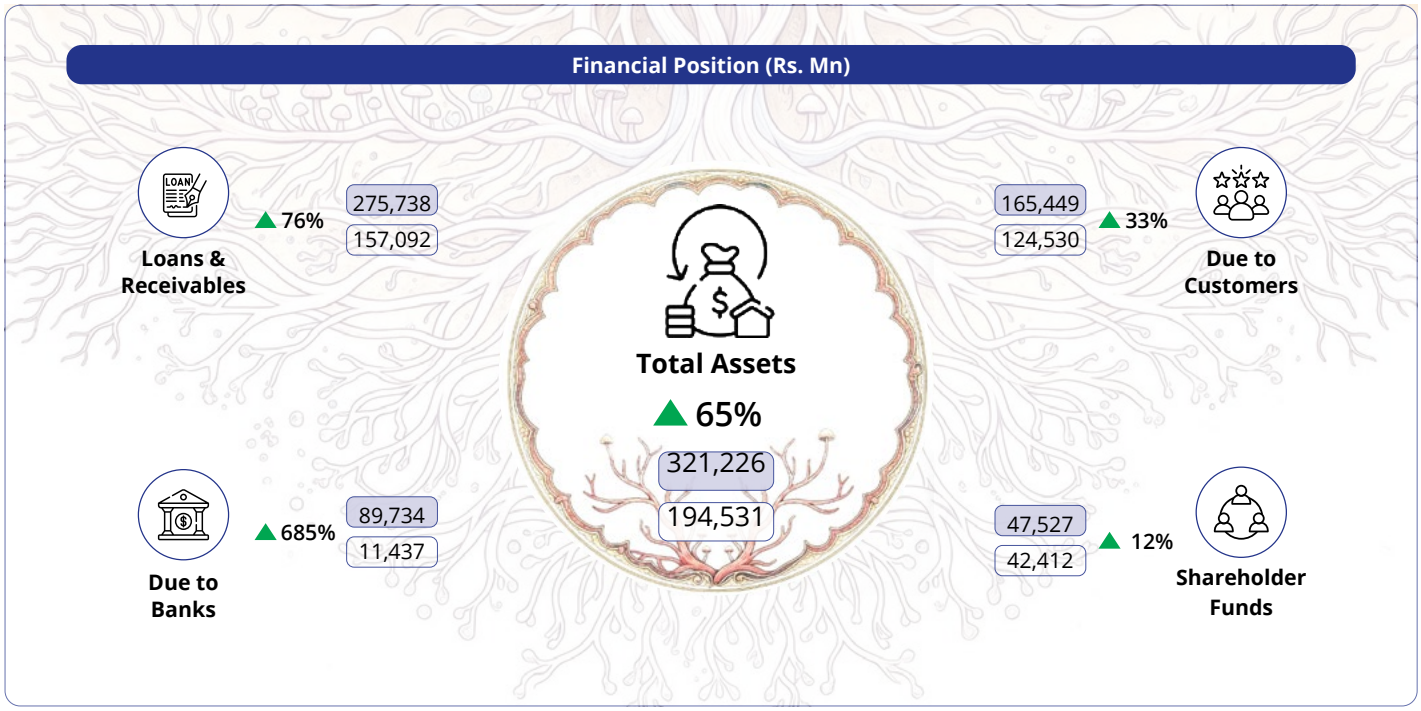
Financial Highlights - Company

A snapshot of our Financial Performance & Financial Position.

Financial Performance (Rs. Mn)

	Gross Income	Net Interest Income	Fee and Commission Income	Total Operating Income	Profit Before Tax (PBT)	Profit After Tax (PAT)	Earning Per Share (Rs.)
Change	▲ 55%	▲ 55%	▲ 47%	▲ 50%	▲ 48%	▲ 41%	▲ 38%
2025/26	43,987	21,773	2,578	24,637	8,558	5,081	2.30
2024/25	28,428	14,071	1,757	16,411	5,788	3,603	1.63

Financial Position (Rs. Mn)



Our Performance Journey

Strong Revenue Growth
Gross Income grew **55%** to Rs. 43,987 Mn

Core Income Strength
Net Interest Income grew **55%** to Rs.21,773 Mn

Operating Excellence
Total Operating Income increased **50%** to Rs.24,637 Mn

Profitability Growth
Profit After Tax grew **41%** to Rs.5,081 Mn

Enhanced Shareholder Value
Earning Per Share increased **38%** to Rs. 2.30

Financial Calendar

ANNUAL GENERAL MEETING CALENDER

2025			2026
May	June		June
30		Annual Report Accounts Signed On	01
	30	Annual General Meeting	30

DIVIDEND CALENDER

2025/2026		2026/2027
25 September 2025 (Scrip Div-Listed)	Interim Dividend	Before 31 December 2026*
Before 31 July 2026	Final Dividend	Before 31 July 2027*

INTERIM FINANCIAL STATEMENT CALENDER

Published On - 2025/2026					To be Published On or Before - 2026/2027			
May	Aug	Oct	Feb		May	Aug	Nov	Feb
	14			Q1 ended 30 June		15		
		31		Q2 ended / ending 30 September			15	
			09	Q3 ended / ending 31 December				15
29				Year Ending	31			

PUBLICATION IN THE NEWSPAPER

Published On - 2025/2026			To be Published On or Before - 2026/2027	
Six months ended 30 September	Year Ended 31 March		Six months ended 30 September	Year Ended 31 March
November	**June**		**November**	**June**
20	Before 30	E English	Before 30	Before 30
21	Before 30	S Sinhala	Before 30	Before 30
22	Before 30	T Tamil	Before 30	Before 30

** Subject to the Recommendation by BOD and approved by shareholders/CBSL*

Statement of Directors' Responsibilities

The responsibility of the Directors in relation to the Financial Statements of People's Leasing & Finance PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) in accordance with the provisions of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards, the Directions issued by the Monetary Board of the Central Bank of Sri Lanka, Finance Business Act No. 42 of 2011 and the Rules of the Colombo Stock Exchange is set out in this statement.

The responsibilities of the External Auditors in relation to the Financial Statements are set out in the "Independent Auditor's Report" given on pages 308 to 312.

The Directors confirm that the Financial Statements of the Company and the Group give a true and fair view of the financial position as at 31 March 2026 and the financial performance for the financial year then ended and place the same before the Annual General Meeting. These Financial Statements comprise:

- Statement of Financial Position
- Statement of Profit or Loss
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash flows
- Notes to the Financial Statements

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented in this Annual Report. The Directors confirm that in preparing these Financial Statements;

- The appropriate accounting policies have been selected and applied in a consistent manner, material departures if any, have been disclosed and explained;
- All applicable accounting standards as relevant have been followed; and Reasonable and prudent Judgments and estimates have been made.

The Directors of the Company and the Group have responsibility for ensuring that the Company and the Group keeps proper books of accounts of all the transactions as per sections 150 (1), 151, 152 and 153(1) & (2) of the Companies Act No. 07 of 2007.

The Directors also ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company.

The Financial Statements of the Company and the Group have been certified by the Company's Acting Chief Financial Officer, the officer responsible for their preparation as required by section 150(1) (b) and of 152(1) (b) of the Companies Act No. 07 of 2007. In addition, the Financial Statements of the Company and the Group have been signed by two Directors on 01 June 2026 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act No. 07 of 2007 and other regulatory requirements.

In compliance with section 148 (1) of the Companies Act No. 07 of 2007, the Directors are also responsible for ensuring that proper accounting records which explain the Company's transactions and assist in determining the Company's financial position with reasonable accuracy at point of time, are maintained by the Company and the Group enabling the preparation of Financial Statements and further enabling the Financial Statements to be readily and properly audited. The Financial Statements for the year 2025/26 prepared and presented in this Annual Report are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, Finance Business Act No. 42 of 2011 and Directions issued thereunder, Listing Rules of Colombo Stock Exchange, the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

The Board of Directors reviews financial reporting system directly at their regular meetings and through the Board Audit Committee (BAC), the report of which is given on pages 262 to 264 to ensure that the Company and Group maintain proper books of accounts. Interim Financial Statements published by the Company and the Group are also approved by the Board following a review by Board Audit Committee (BAC).

The Directors are also responsible for taking reasonable steps to safeguard assets of the Company and the Group and in this regard give proper consideration to the establishment of an appropriate system of internal control for managing significant risks in the Company and the Group. The "Directors' Statement on Internal Control over Financial Reporting" is given on page 305.

The Board of Directors also wish to confirm that as required under sections 166 (1) and 167 (1) of the Companies Act No. 07 of 2007, it has prepared this Annual Report in time and ensured that it is released to the shareholders within the stipulated period of time as required by Rule No. 7.5 (a) and (b) of the Listing Rules of the Colombo Stock Exchange. The Directors also wish to confirm that all shareholders have been treated in an equitable manner in accordance with the original terms of issue. The Company has hosted a soft copy of this Annual Report in the Financial Information and KPI section of the Company's website (https://www.plc.lk/financial-information-and-kpi/annual-reports/), in addition to the soft copy thereof available in the CSE website, for the benefit of other shareholders within the stipulated period of the time as required by the Rule No. 7.5 (a) and (b) of continuing Listing Requirements of the Listing Rules of the CSE.

The Directors are required to prepare the Financial Statements and to provide the Auditor with every opportunity to take whatever steps and undertake whatever inspections they may consider appropriate to enable them to give their audit opinion. People's Leasing & Finance PLC falls under the definition of "Auditee Entity" and the Auditor General or any person authorised by the Auditor General shall carry out the audit of the Company and their responsibilities in relation to the Financial Statements are set out in the "Independent Auditor's Report" given on pages 308 to 312.

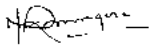
The Company's External Auditors, The Auditor General who were appointed in terms of National Audit Act No.19 of 2018 were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors of the Company together with all the financial records, related data and minutes of shareholders' and Directors' meetings and expressed their opinion in the "Independent Auditor's Report" which appears as reported by them on pages 308 to 312.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and the Group, all contributions, levies and taxes payable relating to employees of the Company and the Group, and the Government and other statutory bodies that were due in respect of the Company and the Group as at the reporting date have been paid or, where relevant provided for.

Further, the Board of Directors declares the following in terms of rule No 9.17 of the Listing Rules of Colombo Stock Exchange that;

- They have declared all material interests in contracts involving in the Entity and that they have refrained from voting on matters in which they were materially interested;
- They have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith;
- They have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;
- They have made disclosures of relevant areas of any material non-compliance with law or regulations and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.

Accordingly, the Board of Directors is of the view that it has discharged its responsibilities as set out in this statement.
By order of the Board,



Nirosha Kannangara
Company Secretary

01 June 2026
Colombo

Independent Assurance Report on Internal Control Over Financial Reporting

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No. INF/C/PLF/2026/17 ඔබේ අංකය உமது இல. Your No. දිනය திகதி Date 04 June 2026

Chairman
People's Leasing & Finance PLC

Assurance Report of the Auditor General to the Board of Directors on the Directors' Statement on Internal Control over Financial Reporting included in the Directors' Statement on Internal Control of People's Leasing & Finance PLC

Introduction

This report is to provide assurance on the Directors' Statement on Internal Control Over Financial Reporting included in the Directors' Statement on Internal Control (the "Statement") of People's Leasing & Finance PLC (the "Company") included in the annual report for the year ended 31 March 2026.

Management's responsibility

Management is responsible for the preparation and presentation of the Statement in accordance with the paragraph 16.1 (ix) of Finance Business Act Directions No. 05 of 2021 - Corporate Governance issued by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011.

My responsibility and compliance with SLSAE 3051

My responsibility is to assess whether the Statement is both supported by the documentation prepared by or for directors and appropriately reflects the process the directors have adopted in reviewing the design and effectiveness of the internal control of the Company.

I conducted my engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3051, Assurance Report for License Finance Company/ Finance Leasing Company on Directors' Statement on Internal Control, issued by the Institute of Chartered Accountants of Sri Lanka.

This Standard required that I plan and perform procedures to obtain limited assurance about whether Management has prepared, in all material respects, the Statement on Internal Control.

For purpose of this engagement, I am not responsible for updating or reissuing any reports, nor have I, in the course of this engagement, performed an audit or review of the financial information.

Summary of work performed

I conducted my engagement to assess whether the Statement is supported by the documentation prepared by or for directors; and appropriately reflected the process the directors have adopted in reviewing the system of internal control over financial reporting of the Company.

The procedures performed were limited primarily to inquiries of the Company personnel and the existence of documentation on a sample basis that supported the process adopted by the Board of Directors.

SLSAE 3051 does not require me to consider whether the Statement covers all risks and controls or to form an opinion on the effectiveness of the Company's risk and control procedures. SLSAE 3051 also does not require me to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The procedures selected depend on my judgment, having regard to my understanding of the nature of the Company, the event or transaction in respect of which the Statement has been prepared.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Conclusion

Based on the procedures performed, nothing has come to my attention that causes me to believe that the Statement included in the annual report is inconsistent with my understanding of the process the Board of Directors has adopted in the review of the design and effectiveness of internal control over financial reporting of the Company.

L.S.I. Jayaratna
Auditor General

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

Directors' Statement on Internal Control

Directors' Statement on Internal Control over Financial Reporting

Responsibility

The Board of Directors ("the Board") of Peoples' Leasing & Finance PLC (the Company) presents this report on internal control over Financial Reporting, in compliance with Section 16 (1) (ix) of the Finance Business Act Direction No. 05 of 2021-Corporate Governance.

The Board of Directors ("the Board") is responsible for the adequacy and effectiveness of the system of Internal Control in place at People's Leasing & Finance PLC. ("the Company").

The Board has established an ongoing process for identifying, evaluating, and managing the significant risks faced by the Company, and this process includes the system of Internal Control over Financial Reporting, which is regularly reviewed and enhanced by the Board, taking into account the changes in the business environment and regulatory guidelines.

The Board is of the view that the system of Internal Control over Financial Reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of Financial Reporting, and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Management assists the Board in the implementation of the Board's policies and procedures pertaining to risks and controls over Financial Reporting by identifying and assessing the risks faced, and in the design, operation, and monitoring of suitable internal controls to mitigate and control these risks.

Process Adopted in Applying and Reviewing the Design And Effectiveness of The Internal Control System on Financial Reporting

The key features of the process adopted are as follows:

- The Board has appointed various sub-committees to assist in ensuring the effectiveness of the Company's day-to-day operations and to ensure that all such operations are carried out in accordance with the corporate objectives, strategies, and the annual budget as well as the policies and the business directions approved by the Board.
- Key functional areas of the Company are governed by policies/charters that are approved by the Board. Board-appointed committees review and recommend such policies/charters before seeking the board's approval. Such policies/charters are regularly reviewed, updated and approved by the Board.
- The Internal Audit Department of the Company undertakes continuous and systematic assessments to ensure compliance with established policies, procedures, and regulatory requirements, while also evaluating the adequacy and effectiveness of internal control frameworks and information system control mechanisms across the organization.
- Audit engagements are primarily conducted on a risk-based and sample-driven approach, designed to identify instances of non-compliance, control weaknesses, and operational inefficiencies. In addition to routine assurance activities, the audits also focus on assessing the robustness of governance processes, safeguarding of assets, reliability of financial and management information, and adherence to applicable laws and regulations.
- All audit activities are executed in alignment with the annual audit plan, which is developed based on a comprehensive risk assessment covering all key business units, functions, and processes. The plan is formally reviewed and approved by the Board Audit Committee (BAC), ensuring appropriate oversight and alignment with the Company's strategic risk priorities. The nature, scope, and frequency of audits are determined by the level of inherent and residual risks associated with each area, thereby enabling optimal allocation of audit resources and enhanced audit coverage.
- The Internal Audit Department maintains its independence and objectivity by adhering to recognized professional standards and reporting functionally to the Board Audit Committee. All significant audit findings, including control deficiencies, process gaps, and risk exposures, are communicated to the BAC on a timely basis, together with management responses and agreed action plans. Follow-up reviews are systematically conducted to ensure the effective implementation of corrective actions and to strengthen the overall control environment of the Company.
- The Board Audit Committee reviews internal control issues/non-compliances identified by the Internal Audit Department, regulatory authorities, External Auditors, and Management. The BAC also evaluates the effectiveness of the internal audit function with particular emphasis on the scope, independence of internal audit, and resources. The minutes of the Board Audit Committee meetings are forwarded to the Board on a periodic basis. Details of the activities undertaken by the Board Audit Committee are set out in the "Board Audit Committee Report".
- In assessing the Internal Control System over Financial Reporting, identified officers of the Company collated all procedures and controls that are connected with significant accounts and disclosures in the company's Financial Statements. The internal audit department of the Company is, in turn, monitoring and checking these on an ongoing basis for the suitability of the design, implementation, and effectiveness.

The Company adopts Sri Lanka Accounting Standards comprising SLFRSs and LKASs and progressive improvements on processes to comply with requirements of recognition, measurement, classification and disclosure are being made whilst further strengthening of processes will continue in its financial reporting and management information.

The Board has given due and careful consideration to the requirements of SLFRS 9 – Financial Instruments, recognizing its critical role in shaping the Company's credit risk measurement and impairment framework. In this regard, the Board has overseen initiatives to enhance the relevance, robustness, and effectiveness of the Expected Credit Loss (ECL) model by ensuring it remains responsive to evolving macroeconomic conditions, emerging risk trends, and prevailing industry

Directors' Statement on Internal Control

practices, with particular emphasis on incorporating forward-looking information, recalibrating key assumptions, and aligning methodologies with regulatory expectations and best practices. Through the continuous refinement of the ECL model, the Company strengthens its ability to accurately assess credit risk exposures, maintain appropriate provisioning levels, and support sound financial reporting, while enhancing the model's adaptability and resilience amidst market volatility and ensuring full compliance with applicable accounting standards. Collectively, these efforts represent a significant advancement in reinforcing the integrity, accuracy, and reliability of the Company's credit risk management framework in line with current economic dynamics and industry benchmarks.

Confirmation

Based on the above processes, the Board of Directors confirm that the Financial Reporting System of the Company has been designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes have been performed in accordance with Sri Lanka Accounting Standards and regulatory requirements of the Central Bank of Sri Lanka and the Colombo Stock Exchange.

Review of the Statement by External Auditor

The External Auditor has reviewed the above Directors' Statement on Internal Control over Financial Reporting for the year ended 31 March 2026 and reported to the Board that nothing has come to their attention that causes them to believe that the Financial Statement is inconsistent with their understanding of the process adopted by the Board in the review of the design and effectiveness of the system of Internal Control of the Company. Their report on the statement of internal control over financial reporting is given on page 304 of this annual report.

Statement on Prudential Requirements, Regulations Laws and Internal controls

The Board confirms that there are there were no lapses which caused supervisory concern on the Company's Risk Management Systems or non-compliance with these directions which led to them being pointed out by the Director of Non- Bank Supervision of the Central Bank of Sri Lanka and which have caused the Monetary Board to give directions that they be disclosed to the public. Since there have been no such lapses or instances of non-compliance and since no such directions have been given by the Monetary Board, the issue of measures to be taken does not arise and there is nothing to disclose in this regard.



Anura Perera
Director



Dr. I.N Manawadu
Chairman - Board Audit Committee



Prof. Ajantha Samarakoon
Chairman

01 June 2026
Colombo

Chief Executive Officer's and Chief Financial Officer's Responsibility Statement

The Financial Statements of People's Leasing & Finance PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) as at 31 March 2026 are prepared and presented in conformity with the following requirements:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka);
- Companies Act No.07 of 2007and amendments there to;
- Sri Lanka Accounting and Auditing Standards Act No 15 of 1995;
- Directions issued to Licensed Finance Companies by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011;
- Directions, Determinations, Orders, Circulars and Guidelines issued by the Central Bank of Sri Lanka (CBSL);
- Listing Rules of the Colombo Stock Exchange, and
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka.

The Group on a quarterly basis presents Interim Financial Statements to its shareholders in compliance with the Listing Rules of the Colombo Stock Exchange. The accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied by the Group. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation and material departures, if any, have been disclosed and explained. Significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Company's External Auditor and the Board Audit Committee.

The Board of Directors and the Management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis; in order to ensure that the Financial Statements are reflected in a true and fair manner, the form and substance of transactions and the Company's state of affairs is reason ably presented. We also confirm that the Group has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

To ensure this, the Company and the Group has taken proper and sufficient care in installing a system of internal control and accounting records, for safe guarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis.

Internal Audit Department has conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company and the Group were consistently followed. However, there are inherent limitations that should Be recognized in weighing the assurances provided by any system of internal controls and accounting.

The Board Audit Committee reviewed all of the internal and external audit and inspection programmes the efficiency of the internal control systems and procedures, the quality of accounting policies and their adherence to statutory and regulatory requirements, the external audit plan and the management letters and also followed up on any issues raised during the statutory audit, the details of which are given in the "Board Audit Committee Report" on pages 262 and 264 of this Annual Report. The Financial Statements of the Company and Consolidated Financial Statements of the Group were audited by Auditor General and his report is given on pages 308 to 312 of this Annual Report.

We confirm that;

- The Group has complied with all applicable laws regulations and prudential requirements, there is no material non- compliance;
- There are no material litigations that are pending against the Group other than those disclosed in Note 51.1.1 on page 414 of the Financial Statements of this Annual Report.

All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees as at 31 March 2026 have been paid, or where relevant provided for.



Sanjeewa Bandaranayake
Chief Executive Officer/ GM



Priyankara Gangabadage
Acting Chief Financial Officer

01 June 2026
Colombo

Independent Auditors' Report

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය எனது இல. My No. INF/C/PLF/2026/16
ඔබේ අංකය உமது இல. Your No.
දිනය திகதி Date 04 June 2026

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 2026 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 ("Company") and its subsidiaries ("Group") for the year ended 31 March 2026 comprising the statement of financial position as at 31 March 2026 and the statement of profit or 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. The Report of the Auditor General in pursuance of provisions in Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka will be tabled in Parliament 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 2026, and of their financial performance and their 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 the audit of the financial statements of the current period. These matters were addressed in the context of the 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, description of how my audit addressed the matters is provided in that context.

I have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

Key Audit Matter	How my Audit Addressed the Key Audit Matter
Allowances for Expected Credit Losses of Loan and Advances measured at amortized cost. Allowances for expected credit losses of Loans and Advances measured at amortized cost as disclosed in Note 25 is determined by management based on the accounting policies described in Note 25.6 to the financial statements. This was a key audit matter due to • the significant management judgements, assumptions and estimation uncertainty involved in assessing the future recoverability of Loans and Advances; and • The materiality of the reported amount of allowance of expected credit losses. Key areas of significant judgements, assumptions and estimates used by management in the assessment of the impairment for expected credit losses included determining whether significant increase in credit risk has occurred, use of a broad range of forward-looking macroeconomic inputs and their associated weightages which are subject to inherently heightened levels of estimation uncertainty and subjectivity. Further information on the key estimates, assumptions and judgements is disclosed in Notes 25.6.	In addressing the allowances for expected credit losses of loan and advances measured at amortised cost, my audit procedures included the following key procedures: • Assessed the alignment of the Company's allowances for expected credit loss computations with the underlying methodology and related accounting policies, based on the best available information up to date of my report. • Evaluated the design, implementation and operating effectiveness of controls over estimation of expected credit losses. • Assessed the level of oversight, review and approval of allowances for expected credit losses, policies and procedures by the Board and management. • Tested the completeness, accuracy and reasonableness of the underlying data used in the expected credit loss computations by agreeing details to relevant source documents and accounting records of the Company. • Evaluated the reasonableness of qualitative and quantitative factors used in credit quality assessments and related stage classifications. In addition to the above, the following procedures were performed: For loans and advances assessed on an individual basis for impairment: • Evaluated the reasonableness of key inputs used in the allowances for expected credit losses made. 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 collaterals. • Tested the arithmetical accuracy of the underlying individual impairment calculations. For loans and advances assessed on a collective basis for impairment: • Tested the key inputs and the calculations used in the allowances for expected credit losses. • 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. • Assessed the adequacy of the related financial statement disclosures set out in notes 11 and 25.

Independent Auditors' Report

Key Audit Matter	How my Audit Addressed the Key Audit Matter
Information Technology (IT) systems related internal controls over financial reporting The Company's financial reporting process is significantly reliant on multiple IT systems with automated processes and 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. Accordingly, IT systems and related internal controls over financial reporting were identified as a key audit matter	My audit procedures included the following key procedures: • Obtained an understanding of the internal control environment of the processes and tested relevant key controls relating to financial reporting and related disclosures. • Involved my internal specialized resources and; - Identified, evaluated and tested the design and operating effectiveness of IT systems related internal controls, including those related to user access and change management, and - Obtained a high-level understanding of the cyber security risks affecting the Finance 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 2025/2026 Annual Report.

The other information comprises the information included in the 2025/2026 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 Group's 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 control 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. I am responsible for the direction, supervision and review of the audit work performed for the purposes 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

2. Report on Other Legal and Regulatory Requirements

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

2.1.1 I have obtained all relevant 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 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.

2.1.3 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.

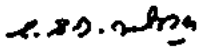
2.2 Based on the procedures performed and evidence obtained which were limited to matters that are material, nothing has come to my attention;

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 course 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



L. S. I. Jayaratna
Auditor General

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Statement of Profit or Loss

For the year ended 31st March,	Notes	Page	Company 2026 Rs. '000	Company 2025 Rs. '000	Company Change %	Group 2026 Rs. '000	Group 2025 Rs. '000	Group Change %
Gross income	5	329	43,987,280	28,427,584	54.73	53,169,599	35,916,302	48.04
Interest income	6.1	330	41,123,706	26,088,017	57.63	45,742,102	29,525,694	54.92
Less: Interest expense	6.2	330	19,350,594	12,016,685	61.03	20,770,497	13,065,611	58.97
Net interest income	6	329	21,773,112	14,071,332	54.73	24,971,605	16,460,083	51.71
Net earned premium	7	331	-	-	-	4,695,420	4,574,399	2.65
Fee and commission income	8	332	2,578,140	1,756,723	46.76	2,109,849	1,262,706	67.09
Net gains/(losses) on financial assets - FVTPL	9	333	56,824	146,186	(61.13)	126,009	182,398	(30.92)
Other operating income	10	333	228,610	436,658	(47.65)	496,219	371,105	33.71
Total operating income			24,636,686	16,410,899	50.12	32,399,102	22,850,691	41.79
Less: Impairment charges for loans and receivables and other losses	11	334	413,416	(403,301)	202.51	559,311	(383,497)	245.84
Net operating income			24,223,270	16,814,200	44.06	31,839,791	23,234,188	37.04
Less: Expenses								
Personnel expenses	12	336	7,374,078	4,864,568	51.59	9,416,453	6,448,279	46.03
Depreciation and amortisation	13	337	766,882	682,989	12.28	805,410	638,254	26.19
Benefits, claims and underwriting expenditure	14	338	-	-	-	3,020,104	2,937,798	2.80
Other operating expenses	15	338	4,462,391	3,471,383	28.55	5,459,995	4,222,297	29.31
Total operating expenses			12,603,351	9,018,940	39.74	18,701,962	14,246,628	31.27
Operating profit before taxes on financial services			11,619,919	7,795,260	49.06	13,137,829	8,987,560	46.18
Less : Tax on financial services	16	339	3,061,559	2,006,924	52.55	3,255,437	2,108,182	54.42
Profit before income tax expense			8,558,360	5,788,336	47.86	9,882,392	6,879,378	43.65
Less : Income tax expense	17	340	3,477,280	2,184,959	59.15	3,962,189	2,789,133	42.06
Profit for the year			5,081,080	3,603,377	41.01	5,920,203	4,090,245	44.74
Profit attributable to								
Equity holders of the Company			5,081,080	3,603,377	41.01	5,772,100	3,998,783	44.35
Non-controlling interest	49	312	-	-	-	148,103	91,462	61.93
Profit for the year			5,081,080	3,603,377	41.01	5,920,203	4,090,245	44.74
Basic / Diluted earnings per ordinary share (Rs.)	18	343	2.30	1.63	41.10	2.61	1.81	44.20
Dividend per Ordinary share (Rs.)	19	343	0.70	1.40	(50.00)	-	-	-

The Notes appearing on pages 320 to 453 form an integral part of the Financial Statements.

Statement of Comprehensive Income

For the year ended 31st March,	Notes	Page	Company 2026 Rs. '000	Company 2025 Rs. '000	Company Change %	Group 2026 Rs. '000	Group 2025 Rs. '000	Group Change %
Profit for the year			5,081,080	3,603,377	41.01	5,920,203	4,090,245	44.74
Other comprehensive income, net of tax								
Items to be reclassified to profit or loss in subsequent years (net of tax):								
Net gains/(losses) arising from translating the Financial Statements of the foreign subsidiary	48.4	412	-	-	-	151,789	(148,962)	201.90
Net items to be reclassified to profit or loss in subsequent years			-	-	-	151,789	(148,962)	201.90
Items not to be reclassified to profit or loss in subsequent years (net of tax):								
Net actuarial gains/(losses) on defined benefit plans								
Actuarial gains and losses on retirement benefit obligation	43	402	(20,616)	(134,126)	(84.63)	(39,567)	(143,496)	(72.43)
Deferred tax effect on actuarial gains and losses	44.1	406	6,185	40,238	84.63	11,870	43,048	72.43
Gains/(losses) on re-measuring-Net of tax			274,685	92,255	197.75	266,547	58,586	354.97
Net items not to be reclassified to profit or loss in subsequent years			260,254	(1,633)	16,037.17	238,850	(41,862)	670.57
Other comprehensive income for the year, net of tax			260,254	(1,633)	16,037.17	390,639	(190,824)	304.71
Total comprehensive income for the year			5,341,334	3,601,744	48.30	6,310,842	3,899,421	61.84
Attributable to:								
Equity holders of the Company			260,254	(1,633)	16,037.17	319,637	(107,775)	396.58
Non-controlling interest	49	412	-	-	-	71,002	(83,049)	185.49
Other comprehensive income for the year, net of tax			260,254	(1,633)	16,037.17	390,639	(190,824)	304.71
Total comprehensive income for the year			5,341,334	3,601,744	48.30	6,310,842	3,899,421	61.84

The Notes appearing on pages 320 to 453 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31st March,	Notes	Page	Company 2026 Rs. '000	Company 2025 Rs. '000	Company Change %	Group 2026 Rs. '000	Group 2025 Rs. '000	Group Change %
Assets								
Cash and cash equivalents	22	354	23,022,483	18,696,732	23.14	24,730,318	19,583,402	26.28
Balances with banks & financial institutions	23	355	3,587,434	3,031,551	18.34	9,855,176	5,694,373	73.07
Financial assets -Fair value through profit or loss	24	356	122,850	275,550	(55.42)	1,672,218	1,290,581	29.57
Loans and receivables - Amortised cost	25	358	275,738,413	157,092,387	75.53	299,248,310	170,451,841	75.56
Insurance and reinsurance receivables	26	374	-	-	-	3,095,603	1,698,354	82.27
Financial assets - Fair value through other comprehensive income	27	376	1,085,908	1,292,140	(15.96)	1,085,908	1,827,482	(40.58)
Debt instrument - Amortised cost	28	377	7,338,310	5,161,177	42.18	10,797,081	11,561,272	(6.61)
Investments in subsidiaries	29	378	3,883,151	3,832,151	1.33	-	-	-
Investment property	30	381	293,682	302,000	(2.75)	1,366,857	1,375,175	(0.60)
Other assets	31	383	1,402,328	1,040,658	34.75	1,385,421	1,065,584	30.02
Property, plant and equipment	32	384	2,123,686	1,787,796	18.79	4,623,216	4,281,701	7.98
Right of use assets	33	389	2,114,429	1,872,168	12.94	2,060,220	1,553,402	32.63
Deferred tax assets	44	405	419,768	59,322	607.61	429,998	26,569	1,518.42
Goodwill and intangible assets	34	390	93,373	34,719	168.94	230,462	172,552	33.56
Current tax receivables	41	401	-	52,589	(100.00)	-	-	-
Total assets			321,225,815	194,530,940	65.13	360,580,788	220,582,288	63.47
Liabilities								
Due to banks	35	392	89,733,741	11,436,573	684.62	103,139,658	16,828,985	512.87
Due to customers	36	394	165,448,875	124,529,684	32.86	172,219,996	130,068,713	32.41
Debt securities issued	37	395	5,062,517	5,014,652	0.95	5,062,517	5,014,652	0.95
Other financial liabilities	38	397	6,019,507	6,415,071	(6.17)	8,550,204	8,187,438	4.43
Insurance liabilities and reinsurance payable	39	399	-	-	-	7,423,937	5,458,788	36.00
Lease Liabilities	40	400	2,433,478	2,236,091	8.83	2,238,921	1,778,792	25.87
Current tax liabilities	41	401	2,048,092	-	100.00	2,434,236	326,594	645.34
Other liabilities	42	402	1,775,013	1,486,395	19.42	2,080,511	1,737,036	19.77
Retirement Benefit Obligation	43	402	1,177,714	1,000,719	17.69	1,372,640	1,155,916	18.75
Total liabilities			273,698,937	152,119,185	79.92	304,522,620	170,556,914	78.55
Equity								
Stated capital	45	409	20,512,332	19,230,479	6.67	20,512,332	19,230,479	6.67
Statutory reserve fund	46	410	3,402,019	3,147,965	8.07	3,614,842	3,325,935	8.69
Retained earnings	47	410	23,575,094	19,976,739	18.01	28,676,309	24,431,095	17.38
Other reserves	48	411	37,433	56,572	(33.83)	682,558	633,005	7.83
Total equity attributable to equity holders of the Company			47,526,878	42,411,755	12.06	53,486,041	47,620,514	12.32
Non-controlling interest	49	412	-	-	-	2,572,127	2,404,860	6.96
Total equity			47,526,878	42,411,755	12.06	56,058,168	50,025,374	12.06
Total liabilities and equity			321,225,815	194,530,940	65.13	360,580,788	220,582,288	63.47
Contingent liabilities and commitments	51	413	27,564,675	19,052,614	44.68	27,825,521	19,250,948	44.54
Net asset value per ordinary share (Rs.)	52	415	21.51	19.69	9.25	24.20	22.10	9.50

We certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

Priyankara Gangabadage
Acting Chief Financial Officer

Sanjeewa Bandaranayake
Chief Executive Officer

The Board of Directors is responsible for these Financial Statements.
Approved and signed for and on behalf of the Board by;

Prof. Ajantha Samarakoon
Chairman

Dr. I.N Manawadu
Director

01 June 2026
Colombo

The Notes appearing on pages 320 to 453 form an integral part of the Financial Statements.

Statement of Changes in Equity – Company

For the year ended 31st March,	Capital Rs. '000	Statutory Reserve Fund Rs. '000	Other Reserves: Regulatory Loss Allowance Reserve Rs. '000	Other Reserves: Fair Value Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000
Balance as at 1st April 2024	19,230,479	2,967,853	100,111	(357,132)	19,884,827	41,826,138
Total comprehensive income for the year						
Profit/(loss) for the year	-	-	-	-	3,603,377	3,603,377
Other comprehensive income (net of tax)	-	-	-	131,792	(133,426)	(1,634)
Total comprehensive income for the year	-	-	-	131,792	3,469,951	3,601,743
Transactions with equity holders, recognised directly in equity						
Transfers to reserves	-	180,112	181,801	-	(361,914)	-
Dividend paid - Cash	-	-	-	-	(3,016,126)	(3,016,126)
Total transactions with equity holders	-	180,112	181,801	-	(3,378,039)	(3,016,126)
Balance as at 31st March 2025	19,230,479	3,147,965	281,912	(225,340)	19,976,739	42,411,755
Balance as at 1st April 2025	19,230,479	3,147,965	281,912	(225,340)	19,976,739	42,411,755
Total comprehensive income for the year						
Profit/(loss) for the year	-	-	-	-	5,081,080	5,081,080
Other comprehensive income (net of tax)	-	-	-	274,685	(14,431)	260,254
Total comprehensive income for the year	-	-	-	274,685	5,066,649	5,341,334
Transactions with equity holders, recognised directly in equity						
Transfers to reserves	-	254,054	(281,912)	(11,912)	39,770	-
Dividend paid - Scrip	1,281,853	-	-	-	(1,508,063)	(226,210)
Total transactions with equity holders	1,281,853	254,054	(281,912)	(11,912)	(1,468,293)	(226,210)
Balance as at 31st March 2026	20,512,332	3,402,019	-	37,433	23,575,094	47,526,878

The Notes appearing on pages 320 to 453 form an integral part of the Financial Statements.

Statement of Changes in Equity – Group

Group	Capital	Statutory Reserve Fund	Other Reserves			Retained Earnings	Total Equity	Non-Controlling Interest	Total Equity
			Regulatory Loss Allowance Reserve	Fair Value Reserve	Foreign Currency Translation Reserve				
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 1st April 2024	19,230,479	3,107,596	100,111	(326,987)	658,332	23,976,101	46,745,632	2,400,196	49,145,828
Movement due to change in ownership	-	-	-	-	-	-	-	150,555	150,555
Total comprehensive income for the year									
Profit/(loss) for the year	-	-	-	-	-	3,998,783	3,998,783	91,462	4,090,245
Other comprehensive income (net of tax)	-	-		95,719	(75,971)	(127,523)	(107,775)	(83,049)	(190,824)
Total comprehensive income for the year	-	-	-	95,719	(75,971)	3,871,260	3,891,008	158,968	4,049,976
Transfers to reserves	-	218,339	181,801	-	-	(400,140)	-	-	-
Dividend paid - Scrip	-	-	-	-	-	-	-	(154,304)	(154,304)
Cash	-	-	-	-	-	(3,016,126)	(3,016,126)	-	(3,016,126)
Total transactions with equity holders	-	218,339	181,801	-	-	(3,416,266)	(3,016,126)	(154,304)	(3,170,430)
Balance as at 31st March 2025	19,230,479	3,325,935	281,912	(231,268)	582,361	24,431,095	47,620,514	2,404,860	50,025,374
Balance as at 1st April 2025	19,230,479	3,325,935	281,912	(231,268)	582,361	24,431,095	47,620,514	2,404,860	50,025,374
Total comprehensive income for the year									
Profit/(loss) for the year	-	-	-	-	-	5,772,100	5,772,100	148,103	5,920,203
Other comprehensive income (net of tax)	-	-	-	265,965	77,412	(23,740)	319,637	71,002	390,639
Total comprehensive income for the year	-	-	-	265,965	77,412	5,748,360	6,091,737	219,105	6,310,842
Transactions with equity holders, recognised directly in equity									
Transfers to reserves	-	288,907	(281,912)	(11,912)	-	4,917	-	-	-
Dividend paid - Scrip	1,281,853	-	-	-	-	(1,508,063)	(226,210)	(51,838)	(278,048)
Total transactions with equity holders	1,281,853	288,907	(281,912)	(11,912)	-	(1,503,146)	(226,210)	(51,838)	(278,048)
Balance as at 31st March 2026	20,512,332	3,614,842	-	22,785	659,773	28,676,309	53,486,041	2,572,127	56,058,167

The Notes appearing on pages 320 to 453 form an integral part of the Financial Statements.

Statement of Cash Flows

Accounting Policy

The Statement of Cash Flows has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on 'Statement of Cash Flows', whereby operating activities, investing activities and financing activities are separately recognised. With effect from 31 December 2025, the Company changed the presentation of cash flows in the Statement of Cash Flows from the direct method to the indirect method to improve comparability and presentation of financial information. Cash and Cash Equivalents comprise of short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and Cash Equivalents as referred to in the Statement of Cash Flows are comprised of those items as explained in Note 50.

For the year ended 31st March,	Notes	Page	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Cash flows from operating activities						
Profit before income tax			8,558,360	5,788,336	9,882,392	6,879,378
Adjustment for:						
Non-cash items included in profits before income tax	50	412	1,224,437	199,071	1,366,112	9,415
Change in operating assets	50.1	413	(123,359,084)	(23,564,351)	(135,195,081)	(23,162,942)
Change in operating liabilities	50.2	413	41,220,765	27,869,450	44,658,923	27,073,203
Dividend income from investments	10	333	(226,013)	(426,798)	(4,407)	(7,110)
Interest expense on due to banks	6.2	330	4,052,688	338,312	4,869,239	622,134
Interest expense on debt securities issued	6.2	330	432,732	595,538	432,732	595,538
Net unrealised gains/(losses) arising from translating the Financial Statements of foreign subsidiary	48.4	412	-	-	151,789	(148,962)
Benefits paid on retirement benefit obligation	43	402	(27,239)	(70,168)	(40,025)	(91,537)
Income tax paid	17.9	342	(1,687,665)	(1,685,532)	(2,009,318)	(1,969,527)
Net cash from operating activities			(69,811,020)	9,043,857	(75,887,644)	9,799,590
Cash flows from investing activities						
Purchase of property, plant and equipment	32	384	(564,925)	(585,981)	(757,503)	(783,457)
Proceeds from the sale of property, plant and equipment			12,937	726	59,583	17,304
Purchase of intangible assets	34	390	(82,420)	(4,384)	(91,182)	(15,768)
Net (increase)/decrease in financial assets - FVTPL	29	378	209,524	1,210,503	(255,628)	343,430
Net (increase)/decrease in financial assets - FVOCI			558,174	79,870	1,081,423	176,894
Dividends received from investments			150,710	4,758	4,407	7,110
Net cash from/(used in) investing activities			284,000	705,492	41,101	(254,487)
Cash flows from financing activities						
Proceeds from due to banks	35.1	392	124,100,000	24,500,000	131,937,986	26,823,963
Repayment of due to banks	35.1	392	(48,625,770)	(16,590,843)	(49,966,035)	(18,138,300)
Proceeds from issue of debt securities issued	37.1	395	-	-	-	-
Redemption of debt securities issued	37.1	395	-	(5,362,869)	-	(5,362,869)
Interest paid on debt securities issued	37.1	395	(384,867)	(1,250,265)	(384,867)	(1,250,265)
Dividend paid to shareholders			(6,842)	(3,002,382)	(11,269)	(3,006,809)
Dividend paid to non-controlling interest	49	412	-	-	(51,838)	(3,750)
Net cash (used in) financing activities			75,082,521	(1,706,359)	81,523,977	(938,030)
Net increase/(decrease) in cash & cash equivalents			5,555,501	8,042,990	5,677,433	8,607,073
Cash and cash equivalents at 1 April			17,263,374	9,220,384	17,718,584	9,111,511
Cash and cash equivalents at 31 March			22,818,875	17,263,374	23,396,017	17,718,584
Cash and cash equivalents	22	354	23,022,483	18,696,732	24,730,318	19,583,402
Overdraft	35	392	(203,608)	(1,433,358)	(1,334,301)	(1,864,818)
Cash and cash equivalents at 31 March			22,818,875	17,263,374	23,396,017	17,718,584

The Notes appearing on pages 320 to 453 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. Corporate and Group Information

1.1 Corporate Information

People's Leasing & Finance PLC (the 'Company'), is a Public Limited Liability Company incorporated on 22 August 1995 and domiciled in Sri Lanka. It is a licensed finance company under the Finance Business Act No. 42 of 2011. The Company has a primary listing on the Colombo Stock Exchange on 24 November 2011. The Company was re-registered under the Companies Act No. 07 of 2007.

Its registered office and the principal place of the business is at No. 1161, Maradana Road, Colombo 08.

Consolidated Financial Statements

The consolidated financial statements of the Group for the year ended 31 March 2026 comprise People's Leasing & Finance PLC (Parent Company), its subsidiaries (together referred to as the 'Group').

Parent Entity and Ultimate Parent Entity

The Company's parent entity is People's Bank which is a Government owned entity.

Number of Employees

The staff strength of the Company and Group as at 31st March 2026 is 3,251 and 4,401 respectively. (2,679 and 3,685 as at 31st March 2025).

1.2 Group Information

Principal Activities and Nature of Operations.

Company

People's Leasing & Finance PLC

The principal business activities are providing finance leases, term loans, Islamic finance, margin trading, share trading, issue of debt instruments, gold loans and mobilisation of public deposits.

Subsidiaries

			% equity interest	
Name of the Subsidiaries	Principal activities	Country of incorporation	2026	2025
People's Leasing Fleet Management Limited	Vehicle valuation and insurance assessment	Sri Lanka	100%	100%
People's Leasing Property Development Limited	Carrying out mixed development projects and property development activities.	Sri Lanka	100%	100%
People's Insurance PLC	Carrying out general insurance business	Sri Lanka	75%	75%
People's Leasing Havelock Properties Limited	Construct and operate an office complex.	Sri Lanka	100%	100%
People's Micro-commerce Ltd	Providing non-bank financial services to low income earners and micro enterprises.	Sri Lanka	100%	100%
Alliance Finance PLC	Providing lease/loans and advances, issue of debt instruments and mobilization of public deposits	Bangladesh	51%	51%

There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

2. Basis of Preparation and Other Material Accounting Policies

2.1 Statement of Compliance

The consolidated Financial Statements of the Group and Separate Financial Statements of the Company, as at 31st March 2026 and for the year then ended, have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs),laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No. 07 of 2007, the Finance Business Act No. 42 of 2011, Insurance Industry Act No. 43 of 2000 and the Listing Rules of the Colombo Stock Exchange. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

Sri Lanka Accounting Standards are available at 'www.casrilanka.com / www.slaasc.lk'.

The Group did not adopt any inappropriate accounting treatments, which are not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of the Financial Statements.

Details of the Group's Material Accounting Policies followed during the year are given in Notes 3.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for these Financial Statements of the Company and the Group as per the provision of the Companies Act No. 07 of 2007 and SLFRSs and LKASs.

The Board of Directors acknowledges their responsibility as set out in the "Annual Report of the Board of Directors on the Affairs of the Company", "Directors' Responsibility for Financial Reporting" and in the certification on the Statement of Financial Position.

These financial statements include the following components:

- Statement of Profit or Loss and Statement of Comprehensive Income providing the information on the financial performance of the Company and the Group for the year under review;
- Statement of Financial Position providing the information on the financial position of the Company and the Group as at the year-end;
- Statement of Changes in Equity depicting all changes in shareholders' equity during the year under review of the Company and the Group;
- Statement of Cash Flows providing the information to the users, on how the Company and the Group to generated and distribute cash and cash equivalents during the period.
- Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

2.3 Approval of Financial Statements by the Board of Directors

The Financial Statements of the Company and the Group for the year ended 31 March 2026 (including comparatives) were approved and authorised for issue on 01 June 2026 in accordance with the resolution of the Board of Directors on 01 June 2026.

2.4 Basis of Measurement

The Financial Statements of the Company and the Group have been prepared on the historical cost basis except for the following items in the Statement of Financial Position:

Item	Basis of measurement	Note	Page No.
Financial assets -Fair value through profit or loss	Fair Value	24	356
Financial assets - Fair value through other comprehensive income	Fair Value	27	376
Investment property	Fair Value	30	381
Retirement benefit obligation	Liability is recognised as the present value of the retirement benefit obligation, plus actuarial gains and losses .	43	402

2.5 Presentation of Financial Statements

The assets and liabilities of the Company and the Group in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non–current) is presented in Note 53 on page 415 (Current/ non-current analysis). No adjustments have been made for inflationary factors affecting the Financial Statements.

2.6 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the consolidated Statement of Profit or Loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

2.7 Functional and Presentation Currency

The Financial Statements of the Group and the Company are presented in Sri Lanka Rupees (Rs.), which is the currency of primary economic environment, in which the Group operates (Group functional currency).

2.8 Rounding

The amounts in the Financial Statements have been rounded-off to the nearest Rupees thousands, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard- LKAS 01 on "Presentation of Financial Statements".

2.9 Materiality and Aggregation

In compliance with the Sri Lanka Accounting Standard - LKAS 01 on 'Presentation of Financial Statements', each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately, unless they are immaterial.

2.10 Significant accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements of the Company and the Group in conformity with SLFRSs and LKASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Further, management is also required to consider key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results may differ from these estimates.

Accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key significant accounting judgments, estimates and assumptions involving uncertainty are discussed below, whereas the respective carrying amounts of such assets and liabilities are as given in related Notes.

Notes to the Financial Statements

Going Concern

These Financial Statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Directors have assessed the Group's ability to continue as a going concern and are satisfied that the Group has adequate resources to continue its operations for the foreseeable future. In making this assessment, the Board considered prevailing economic conditions, projected future economic developments, regulatory capital requirements, liquidity and funding positions, and the potential impact of local and global macroeconomic uncertainties on the Group's operations.

The assessment also considered the impact of ongoing geopolitical tensions in the Middle East and the adverse economic effects arising from the "Dithwa" cyclone and related weather conditions, which affected certain businesses and individuals.

Despite these challenges, the Group maintained satisfactory loan recovery performance during the financial year and was able to maintain Stage 03 facilities at acceptable levels through prudent credit risk management practices and strengthened recovery initiatives.

Based on the above considerations, together with the Group's capital adequacy and liquidity position, the Directors are satisfied that there are no material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Financial Statements continue to be prepared on a going concern basis.

Classification of financial assets and liabilities

As per SLFRS 9, the significant accounting Policies of the Group provides scope for financial assets to be classified and subsequently measured into different categories, namely, at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL) based on the following criteria;

The entity's business model for managing the financial assets as set out in Note 3.5.2 on page 324.

The contractual cash flow characteristics of the financial assets as set out in Note 3.5.2 on page 324.

Classification of Investment Property

Management uses its judgment to classify properties as investment properties if they are held to earn rental income or for capital appreciation, generating independent cash flows. Properties used in production, supply, or administrative purposes, generating cash flows with other assets, are classified as Property, Plant & Equipment. The Group annually reassesses the classification based on the current use of the properties.

Impairment losses on Financial Assets

The measurement of impairment losses both under SLFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses.

The Group/Company assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets are impaired.

Impairment Losses on Loans and Receivables

Accordingly, the Group reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be provided in the Statement of Profit or Loss. In particular, the Management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss.

These estimates are based on assumptions about a number of factors and hence actual results may differ, resulting in future changes to the impairment allowance made.

Details of the 'impairment losses on loans and receivables' are given in Note 25.7 on page 370 to the financial statements.

Impairment charges on financial investments

Financial investments are categorised under amortised cost subject to Impairment in accordance with SLFRS 9 -Financial Investment. The Company/Group does not have historical loss experience on debt instruments at amortised cost .Thus the Group considers PDs published by the external sources i.e. – Bloomberg for external credit rating. LGD for debt securities issued by the Government of Sri Lanka in rupees is considered as 0%, and for all other instruments, industry average is considered as LGD.

Credit risk has not increased significantly relating to financial investments, since initial recognition. Therefore Group did not record expected credit loss in the financial statements for those investments.

Impairment of FVOCI

Details of the 'Impairment of FVOCI' are given in Note 27 on page 376 to the financial statements.

Useful Life Time of the Property, Plant and Equipment

The Group reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

Useful Life Time of the Intangible Assets

Details of the 'useful life-time of the intangible assets' are given in Note 34 to the financial statements on page 390.

Fair Value of Investment Property

Significant judgments and estimates are used to determine the fair value, including comparable sales, future rental income, and discount rates. Details of the Fair Value of Investment Property are given in Note 30 on page 381.

SLFRS 16 Lease Liabilities and Right-of-Use Assets

Significant Judgments are required for lease terms and incremental borrowing rates, with estimates for renewal options and calculating lease liabilities and right-of-use assets. Details of the Lease liabilities and Right-of-use assets are given in note 33 and 40 on page 389/ 400.

Transfer Pricing Regulation

The Company is subject to income taxes and other taxes including transfer pricing regulations. Prevailing uncertainties with respect to the interpretation of respective transfer pricing regulations, necessitated using management judgment to determine the impact of transfer pricing regulations. Accordingly critical judgments and estimates were used in applying the regulations in aspects including but not limited to identifying associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism. The current tax charge is subject to such judgments. Differences between estimated income tax charge and actual payable may arise as a result of management's interpretation and application of transfer pricing regulation.

Deferred Tax

Details of the 'deferred tax' are given in Note 44 on page 405 to the financial statements.

Retirement Benefit Obligation

Details of the 'retirement benefit obligation' are given in Note 43 on page 402 to the financial statements.

Provisions for Liabilities, Commitments, and Contingencies

Significant Judgments are made to recognize provisions for present obligations, estimating the outflow of resources. Contingent liabilities are disclosed when outflows are not probable or cannot be reliably measured. Commitments are disclosed as future contractual obligations. Details of Provisions for Liabilities, Commitments, and Contingencies are given in note no 42 and 50 on page 402/ 412.

Valuation of General Insurance Contract Liabilities of Subsidiary People's Insurance PLC

The estimates of general insurance contracts have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims Incurred, But Not yet Reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty. The main assumption underlying estimating the amounts of outstanding claims is the past claims development experience.

Large claims are usually separately addressed, either by being reserved at the face value of loss adjusted estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims, inflation or loss ratios.

Events after the Reporting Date

Management reviews events after the reporting date for adjustments or disclosures. Adjusting events provide evidence of conditions at the end of the reporting period, while non-adjusting events are disclosed if material. Details of Events after the Reporting Date are given in note 58 on page 453.

2.11 Comparative Information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the Financial Statements in order to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

3. Material Accounting Policies

3.1 Basis of Consolidation

The Consolidated Financial Statements of the Group for the year ended 31st March 2026 include the Company, its subsidiaries and its associate company. The financial statements of the Company's subsidiaries and associate are prepared for the same reporting year except for People's Insurance PLC and Alliance Finance PLC (Bangladesh), subsidiaries of People's Leasing & Finance PLC, whose financial year ends on December 31st. For consolidation purpose same reporting year has been used.

3.1.1 Business Combination and Goodwill

Business combinations are accounted for using the Acquisition method as per the requirements of Sri Lanka Accounting Standard - SLFRS 03 (Business Combinations).

The Group and the Company measure goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in Statement of Profit or Loss.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net amount of the identifiable assets, liabilities and contingent liabilities acquired.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash–generating units (CGUs) or group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the Financial Statements

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognised in the Statement of Profit or Loss.

3.1.2 Common control business combination

Common control business combinations are accounted using the guidelines issued under Statement of Recommended Practice (SoRP) - Merger accounting for common control business combination issued by The Institute of Chartered Accountants of Sri Lanka.

3.1.3 Loss of Control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in Statement of Profit or Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

3.1.4 Transactions Eliminated on Consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign Currency Transactions and Balances

All foreign currency transactions are translated into the functional currency which is Sri Lankan Rupees (Rs.) at the spot exchange rate at the date of the transactions were affected. In this regard, the Group's practice is to use the middle rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the spot rate of exchange at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for effective interest and payments during the year and the amortised cost in foreign currency translated at the exchange rate at the reporting date.

Non–monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition. Non-monetary items measured at fair value in a foreign currency are translated using the spot exchange rates at the date when the fair value was determined.

3.3 SLFRS 15 – Revenue from contracts with customers

SLFRS 15 replaces revenue recognition guidance, including LKAS 18 on "Revenue", LKAS 11 on "Construction Contracts" and IFRIC 13 on "Customer Loyalty Programmes" and is effective for annual reporting periods beginning on or after 1 April, 2018.

SLFRS 15 provides a comprehensive framework for determining whether, how much, and when revenue is recognised. SLFRS 15 requires new qualitative and quantitative disclosure aimed at enabling users of Financial Statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Entities are required to apply five-step model to determine when to recognise revenue and at what amount. The model specifies that revenue is recognised when or as an entity transfers control of goods and services to a customer at the amount at which the entity expects to be entitled.

3.4 New and Amended Standard and Interpretation

There were no new or amended Sri Lanka Accounting Standards (SLFRSs/LKASs) or interpretations that became effective during the financial year which had a material impact on the Group's Financial Statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective

3.5 Financial Instruments-Initial Recognition and subcequent Measurment

3.5.1 Date of Recognition

All financial assets and liabilities except 'regular way trades' are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. 'Regular way trades' means purchases or sales of financial assets that requires delivery of assets within the time frame generally established by regulation or convention in the market place. Those trades are initially recognised on the settlement date.

3.5.2 Classification and subsequent measurement of financial assets

As per SLFRS 9, the Group classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms measured at either;

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

The subsequent measurement of financial assets depends on their classification.

Business model assessment

With effect from 1 April 2018, the Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level and not assessed on instrument-by- instrument basis because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

As a second step of its classification process the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

"Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In contrast, contractual terms that introduce a more than the a de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely payments of principal and interest on principal amount outstanding, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money.

The Group holds a portfolio of long-term fixed rate loans for which the Group has the option to propose to revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are solely payments of principal and interest because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

Details on different types of financial assets recognised on the SOFP.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are given in Notes 22,23,25,26,28 and 35 to 41 on pages 354,355,358,374,377,392 and 401.

Financial assets measured at FVOCI

Financial assets at FVOCI include debt and equity instruments measured at fair value through other comprehensive income. Financial assets measured at FVOCI are given in Notes 27 on page 376.

Financial assets measured at FVTPL

As per SLFRS 9, all financial assets other than those classified at amortised cost or FVOCI are classified as measured at FVTPL. Financial assets at fair value through profit or loss include financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis as they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets and financial assets designated upon initial recognition at fair value through profit or loss which are discussed in Notes 24 on page 356.

Notes to the Financial Statements

Financial assets designated at fair value through profit or loss

As per SLFRS 9, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL when such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.

The Group has not designated any financial assets upon initial recognition as at fair value through profit or loss as at the end of the reporting period.

3.5.3 Reclassification of Financial Instruments

Financial assets are not reclassified after their initial recognition, except in rare circumstances when the Group changes its business model for managing those financial assets. This may occur due to the acquisition, disposal, or termination of a business line.

From FVTPL:

To FVOCI: Fair value on reclassification date becomes the new gross carrying amount. EIR is recalculated. Subsequent fair value changes go to OCI.

To Amortised Cost: Fair value on reclassification date becomes the new carrying amount. EIR is recalculated.

From FVOCI:

To FVTPL: Accumulated OCI balance is transferred to profit or loss.
To Amortised Cost: Asset is reclassified at fair value, OCI balance adjusts this value to become amortised cost. EIR and initial carrying amount remain unchanged.

From Amortised Cost:

To FVOCI: Asset is remeasured to fair value, differences are recognised in OCI. EIR remains unchanged.

To FVTPL:

Fair value on reclassification date becomes the new carrying amount. Difference between amortised cost and fair value goes to profit or loss.

There was no reclassification within the Group during the financial year.

3.5.4 Classification and Subsequent Measurement of Financial Liabilities

The Group classifies financial liabilities, excluding financial guarantees and loan commitments, into the following categories:

Financial Liabilities at FVTPL:

- Held-for-Trading
- Designated at FVTPL

Financial Liabilities Measured at Amortised Cost

Financial Liabilities at FVTPL

The Group currently has no financial liabilities classified as at FVTPL as of the end of the reporting period.

Financial Liabilities at Amortised Cost

Financial liabilities not measured at FVTPL are classified as financial liabilities at amortised cost, which include:

Due to Banks: Details in Note 35 on page 392.

Due to Customers: Details in Note 36 on page 394.

Debt securities Issued: Details in Note 37 on page 395.

Other Financial Liabilities: Details in Note 38 on page 397.

After initial recognition, these financial liabilities are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in "Interest expense" in profit or loss. Gains and losses are recognised in profit or loss upon derecognition of the liabilities.

3.5.5 Derecognition of Financial Assets and Financial Liabilities

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when;

- The rights to receive cash flows from the asset which have expired;
- The Group and Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement; and either;
- The Group and Company has transferred substantially all the risks and rewards of the asset; or
- The Group and Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received and any cumulative gain or loss that has been recognised in Statement of Comprehensive Income is recognised in Statement of Profit or Loss.

When the Group and Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the group's continuing involvement in the asset. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in Statement of Profit or Loss.

3.5.6 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the Statement of Financial Position.

Income and expenses are presented on a net basis only when permitted under LKASs / SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.5.7 Determination of Fair Value
The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 21 on page 346.

3.6 Impairment of Non–financial Assets

The carrying amounts of the Group's non financial assets, other than deferred tax assets are reviewed at each Reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing of an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use. Where the carrying amount of an asset or cash – generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may have decreased. If such indication exists the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation/ amortisation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognised in Statement of Profit or Loss.

3.7 Property, Plant, and Equipment

Policies regarding the recognition, measurement, depreciation, and impairment of tangible assets include Note 32 on page 384.

3.8 Right of use Asset

Policies for recognising, measuring, and depreciating right-of-use assets arising from lease contracts include Note 33 on page 389.

3.9 Intangible Assets

Policies on recognising and measuring intangible assets such as software and goodwill, including their amortisation and impairment includes Note 34 on page 390.

3.10 Lease Liability

Policies for recognising, measuring, and presenting lease contracts includes Note 40 on page 400

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3.11 Retirement Benefit Obligation

Policies for recognising and measuring postemployment benefits include Note 43 on page 402.

3.12 Provisions

Provisions are recognised in the Statement of Financial Position when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with the Sri Lanka Accounting Standard - LKAS 37 on 'Provision, Contingent Liabilities and Contingent Assets'. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at that date. The expense relating to any provision is presented in the Statement of Profit or Loss net of any reimbursement.

3.13 Borrowing Costs

As per Sri Lanka Accounting Standard-LKAS 23 on 'Borrowing Costs', the Group capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as part of the cost of the asset. A qualifying asset is an asset which takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they occur.

3.14 Income tax

3.14.1 Current tax

GRI 207-1,207-2

Details of the 'income tax expense' are given in Note 17 on page 340 to the financial statements. Accordingly, income tax rate of 30% was applied as per Inland Revenue (amendment) Act No.45 of 2022.

3.14.2 Deferred Tax

Details of the 'deferred tax' are given in Note 44 on page 405 to the financial statements. Deferred tax assets and liabilities are estimate based on the income tax rate 30%.

3.15 Crop Insurance Levy (CIL)

As per the provisions of the Section 14 of the Finance Act No.12 of 2013, the CIL was introduced with effect from April 1, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

Notes to the Financial Statements

3.16 Value Added tax on financial services

Details of the VAT, SSCL on financial services are given in Note 16 on page 339 to the financial statements. VAT on FS calculates at the rate of 18% based on the value addition attributable to the financial services of the Company.

3.17 Social Security Contribution Levy (SSCL)

Details of the "SSCL on financial services" are given in Note 16 on page 339 to the financial statements. The Company liable to pay SSCL on FS at the rate of 2.5% based on the value addition attributable to the financial services. Further, company non-financial services liable on the turnover at the rate of 2.5%.

3.18 Value Added Tax (VAT)

VAT rate of 18% is applicable for VAT liable income and expenses.

4. Standards Issued But Not Yet Effective

The following Sri Lanka Accounting Standards and interpretations were issued by The Institute of Chartered Accountants of Sri Lanka but not yet effective as at 31st March 2026. Accordingly these accounting standards have not been applied in the preparation of the Financial Statements for the year ended 31 March 2026. Following amendment is not expected to have a material impact on the Financial Statements of the Company/Group in the foreseeable future.

SLFRS 17- Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace IFRS 4 Insurance Contracts (SLFRS 4). SLFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of SLFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in SLFRS 4, which are largely based on grandfathering previous local accounting policies, SLFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts."

SLFRS 17 is effective for annual reporting periods beginning on or after 01 January 2026. Early application is permitted, if the entity is applying both Sri Lanka Accounting Standard - SLFRS 9 "Financial Instruments" and Sri Lanka Accounting Standard - SLFRS 15 "Revenue from Contracts with Customers" on or before the date on which it first apply SLFRS 17.

SLFRS 18 -Presentation and Disclosure in Financial Statements

SLFRS 18 introduces new requirements for the presentation and disclosure of information in Financial Statements and will become effective for annual reporting periods beginning on or after 01 January 2027. This Standard will replace LKAS 1 "Presentation of Financial Statements".

Under SLFRS 18, entities are required to classify income and expenses presented in the Statement of Profit or Loss into five categories namely operating, investing, financing, discontinued operations and income tax categories. The Standard also introduces newly defined subtotals, including operating profit, to improve consistency and comparability in financial reporting. The adoption of these presentation requirements will not impact the net profit of the Company/Group.

In addition, the Standard requires disclosure of Management-defined Performance Measures (MPMs) in a single note to the Financial Statements and provides enhanced guidance on the aggregation and disaggregation of information presented in the Financial Statements.

Further, entities applying the indirect method for presenting operating cash flows will be required to use operating profit as the starting point in the Statement of Cash Flows.

The Company/Group is currently assessing the potential impact of adopting SLFRS 18 on the presentation, disclosure and classification of items in the Financial Statements. However, the adoption of this Standard is not expected to have a material impact on the reported financial position or financial performance of the Company/ Group.

SLFRS 19 -Subsidiaries without Public Accountability: Disclosures

SLFRS 19 establishes reduced disclosure requirements for eligible subsidiaries while retaining the recognition, measurement and presentation requirements of full SLFRS Standards. The Standard will become effective for annual reporting periods beginning on or after 01 January 2027.

The Company/Group is in the process of evaluating the implications of this Standard and does not expect a material impact on the Consolidated Financial Statements. However, the Standard may affect the disclosure requirements applicable to eligible subsidiaries, where relevant.

5. Gross Income

Accounting Policy

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company/Group and revenue can be reliably measured. The specific recognition criteria, for each type of income, given under the respective income notes.

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest income	6.1	**41,123,706**	26,088,017	**45,742,102**	29,525,694
Net earned premium	7.	**-**	-	**4,695,420**	4,574,399
Fee and commission income	8.	**2,578,140**	1,756,723	**2,109,849**	1,262,706
Net gains/(losses) on financial assets - FVTPL	9	**56,824**	146,186	**126,009**	182,398
Other operating income	10	**228,610**	436,658	**496,219**	371,105
Total		**43,987,280**	28,427,584	**53,169,599**	35,916,302

6. Net Interest Income

Accounting Policy

For all financial instruments measured at amortised cost, interest income or expense is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Interest income on financial assets measured at amortised cost (AC) including Cash and cash equivalents, Balances with banks & financial institutions, Loans and receivables and Debt instruments are calculated using Effective Interest Rate.

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded as 'Interest income' for financial assets and 'Interest expense' for financial liabilities. However, for a reclassified financial asset for which the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Interest income is recognised only when it is probable that the related economic benefits will flow to the Company. In accordance with SLFRS 9 Financial Instruments, interest income is recognised for financial assets classified under Stage 1 and Stage 2. In line with the Company's policy, interest recognition ceases when a financial asset is classified as Stage 3.

Interest on Overdue Rentals

Interests from overdue rentals have been accounted for on a cash basis.

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest income	6.1	**41,123,706**	26,088,017	**45,742,102**	29,525,694
Interest expenses	6.2	**19,350,594**	12,016,685	**20,770,497**	13,065,611
Net interest income		**21,773,112**	14,071,332	**24,971,605**	16,460,083

Notes to the Financial Statements

6.1 Interest income

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Cash and cash equivalents		**499,986**	730,653	**543,046**	760,103
Balances with banks & financial institutions		**555,883**	881,661	**885,235**	1,483,384
Loans and receivables	6.1.1	**39,380,486**	23,148,924	**43,058,477**	25,556,085
Debt instrument - Amortised cost		**687,351**	1,326,779	**1,255,344**	1,726,122
Total interest income		**41,123,706**	26,088,017	**45,742,102**	29,525,694

6.1.1 Interest income - Loans and receivables

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Lease/Ijarah receivable		**19,922,746**	14,945,220	**19,922,808**	14,945,993
Hire-Purchase/ Murabah receivable		**1,467**	846	**2,135,669**	1,015,332
Term Loan / Musharakah/Staff Loan/Related Party loans		**19,456,273**	8,202,858	**21,000,000**	9,594,760
Total interest Loans and receivables		**39,380,486**	23,148,924	**43,058,477**	25,556,085

6.2 Interest expenses

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Due to banks	6.2.1	**4,052,688**	338,312	**4,869,239**	622,134
Due to customers	6.2.1	**14,583,494**	10,811,512	**15,225,724**	11,649,576
Debt securities issued	6.2.1	**432,732**	595,538	**432,732**	595,538
SLFRS 16-Incremantal Borrowing Cost	40	**281,680**	271,323	**242,802**	198,363
Total interest expenses		**19,350,594**	12,016,685	**20,770,497**	13,065,611

6.2.1 Interest expenses - product wise

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Due to banks					
Interest on bank overdraft		**295**	198	**138,214**	86,912
Interest on short term loan		**513,442**	261,855	**513,442**	137,777
Interest on term loan		**3,403,056**	76,259	**4,081,688**	397,445
Interest on securitization		**1,906**	-	**1,906**	-
Subordinated Loan		**133,989**	-	**133,989**	-
Subtotal		**4,052,688**	338,312	**4,869,239**	622,134
Due to customers					
Interest cost on deposits		**14,583,494**	10,811,512	**15,225,724**	11,649,576
Subtotal		**14,583,494**	10,811,512	**15,225,724**	11,649,576
Debt securities issued					
Interest on debentures	37.1	**432,732**	595,538	**432,732**	595,538
Subtotal		**432,732**	595,538	**432,732**	595,538
Lease Liabilities					
SLFRS 16-Incremantal Borrowing Cost		**281,680**	271,323	**242,802**	198,363
Subtotal		**281,680**	271,323	**242,802**	198,363
Total interest expenses		**19,350,594**	12,016,685	**20,770,497**	13,065,611

7. Net Earned Premium

Accounting Policy

Product classification of insurance and investment contracts

SLFRS 4 - "Insurance Contracts", requires contracts written by insurer to be classified as either 'Insurance contracts' or 'Investment contracts' depending in the level of insurance risk transferred.

Insurance contracts are those contracts when the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable, if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk, and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variables, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

All the products sold by the People's Insurance PLC (Subsidiary of PLC) are insurance contracts and therefore classified as insurance contracts under SLFRS 4 - Insurance Contracts. Thus, the Company does not have any investment contracts within its product portfolio as at the reporting date.

Notes to the Financial Statements

Accounting Policy

Revenue recognition of gross written premium
Gross written premium (GWP) represents the premium charged by the Company to underwrite risks. GWP is accounted on accrual basis.

Gross written premium comprises the total premiums received/receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy commences.

Rebates that form part of the premium rate, such as no claim rebates are deducted from GWP.

Insurance - Revenue Recognition Gross Written Premium
Non-life insurance gross written premium comprises the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognised on the date on which the policy commences.

Reinsurance Premium
Non-life gross reinsurance premium written comprises the total premium payable for the whole cover provided by contracts entered into the period and are recognised on the date on which the policy incepts. Premium includes any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Unearned Premium Reserve
Unearned premium reserve represents the portion of the premium written in the year but relating to the unexpired term of coverage. Unearned premiums are calculated on the 365 basis.

Unearned Reinsurance Premium Reserve
Unearned reinsurance premium is the proportion of premium written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies.

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Gross written premium	-	-	8,771,713	6,384,198
Less : Premium ceded to reinsurers	-	-	3,072,950	1,426,241
Less : Change in reserve unearned premium	-	-	1,003,343	383,558
Total	-	-	4,695,420	4,574,399

8. Fee and Commission Income

Accounting Policy

Fee and commission income that are integral to the EIR of a financial asset are capitalised and included in the measurement of the EIR and recognised in the Income Statement over the expected life of the instrument.

Other fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

As per SLFRS 15, the Group adopts principles based five step model for revenue recognition.

Accordingly, revenue is recognised only when all of the following criteria are met :

- The parties to the contract have approved the contract/s;
- The Group can identify each party's rights regarding the goods or services to be transferred;
- The Group can identify the payment terms for the goods or services to be transferred;
- The contract has the commercial substance;
- It is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.
- The applicability of SLFRS 15 to the Company is limited for fee and commission income.

For the Year Ended 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Service charges	569,458	415,782	378,016	122,546
Other fees and commission	2,008,682	1,340,941	1,731,833	1,140,160
Total	2,578,140	1,756,723	2,109,849	1,262,706

9. Net Gains/(Losses) on Financial Assets - FVTPL

Accounting Policy

Net gains/(losses) on financial assets /FVTPL comprises gains or losses related to trading assets , and include all realised and unrealised fair value changes, related capital gains and losses, from trading assets.

For the Year Ended 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Net mark-to-market (losses)/gain	(2,976)	17,096	(12,675)	46,457
Net capital gains	59,800	129,090	138,684	135,941
Total	56,824	146,186	126,009	182,398

10. Other Operating Income

Accounting Policy

Other Operating income includes income earned on other sources ,which are not directly related to the normal operations of the group is recognized on accrual basis.

Dividend Income

Dividend income is recognized when the right to receive the payment is established. Scrip dividends are recognized as dividend income when the right to receive the shares is established, with the deemed cost of such shares being added to the carrying value of the respective investment.

Gain or Losses on Disposal of Property, Plant & Equipment

Gains or losses resulting from the disposal of property, plant and equipment are accounted for on cash basis in the Statement of Profit or Loss, in the period in which the sale occurs.

Valuation income

Valuation income (Vehicle and Machinery) is recognised when they are realised or realisable.

Insurance fee income

Insurance Policy holders are charged for policy administration services and other contract fees. These fees are recognised as income upon receipt or become due.

Other Income

Other income is recognised on an accrual basis.

Notes to the Financial Statements

For the Year Ended 31 March	Company		Group	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Gain on sale of property, plant and equipment	5,132	279	12,259	7,407
Rent income from investment property	-	-	128,472	83,077
Dividend income from - FVOCI	1,332	4,264	1,332	4,264
- Subsidiaries	223,105	419,688	-	-
- FVTPL	1,576	2,846	3,075	2,846
Gain/(Loss) of investment properties	(8,318)	6,535	(8,318)	63,128
Valuation income	-	-	164,942	91,575
Insurance fee income	-	-	170,326	108,638
Other income	5,783	3,046	24,131	10,170
Total	228,610	436,658	496,219	371,105

11. Impairment Charges For Loans and Receivables and Other Losses

Accounting Policy

The Company and the Group recognise the changes in the impairment provisions for loans and receivables which are assessed as per the SLFRS 9 - Financial Instruments. The methodology adopted by the Company and the Group is explained in Note 25 on page to these financial statements.

Loss on disposal of collaterals including write offs
Loans and receivables (and the related impairment allowance accounts) are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans and receivables are secured, this is generally after receipt of any proceeds from the realisation of security.

Bad Debts Recovered
Recovery of amounts written off as bad and doubtful debts is recognised on a cash basis.

For the year ended 31st March	Note	Company		Group	
		2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Individual impairment	11.3/11.4	**(805,515)**	(212,126)	**(229,652)**	(167,977)
Collective impairment	11.3/11.4	**(568,899)**	(2,611,490)	**(1,014,826)**	(2,616,348)
Other receivable		**21,424**	12,501	**36,285**	(11,475)
Loss on disposal of collaterals including write offs		**1,910,641**	2,528,671	**1,914,801**	2,533,648
Recovery of written-off debts/disposal losses		**(144,235)**	(120,857)	**(147,297)**	(121,345)
Total	11.1/11.2	**413,416**	(403,301)	**559,311**	(383,497)

11.1 Impairment charge/(reversal) for loans and other losses (Detailed breakdown) - Company

	2026			
For the year ended 31st March	Disposal loss/ Write-offs (net of recovery) Rs. '000	Charge Rs. '000	(Reversal) Rs. '000	Net Amount Rs. '000
Lease/Ijarah receivable	**352,922**	**971,380**	**(1,007,185)**	**317,117**
Hire-Purchase/ Murabah receivable	**5,762**	**250**	**(20,626)**	**(14,614)**
Other Loan and receivables	**1,407,722**	**1,106,864**	**(2,425,097)**	**89,489**
Other receivables	**-**	**21,424**	**-**	**21,424**
Total	**1,766,406**	**2,099,918**	**(3,452,908)**	**413,417**

	2025			
For the year ended 31st March	Disposal loss/ Write-offs (net of recovery) Rs. '000	Charge Rs. '000	(Reversal) Rs. '000	Net Amount Rs. '000
Lease/Ijarah receivable	788,642	724,064	(1,568,844)	(56,138)
Hire-Purchase/ Murabah receivable	118,576	27	(144,023)	(25,420)
Other Loan and receivables	1,500,596	968,878	(2,803,718)	(334,244)
Other receivables		12,501	-	12,501
Total	2,407,814	1,705,470	(4,516,585)	(403,301)

11.2 Impairment charge/(reversal) for loans and other losses (Detailed breakdown) - Group

	2026			
For the year ended 31st March	Disposal loss/ Write-offs (net of recovery) Rs. '000	Charge Rs. '000	(Reversal) Rs. '000	Net Amount Rs. '000
Lease/Ijarah receivable	**352,265**	**971,380**	**(1,007,185)**	**316,460**
Hire-Purchase/ Murabah receivable	**9,922**	**189,003**	**(145,501)**	**53,424**
Other Loan and receivables	**1,407,722**	**1,145,811**	**(2,400,392)**	**153,141**
Other receivable	**-**	**36,285**	**-**	**36,285**
Total	**1,769,909**	**2,342,479**	**(3,553,078)**	**559,311**

	2025			
For the year ended 31st March	Disposal loss/ Write-offs (net of recovery) Rs. '000	Charge Rs. '000	(Reversal) Rs. '000	Net Amount Rs. '000
Lease/Ijarah receivable	809,031	725,345	(1,570,125)	(35,749)
Hire-Purchase/ Murabah receivable	115,734	109,011	(243,777)	(19,032)
Other Loan and receivables	1,487,539	1,271,467	(3,076,247)	(317,241)
Other receivable	-	-	(11,475)	(11,475)
Total	2,412,304	2,105,823	(4,901,624)	(383,497)

Notes to the Financial Statements

11.3 Impairment charge to the income statement – Company

For the year ended 31st March	2026 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Financial assets at amortised cost – Loans and advances				
- Individual impairment	-	27,598	(833,113)	(805,515)
- Collective impairment	424,049	169,322	(1,162,270)	(568,899)
Total	424,049	196,920	(1,995,383)	(1,374,414)

For the year ended 31st March	2025 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Financial assets at amortised cost – Loans and advances				
- Individual impairment	-	39,060	(251,186)	(212,126)
- Collective impairment	371,380	(45,968)	(2,936,902)	(2,611,490)
Total	371,380	(6,908)	(3,188,088)	(2,823,616)

11.4 Impairment charge to the income statement – Group

For the year ended 31st March	2026 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Financial assets at amortised cost – Loans and advances				
- Individual impairment	-	27,598	(257,250)	(229,652)
- Collective impairment	493,493	(31,286)	(1,477,033)	(1,014,826)
Total	493,493	(3,688)	(1,734,283)	(1,244,478)

For the year ended 31st March	2025 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Financial assets at amortised cost – Loans and advances				
- Individual impairment	-	66,395	(234,372)	(167,977)
- Collective impairment	314,777	15,365	(2,946,490)	(2,616,348)
Total	314,777	81,760	(3,180,862)	(2,784,325)

12. Personnel Expenses

Accounting Policy

Personnel expenses include salaries, bonus, terminal benefit charges and other related expenses. The provision for bonus is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made on the amount of the obligation.

Employees are eligible for Employees' Provident Fund (EPF) contribution and Employees' Trust Fund (ETF) contributions in accordance with the respective statutes and regulations.

Retirement benefit obligation is recognised in the Statement of Profit or Loss based on an actuarial valuation carried out for the gratuity liability in accordance with Sri Lanka Accounting Standard - LKAS 19 - Employee Benefits.

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Remuneration		**6,820,678**	4,420,233	**8,713,259**	5,860,086
Employee benefit - Defined contribution plans - EPF		**295,826**	228,889	**390,538**	306,882
Employee benefit - Defined contribution plans - ETF		**73,956**	57,222	**95,474**	74,709
Employee benefit - Retirement benefit obligation - Gratuity	43.	**183,618**	158,224	**217,182**	206,602
Total		**7,374,078**	4,864,568	**9,416,453**	6,448,279

13. Depreciation and Amortisation

Depreciation

Depreciation is calculated to write-off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in the Income Statement. Freehold land is not depreciated. Right-of-use assets are depreciated over the useful lives of the assets. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the assets are depreciated over the shorter of the estimated useful lives and the lease terms.

The estimated useful lives are as follows;

Class of asset	% per annum	Period
Freehold buildings	2	50 years
Improvement of leasehold property	25	4 years
Motor vehicles	12.5 - 20	5 - 8 years
Computer hardware	20	5 years
Office equipments	10 - 20	5 -10 years
Furniture and fittings	20	5 years

The above rates are consistently used by all the Group entities. The depreciation rates are determined separately for each significant part of an item of property, plant and equipment and commence to depreciate when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

All classes of property, plant and equipment together with the reconciliation of carrying amounts and accumulated depreciation at the beginning and at the end of the year are given in Note 32 Page 349.

Amortisation of Right of Use assets

The right of use asset is subsequently depreciated. Depreciation is over the shorter of the useful life of the asset and the lease term.

Amortisation of intangible assets

Intangible assets are amortised using the straight-line method to write down the cost over its estimated useful economic lives from the date on which it is available for use at the rates as specified below;

Class of asset	% per annum	Period
Computer software	20	5 years

The unamortised balances of intangible assets with finite lives are reviewed for impairment annually and whenever there is an indication for impairment and recognised in Statement of Profit or Loss to the extent that they are no longer probable of being recovered from the expected future benefits.

All classes of intangible assets together with the reconciliation of carrying amounts and accumulated amortisation at the beginning and at the end of the year are given in Note 34.

Notes to the Financial Statements

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Deprecation of property, plant and equipment	32.	**220,649**	159,123	**370,331**	271,430
Amortisation - Right of use assets	33.	**522,467**	513,191	**399,554**	343,657
Amortisation of intangible assets	34.	**23,766**	10,675	**35,525**	23,167
Total		**766,882**	682,989	**805,410**	638,254

14. Benefits Claims and Underwriting Expenditure

Accounting Policy

Recognition of gross claims

Gross claims for non-life insurance include all claims occurring during the year, whether reported or not, related external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries and any adjustments to claims outstanding from previous years. Claims outstanding are assessed by review of individual claim files and estimating changes in the ultimate cost of settling claims.

Claims expenses and liabilities for outstanding claims are recognised in respect of direct insurance business. The liability covers claims reported but not yet paid, incurred but not reported claims (IBNR) and the anticipated direct and indirect costs of settling those claims. The provision in respect of IBNR is actuarially valued on a quarterly basis to ensure a more realistic estimation of the future liability based on past experience and trends.

While the Directors consider that the provision for claims is fairly stated on the basis of information currently available, the ultimate liability will vary as a result of subsequent information and events. This may result in adjustment to the amounts provided. Such amounts are reflected in the financial statements for that period. The methods used and the estimates made are reviewed regularly.

Recognition of reinsurance claims

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the re-insured business.

For the Year Ended 31 March 2026	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Net Benefits and claims	-	-	2,782,183	2,424,673
Underwritings and net acquisition costs	-	-	237,921	513,125
Total	-	-	3,020,104	2,937,798

15. Other Operating Expenses

Accounting Policy

Other operating expenses are recognised in the Statement of Profit or Loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to the Statement of Profit or Loss in arriving at the profit for the year.

Crop Insurance Levy (CIL)

As per the provisions of the Section 14 of the Finance Act No.12 of 2013, the CIL was introduced with effect from April 1, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

Directors' emoluments

Directors' emoluments include fees paid to Non-Executive Directors.

For the year ended 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Directors' emoluments	**66,385**	27,668	**96,190**	50,818
Auditors' remunerations	**7,580**	7,580	**17,007**	15,655
Non-audit fees to auditors	**4,715**	3,755	**17,073**	3,755
Professional fees	**49,409**	70,986	**105,819**	103,655
Advertising expenses	**23,797**	42,585	**64,768**	83,927
Legal fees	**22,573**	13,169	**42,646**	24,624
Deposits Insurance Premium	**212,106**	134,749	**212,106**	134,749
Crop Insurance Levy	**49,761**	30,371	**49,761**	30,371
Operational expenses arising from investment property	**-**	-	**16,084**	15,467
Office administration and establishment expenses	**4,026,065**	3,140,520	**4,838,541**	3,759,276
Total	**4,462,391**	3,471,383	**5,459,995**	4,222,297

16. Tax on Financial Services

Accounting Policy

VAT on financial services

VAT on financial services is calculated in accordance with Value Added Tax(VAT) Act No. 14 of 2002 and subsequent amendments thereto. The value base for the computation of value added tax on financial services is calculated by adjusting the economic depreciation computed on rates prescribed by the Department of Inland Revenue to the accounting profit before income tax and emoluments payable. Emoluments payable include cash benefits, non cash benefits including terminal benefits. VAT on financial services rate applied for the current financial year is 18% (2024/2025-18%).

SSCL on Financial Services

Social Security Contribution Levy (SSCL) shall be paid by any person carrying on the business of supplying financial services, on the liable turnover specified in the Second Schedule of the Social Security Contribution Levy Act No.25 of 2022 (SSCL Act), at the rate of 2.5%. SSCL is payable on 100% of the Value Addition attributable to financial services. The Value Addition attributable to financial services shall be computed for the payment of SSCL on the business of supplying financial services by applying the attributable method referred in to Chapter III A of the Value Added Tax Act No. 14 of 2002.(2024/2025-2.5%).

For the year ended 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
VAT on financial services	**2,688,198**	1,762,177	**2,850,293**	1,847,219
SSCL on financial services	**373,361**	244,747	**405,144**	260,963
Total	**3,061,559**	2,006,924	**3,255,437**	2,108,182

Notes to the Financial Statements

17. Income Tax Expense

Accounting Policy

This Note also includes the major components of tax expense, the effective tax rates and a reconciliation between the profit before tax and tax expense, as required by the Sri Lanka Accounting Standard – LKAS 12 on "Income Taxes". As per Sri Lanka Accounting Standard - LKAS 12 "Income Taxes", tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation.

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

A 30% income tax rate was applied in the income tax calculation during the year of assessment 2025/26.

		Current Tax rate	
Company	Note	2026 %	2025 %
People's Leasing & Finance PLC		**30**	30
People's Leasing Fleet Management Limited		**30**	30
People's Micro-commerce Ltd		**30**	30
People's Insurance PLC	17.1	**30**	30
People's Leasing Property Development Limited	17.2	**20-30**	20-30
People's Leasing Havelock Properties Limited	17.3	**20**	20
Alliance Finance PLC	17.4	**40**	40

17.1 People's Insurance PLC

Current tax is the expected tax payable on the taxable income for the year using tax rate enacted or substantively enacted on the reporting date and any adjustment to tax payable in respect of previous year. Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017.

17.2 People's Leasing Property Development Limited

Pursuant to the agreement dated 3rd December 2008 entered into by People's Leasing Property Development Limited with the Board of Investment under Section 17 of the Board of Investment Law, for the business of setting up and operating a mixed development project, the Inland Revenue Act relating to the imposition, payment and recovery of income tax shall not apply for a period of five years reckoned from the year in which the Company makes profit or any year of assessment not later than two years reckoned from the date of commencement of its commercial operations whichever is earliest. The Company is eligible for a 10% concessionary tax rate for a period of 2 years immediately succeeding the last date of tax exemption period and a 20% concessionary tax rate after the expiration of the 10% concessionary tax period. Non BOI income is liable for normal rate of 30%.

17.3 People's Leasing Havelock Properties Limited

Pursuant to the agreement dated 16th December 2010 entered into by People's Leasing Havelock Properties Limited with the Board of Investment under Section 17 of the Board of Investment Law, for the business of setting up and operating a mixed development project, the Inland Revenue Act relating to the imposition, payment and recovery of income tax shall not apply for a period of five years reckoned from the year in which the Company makes profit or any year of assessment not later than two years reckoned from the date of commencement of its commercial operations whichever is earliest. The Company is eligible for a 10% concessionary tax rate for a period of 02 years immediately succeeding the last date of tax exemption period and a 20% concessionary tax rate after the expiration of the 10% concessionary tax period.

17.4 Alliance Finance PLC

According to Bangladesh Income Tax Ordinance, 1984 and amendments made thereto, tax rate applicable for Alliance Finance PLC is 40%.

17.5 Income tax expanse

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Statement of Profit or Loss					
Current income tax charge	17.6	**3,831,541**	1,426,032	**4,350,260**	2,004,290
Deferred tax (reversal)/charge for the year	44	**(354,262)**	758,927	**(388,071)**	784,844
Income tax expense recognised in Statement of Profit or Loss		**3,477,280**	2,184,959	**3,962,189**	2,789,133
Statement of Comprehensive Income					
Deferred tax charge/(reversal) for the year	44	**6,185**	700	**15,358**	17,941
Income tax charge/(reversal) recognised in Statement of Comprehensive Income		**6,185**	700	**15,358**	17,941
Effective tax rate (excluding deferred tax)		**44.77%**	24.64%	**44.02%**	29.13%
Effective tax rate		**40.63%**	37.75%	**40.09%**	40.54%

17.6 Reconciliation of Accounting Profit and Taxable Income

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Profit as per Statement of Profit or Loss		**8,558,360**	5,788,336	**9,882,392**	6,879,378
Add: Disallowable expenses		**3,689,209**	461,050	**6,452,176**	957,707
Add: Lease capital recoverable		**133,961**	477,026	**136,373**	514,617
Less: Allowable expenses		**1,446,938**	1,538,907	**1,587,772**	1,895,007
Less: Exempted /allowable income		**92,393**	280,768	**220,702**	747,557
Statutory income		**10,842,199**	4,906,737	**14,662,467**	5,709,138
Less: Tax loss utilised during the year	17.7	**-**	-	**39,278**	-
Assessable income		**10,842,199**	4,906,737	**14,623,189**	5,709,138
Taxable income		**10,842,199**	4,906,737	**14,623,189**	5,709,138
Income tax expense at the statutory income	17.8	**3,228,121**	1,428,189	**3,816,233**	2,008,214
(Over)/ under provision- previous years		**603,421**	(2,157)	**534,027**	(3,924)
Current tax on profits for the year		**3,831,541**	1,426,032	**4,350,260**	2,004,290
Deferred tax charged/(reversal) for the year	44	**(354,262)**	758,927	**(388,071)**	784,844
Tax expense for the year		**3,477,280**	2,184,959	**3,962,189**	2,789,134

Notes to the Financial Statements

17.7 Tax Losses Brought Forward and Utilised during the Year

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Tax losses brought forward	-	-	317,321	317,321
Tax losses utilised during the year	-	-	(39,278)	-
Tax losses not utilised and carried forward	-	-	278,043	317,321

17.8 Income tax expense at the statutory income

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
People's Leasing & Finance PLC	3,228,121	1,428,189	3,228,121	1,428,189
People's Leasing Fleet Management Limited	-	-	13,708	11,299
People's Micro-commerce Ltd	-	-	192,347	105,619
People's Insurance PLC	-	-	173,709	271,938
People's Leasing Property Development Limited	-	-	32,110	77,547
People's Leasing Havelock Properties Limited	-	-	16,679	-
Alliance Finance PLC	-	-	190,275	113,622
Total income tax at the effective rate	3,228,121	1,428,189	3,846,949	2,008,214

17.9 Summary of the taxes paid during the year

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Direct taxes				
Income tax	1,687,665	1,685,532	2,009,318	1,969,527
Value added tax on financial services	2,640,642	1,769,703	2,805,801	1,860,309
SSCL on financial services	363,888	245,792	379,826	256,615
Crop insurance levy	36,267	39,326	40,005	42,361
Total direct taxes	4,728,462	3,740,353	5,234,950	4,128,812
Indirect taxes (collected and paid)				
Value added tax	484,630	375,886	1,729,093	1,295,634
SSCL other income base	54,514	40,026	335,119	238,826
Stamp Duty	590,314	538,141	603,523	547,743
Withholding tax on dividend and interest	887,412	938,353	941,408	1,005,948
Paye/APIT tax	542,865	417,048	600,516	500,018
Total indirect taxes	2,559,735	2,309,454	4,209,659	3,588,169
Total taxes paid during the financial year	7,288,197	6,049,807	9,444,609	7,716,981

18. Basic / Diluted Earnings Per Ordinary Share (EPS)

Accounting Policy

Basic earning per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year , as per Sri Lanka Accounting Standard - LKAS 33 - Earnings per share.

	Company		Group	
For the Year Ended 31 March	2026	2025	2026	2025
Profit attributable to equity holders of the Company (Rs.)	5,081,081,163	3,603,380,844	5,772,100,120	3,998,786,847
Number of ordinary shares as at 31st March 2026	2,209,867,246	2,209,867,246	2,209,867,246	2,209,867,246
Basic/ Diluted earnings per ordinary share (Rs.)	2.30	1.63	2.61	1.81

19. Dividend Per Ordinary Share

	Company	
For the Year Ended 31 March	2026	2025
Cash/Scrip dividend Paid (Rs.'000)	1,508,063	3,016,126
Total dividend paid (Rs.'000)	1,508,063	3,016,126
Dividend per Ordinary share (Rs.)	0.70	1.40

20. Analysis of Financial Instruments by Measurement Basis

Accounting Policy

Financial instruments are measured on an ongoing basis either at fair value or at amortised cost. The summary of Material accounting policies describes how each category of financial instruments is measured and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial instruments by category as defined in Sri Lanka Accounting Standard - SLFRS 9 'Financial Instruments : Recognition and Measurement' under the headings of the Statement of Financial Position.

Notes to the Financial Statements

20.1 Company

As at 31st March 2026	Note	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. '000	Total Rs. '000
Assets					
Cash and cash equivalents	22	-	23,022,483	-	23,022,483
Balances with banks & financial institutions	23	-	3,587,434	-	3,587,434
Financial assets -Fair value through profit or loss	24	122,850	-	-	122,850
Loans and receivables	25	-	275,738,413	-	275,738,413
Financial assets - Fair Value through other comprehensive income	27	-	-	1,085,908	1,085,908
Debt Instrument at amortised cost	28	-	7,338,310	-	7,338,310
Other financial assets	31	-	136,919	-	136,919
Total financial assets		122,850	309,823,559	1,085,908	311,032,317
Liabilities					
Due to banks	35	-	89,733,741	-	89,733,741
Due to customers	36	-	165,448,875	-	165,448,875
Debt securities issued	37	-	5,062,517	-	5,062,517
Other financial liabilities	38	-	6,019,507	-	6,019,507
Lease Liability	40	-	2,433,478	-	2,433,478
Total financial liabilities		-	268,698,118	-	268,698,118

20.2 Company

As at 31st March 2025	Note	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. '000	Total Rs. '000
Assets					
Cash and cash equivalents	22	-	18,696,732	-	18,696,732
Balances with banks & financial institutions	23	-	3,031,551	-	3,031,551
Financial assets -Fair value through profit or loss	24	275,550	-	-	275,550
Loans and receivables-Amortised Cost	25	-	157,092,387	-	157,092,387
Financial assets - Fair Value through other comprehensive income	27	-	-	1,292,140	1,292,140
Debt Instrument at amortised cost	28	-	5,161,177	-	5,161,177
Other financial assets	31	-	76,511	-	76,511
Total financial assets		275,550	184,058,358	1,292,140	185,626,048
Liabilities					
Due to banks	35	-	11,436,573	-	11,436,573
Due to customers	36	-	124,529,684	-	124,529,684
Debt securities issued	37	-	5,014,652	-	5,014,652
Other financial liabilities	38	-	6,415,071	-	6,415,071
Lease Liability	40	-	2,236,091	-	2,236,091
Total financial liabilities		-	149,632,071	-	149,632,071

20.3 Group

As at 31st March 2026	Note	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. '000	Total Rs. '000
Assets					
Cash and cash equivalents	22	-	24,730,318	-	24,730,318
Balances with banks & financial institutions	23	-	9,855,176	-	9,855,176
Financial assets -Fair value through profit or loss	24	1,672,218	-	-	1,672,218
Loans and receivables - Amortised cost	25	-	299,248,310	-	299,248,310
Insurance and reinsurance receivables	26	-	3,095,603	-	3,095,603
Financial assets - Fair Value through other comprehensive income	27	-	-	1,085,908	1,085,908
Debt Instrument at amortised cost	28	-	10,797,081	-	10,797,081
Total financial assets		1,672,218	347,726,488	1,085,908	350,484,614

As at 31st March 2026	Note	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. '000	Total Rs. '000
Liabilities					
Due to banks	35	-	103,139,658	-	103,139,658
Due to customers	36	-	172,219,996	-	172,219,996
Debt securities issued	37	-	5,062,517	-	5,062,517
Other financial liabilities	38	-	8,550,204	-	8,550,204
Insurance liabilities and reinsurance payable	39	-	7,423,937	-	7,423,937
Lease liability	40		2,238,921		2,238,921
Total financial liabilities		-	298,635,233	-	298,635,233

Notes to the Financial Statements

20.4 Group

As at 31st March 2025	Note	Financial instruments recognised at fair value through profit or loss (FVTPL) Rs. '000	Financial instruments at amortised cost (AC) Rs. '000	Financial instruments at fair value through other comprehensive income (FVOCI) Rs. '000	Total Rs. '000
Assets					
Cash and cash equivalents	22.	-	19,583,402	-	19,583,402
Balances with banks & financial institutions	23.	-	5,694,373	-	5,694,373
Financial assets -Fair value through profit or loss	24.	1,290,581	-	-	1,290,581
Loans and receivables - Amortised cost	25.	-	170,451,841	-	170,451,841
Insurance and reinsurance receivables	26.	-	1,698,354	-	1,698,354
Financial assets - Fair Value through other comprehensive income	27.	-	-	1,827,482	1,827,482
Debt Instrument at amortised cost	28.	-	11,561,272	-	11,561,272
Total financial assets		1,290,581	208,989,242	1,827,482	212,107,305
Liabilities					
Due to banks	35.	-	16,828,985	-	16,828,985
Due to customers	36.	-	130,068,713	-	130,068,713
Debt Securities issued	37.	-	5,014,652	-	5,014,652
Other Financial liabilities	38.	-	8,187,438	-	8,187,438
Lease liability	40		1,778,792		1,778,792
Insurance liabilities and reinsurance payable	39.	-	5,458,788	-	5,458,788
Total financial liabilities		-	167,337,368	-	167,337,368

21. Fair Value of Assets and Liabilities

Accounting Policy

The following is a description of how fair values are determined for financial and non-financial assets and liabilities that are recorded at fair value using valuation techniques. These incorporate the Group's/Company's estimate of assumptions that a market participant would make when valuing the instruments.

21.1 Determination of Fair Value and Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

21.2 Financial assets - Fair Value through other comprehensive income

Financial assets - Fair Value through other comprehensive income valued using valuation techniques or pricing models primarily consist of quoted investment securities. These quoted investment securities are valued using quoted market price in an active market of each securities.

21.3 Financial assets -Fair value through profit or loss

Financial assets -Fair value through profit or loss valued using valuation techniques primarily consist of quoted investments. These quoted assets are valued using quoted market price in an active market of each securities.

21.4 Financial Assets and Liabilities Carried at Amortised Cost

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated based on the Discounted Cash Flow approach. This approach employs the current market interest rates of similar financial instruments as a significant unobservable input in measuring the fair value and hence it is categorized under level 3 in the fair value hierarchy.

21.5 Property, Plant and Equipment Disclosed at Fair Value

Freehold land and buildings are disclosed at revalued amount, being their fair value at the revaluation date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

21.6 Valuation Model

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the Company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

Valuation Framework

The Company has an established control framework with respect to the measurement of fair values of trading and investment operations and all other significant assets and liabilities. Specific controls include;

- Periodic (daily, monthly or quarterly) reviewing of fair value measurements against observable market data.
- Periodic (at least annually) reviewing of fair value measurement models against changes in market conditions, significant judgments and assumptions.

The following table shows an analysis of assets and liabilities recorded/disclosed at fair value by level of the fair value hierarchy:

31 March 2026	Note	Date of Valuation	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
Company						
Financial Assets						
Financial assets - Fair value through other comprehensive income						
Quoted Investments	27	31.03.2026	87,292	-	-	87,292
Debentures		31.03.2026	-	998,616	-	998,616
Subtotal			87,292	998,616	-	1,085,908
Financial assets -Fair value through profit or loss						
Quoted Investments	24	31.03.2026	122,850	-	-	122,850
Investment in Unit Trust	24	31.03.2026	-	-	-	-
Subtotal			122,850	-	-	122,850
Non financial assets - Investment property						
Land and building	30	31.03.2026	-	-	293,682	293,682
			-	-	293,682	293,682
Total			210,142	998,616	293,682	1,502,440
Non financial assets disclosed at fair value						
Freehold land & buildings (included under property, plant & equipment).	32.4		-	-	1,913,380	1,913,380
Total			-	-	1,913,380	1,913,380

Notes to the Financial Statements

31 March 2025	Note	Date of Valuation	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
Company						
Financial Assets						
Financial assets - Fair value through other comprehensive income						
Quoted Investments	27	31.03.2025	315,005	-	-	315,005
Debentures		31.03.2025	-	977,135	-	977,135
Subtotal			315,005	977,135	-	1,292,140
Financial assets -Fair value through profit or loss						
Quoted Investments	24	31.03.2025	275,550	-	-	275,550
Subtotal			275,550	-	-	275,550
Non financial assets - Investment property						
Lands and buildings	30	31.03.2025	-	-	302,000	302,000
Subtotal			-	-	302,000	302,000
Total			590,555	977,135	302,000	1,869,690
Non financial assets disclosed at fair value						
Freehold lands & buildings (included under property, plant & equipment).	32.4		-	-	1,565,514	1,565,514
Total			-	-	1,565,514	1,565,514

The following table shows an analysis of assets and liabilities recorded/disclosed at fair value by level of the fair value hierarchy:

31 March 2026	Note	Date of Valuation	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
Group						
Financial Assets						
Financial assets - Fair value through other comprehensive income						
Quoted Investments	**27**	**31.03.2026**	**87,292**	**-**	**-**	**87,292**
Debentures	**27**	**31.03.2026**	**-**	**998,616**	**-**	**998,616**
Subtotal			**87,292**	**998,616**	**-**	**1,085,908**
Financial assets -Fair value through profit or loss						
Quoted Investments	**24**	**31.03.2026**	**158,853**	**-**	**-**	**158,853**
Investment in Unit Trust	**24**	**31.03.2026**	**-**	**1,513,365**	**-**	**1,513,365**
Subtotal			**158,853**	**1,513,365**	**-**	**1,672,218**
Non financial assets - Investment property						
Land and building	**30**	**31.03.2026**	**-**	**-**	**1,366,857**	**1,366,857**
			-	**-**	**1,366,857**	**1,366,857**
Total			**246,145**	**2,511,981**	**1,366,857**	**4,124,983**
Non financial assets disclosed at fair value						
Freehold land & buildings (included under property, plant & equipment).	**32.4**		**-**	**-**	**9,113,380**	**9,113,380**
Total			**-**	**-**	**9,113,380**	**9,113,380**

31 March 2025	Note	Date of Valuation	Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total Rs. '000
Group						
Financial Assets						
Financial assets - Fair value through other comprehensive income						
Treasury Bills	27	31.03.2025	-	535,342	-	535,342
Quoted Investments	27	31.03.2025	315,005	-	-	315,005
Debentures	27	31.03.2025	-	977,135	-	977,135
Subtotal			315,005	1,512,477	-	1,827,482
Financial assets -Fair value through profit or loss						
Quoted Investments	24	31.03.2025	334,188	-	-	334,188
Investment in Unit Trust	24	31.03.2025		956,393		956,393
Subtotal			334,188	956,393	-	1,290,581
Non financial assets - Investment property						
Lands and buildings	30	31.03.2025	-	-	1,375,175	1,375,175
Subtotal			-	-	1,375,175	1,375,175
Total			649,193	2,468,870	1,375,175	4,493,238
Non financial assets disclosed at fair value						
Freehold lands & buildings (included under property, plant & equipment).	32.4		-	-	8,665,514	8,665,514
Total			-	-	8,665,514	8,665,514

There were no material transfers between level 1 and level 2 during the 2025/2026 and 2024/2025. Valuation was carried out for lands and buildings by professionally qualified independent valuer in compliance with Sri Lanka Accounting Standard - SLFRS 13 - Fair Value Measurement. Details of qualified independent valuer are given Note 32.4 on page 387.

The following table shows total fair value gains/losses recognised in Statement of Profit or Loss during the year relating to assets and liabilities held at the respective year ended.

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Financial Assets				
Financial assets -Fair value through profit or loss				
Quoted Investments	56,824	146,186	126,009	182,398
Total	56,824	146,186	126,009	182,398

Notes to the Financial Statements

Level 3 fair value measurement

Reconciliation

The following note shows a reconciliation from the beginning balances to the ending balances of fair value measurements in level 3 of the fair value hierarchy. The Company has disclosed fair value of following non financial assets except investment property which is accounted for fair value in the Financial Statements.

		Company			Group		
	Note	Investment property Rs. '000	Freehold Land Buildings Rs. '000	Total Rs. '000	Investment property Rs. '000	Freehold Land Buildings Rs. '000	Total Rs. '000
Balance as at 1 April 2024		295,465	1,243,058	1,538,523	1,305,512	6,872,507	8,178,019
Additions		-	322,456	322,456	-	322,456	322,456
Disposals / transfers		-	-	-	-	-	-
Total gains / (losses) recognised in profit or loss;							
Fair value recognised during the year		6,535	-	6,535	69,663	-	69,663
Depreciation of buildings		-	-	-	-	(63,674)	(63,674)
Fair value disclosed during the year		-	-	-	-	444,011	444,011
Balance as at 31 March 2025	32.4	302,000	1,565,514	1,867,514	1,375,175	7,575,300	8,950,475
Balance as at 1 April 2025		302,000	1,565,514	1,867,514	1,375,175	7,575,300	8,950,475
Additions		-	-	-	-	-	-
Disposals / transfers		-	-	-	-	-	-
Fair value recognised during the year		(8,318)	-	(8,318)	(8,318)	-	(8,318)
Depreciation of buildings		-	-	-	-	(63,674)	(63,674)
Fair value disclosed during the year		-	347,867	347,867	-	519,859	519,859
Balance as at 31 March 2026	32.4	293,682	1,913,381	2,207,063	1,366,857	8,031,485	9,398,342

Unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 31st March 2026 and 31st March 2025 in measuring non financial instruments categorised as level 3 in the fair value hierarchy. The Company has disclosed fair value of following non financial assets except investment property which is accounted for fair value in the Financial Statements.

Type of instrument	Date of Valuation	Fair value Rs. '000	Valuation Technique	Significant unobservable inputs	Weighted average range of estimates for unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Company						
As at 31st March 2026						
Investment Property						
Freehold lands	31.03.2026	238,825	MCM	Estimated price per perch	Rs.400,000-8500,000	*
Freehold buildings	31.03.2026	54,857	MCM	Estimated price per sq.ft	Rs 4,750-5,250	*
Property, plant and equipment						
Freehold lands	31.12.2025	1,818,380	MCM	Estimated price per perch	Rs. 60,000 - 6,000,000	*
Freehold buildings	31.12.2025	95,000	MCM	Estimated price per sq.ft	Rs. 1,000 - 4,000	*
			Income basis	Estimated rental value per sq.ft.	Rs. 20 - 60	*
As at 31st March 2025						
Investment Property						
Freehold lands	31.03.2025	239,017	MCM	Estimated price per perch	Rs.400,000-8200,000	*
Freehold buildings	31.03.2025	62,983	MCM	Estimated price per sq.ft	Rs. 3500-5000	*
Property, plant and equipment						
Freehold lands	31.12.2024	1,489,514	MCM	Estimated price per perch	Rs. 60,000 - 6,000,000	*
Freehold buildings	31.12.2024	76,000	MCM	Estimated price per sq.ft	Rs. 1,000 - 4,000	*
			Income basis	Estimated rental value per sq.ft.	Rs. 20 - 60	*

Notes to the Financial Statements

21.7 Fair value of assets and liabilities not carried at fair value

Type of instrument	Date of Valuation	Fair value Rs. '000	Valuation Technique	Significant unobservable inputs	Weighted average range of estimates for unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Group						
As at 31st March 2026						
Investment Property						
Freehold lands	31.12.2025	370,975	MCM	Estimated price per perch	Rs. 6,000,000 - 17,500,000	*
Freehold buildings	31.12.2025	702,200	MCM	Estimated price per sq.ft	Rs. 17,500	*
			Income basis	Estimated rental value per sq.ft.	Rs. 175 - 310	*
Property, plant and equipment						
Freehold lands	31.12.2025	4,287,405	MCM	Estimated price per perch	Rs. 50,000 - 13,000,000	*
Freehold buildings	31.12.2025	3,752,800	MCM	Estimated price per sq.ft	Rs. 500 - 11,000	*
			Income basis	Estimated rental value per sq.ft.	Rs. 15 - 250	*
As at 31st March 2025						
Investment Property						
Freehold lands	31.12.2024	370,975	MCM	Estimated price per perch	Rs. 6000,000 - 17,500,000	*
Freehold buildings	31.12.2024	702,200	MCM	Estimated price per sq.ft	Rs. 17,500	*
			Income basis	Estimated rental value per sq.ft.	Rs. 295 - 357	*
Property, plant and equipment						
Freehold lands	31.12.2024	3,958,539	MCM	Estimated price per perch	Rs. 50,000 - 13,000,000	*
Freehold buildings	31.12.2024	3,633,800	MCM	Estimated price per sq.ft	Rs. 500 - 11,000	*
			Income basis	Estimated rental value per sq.ft.	Rs. 15 - 250	*

MCM - Market comparable method

** Significant increases / (decreases) in any of these inputs in isolation would result in a significantly higher / (lower) fair value.*

Set out below is a comparison, by class, of the carrying amount and fair values of the Group's/Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair value of non-financial assets and non-financial liabilities.

As at 31st March	2026 Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total fair Value Rs. '000	Carrying amount Rs. '000	2025 Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total fair Value Rs. '000	Carrying amount Rs. '000
Company										
Financial Assets										
Cash and cash equivalents	-	23,022,483	-	23,022,483	23,022,483	-	18,696,732	-	18,696,732	18,696,732
Balances with banks & financial institutions	-	3,952,422	-	3,952,422	3,587,434	-	3,646,180	-	3,646,180	3,031,551
Loans and receivables	-	272,267,417	-	272,267,417	275,738,413	-	166,252,107		166,252,107	163,123,558
Debt instrument - Amortised cost	-	7,339,639	-	7,339,639	7,338,310	-	4,866,785	-	4,866,785	5,161,177
Other financial assets	-	136,919	-	136,919	136,919	-	76,511	-	76,511	76,511
Total	-	306,718,880	-	306,718,880	309,823,559	-	193,538,315	-	193,538,315	190,089,529
Financial Liabilities										
Due to banks	-	89,594,593	-	89,594,593	89,733,741	-	11,436,573	-	11,436,573	11,436,573
Due to customers	-	165,110,546	-	165,110,546	165,448,875	-	124,806,329	-	124,806,329	124,529,684
Debt Securities issued	-	5,007,688	-	5,007,688	5,062,517	-	4,866,785	-	4,866,785	5,014,652
Other Financial liabilities	-	6,019,507	-	6,019,507	6,019,507	-	6,415,071	-	6,415,071	6,415,071
Lease Liabilities	-	2,402,300	-	2,402,300	2,433,478		2,273,973		2,273,973	2,236,091
Total	-	268,134,634	-	268,134,634	268,698,118	-	149,798,731	-	149,798,731	149,632,071

As at 31st March	2026 Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total fair Value Rs. '000	Carrying amount Rs. '000	2025 Level 1 Rs. '000	Level 2 Rs. '000	Level 3 Rs. '000	Total fair Value Rs. '000	Carrying amount Rs. '000
Group										
Financial Assets										
Cash and cash equivalents	-	24,730,318	-	24,730,318	24,730,318	-	19,583,402	-	19,583,402	19,583,402
Balances with banks & financial institutions	-	5,177,839	-	5,177,839	9,855,176	-	6,410,128	-	6,410,128	5,694,373
Loans and receivables	-	296,456,347	-	296,456,347	304,969,906	-	178,629,217	-	178,629,217	177,417,915
Insurance and reinsurance receivables	-	3,095,603	-	3,095,603	3,095,603	-	1,698,354	-	1,698,354	1,698,354
Debt instrument - Amortised cost	-	14,155,396	-	14,155,396	10,797,081	-	11,839,300	-	11,839,300	11,561,272
Total	-	343,615,503	-	343,615,503	353,448,084	-	218,160,401	-	218,160,401	215,955,316
Financial Liabilities										
Due to banks	-	105,715,382	-	105,712,382	103,139,658	-	16,825,813	-	16,825,813	16,828,985
Due to customers	-	171,529,919	-	171,529,919	172,219,996	-	130,118,804	-	130,118,804	130,068,713
Debt Securities issued	-	5,007,688	-	5,007,688	5,062,517	-	4,866,785	-	4,866,785	5,014,652
Other Financial liabilities	-	8,550,204	-	8,550,204	8,550,204	-	8,187,438	-	8,187,438	8,187,438
Insurance liabilities and reinsurance payable	-	7,423,937	-	7,423,937	7,423,937	-	5,458,788	-	5,458,788	5,458,788
Lease Liabilities		2,231,241		2,231,241	2,238,921	-	1,816,674	-	1,816,674	1,778,792
Total	-	300,455,371	-	300,455,371	298,635,233	-	167,274,302	-	167,274,302	167,337,368

Notes to the Financial Statements

Fair Value of Financial Assets and Liabilities not Carried at Fair Value

The valuation techniques used to establish the Group's fair values are consistent with those used to calculate the fair values of financial instruments carried at fair value. The fair values calculated are for disclosure purposes only and do not have any impact on the Group's reported financial performance or position. The fair values calculated by the Group may be different from the actual amount that will be received / paid on the settlement or maturity of the financial instrument. As certain categories of financial instruments are not traded there is a significant level of management judgment involved in calculating the fair values.

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

Balances with Banks and Financial Institutions

For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

Loan and Receivables

The fair value of loans and advances to customers with a maturity of less than one year generally approximates the carrying value, subject to any significant movement in credit spreads. The estimated fair value of loans and advances with maturity of more than one year represents the discounted amount of future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Due to Customers

The estimated fair value of deposits with no maturity period (Savings Deposits) is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits (Fixed Deposits) without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar risk and remaining maturity.

Due to Banks and Debt Securities Issued

Variable rate is a fair measure which reflects market movements. Hence the carrying value represents the fair value of the variable rate instruments.

The fair value of fixed rate borrowings with a maturity of less than one year generally approximates the carrying value, subject to any significant movement in credit spreads. The estimated fair value of fixed rates borrowing with maturity of more than one year represents the discounted amount of future cash flows expected to be paid. Expected cash flows are discounted at current market rates to determine fair value.

Lease Liabilities

Estimated fair value of the lease liability represents the discounted amount of lease payment expected to be paid in the future.

Expected cash flows are discounted using incremental borrowing rate at the reporting date.

22. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents include cash in hand, placements with banks and loans at call and at short notice that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. They are brought to financial statements at their face values or the gross values, where appropriate. There were no cash and cash equivalent held by the Group companies that were not available for use by the Group.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Securities Purchased Under Reverse Repurchase Agreements

Securities purchased under agreements to re-sell at a specified future date are recognised in the Statement of Financial Position. The consideration paid, including accrued interest, is recorded in the Statement of Financial Position, within 'Cash and cash equivalents', reflecting the transaction's economic substance as alone by the Group. The difference between the purchase and resale prices is recorded in 'Interest income' and is accrued over the life of the agreement using the EIR.

As at 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Cash in hand		**1,884,192**	1,526,684	**1,953,532**	1,575,773
Balance with banks	22.1	**2,278,542**	2,101,182	**2,816,596**	2,639,809
Savings Account with banks		**1,520,576**	4,946,197	**1,646,029**	5,064,779
Saving deposit in foreign currency		**35**	33	**35**	33
Securities under reverse repurchase agreement		**17,339,138**	10,122,636	**18,314,126**	10,303,008
Total		**23,022,483**	18,696,732	**24,730,318**	19,583,402
Fair value		**23,022,483**	18,696,732	**24,730,318**	19,583,402

22.1 Balance with banks

As at 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Local banks	**2,278,542**	2,101,182	**2,816,596**	2,639,809
Total	**2,278,542**	2,101,182	**2,816,596**	2,639,809

23. Balances with Banks & Financial Institutions

Accounting Policy

Balances with banks & financial institutions include fixed deposits and deposits in foreign currency. Balances with banks & financial institutions are carried at amortised cost in the statement of financial position.

As at 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Fixed deposits				
Local currency	**3,587,434**	3,031,551	**9,836,664**	5,661,414
Foreign currency	**-**	-	**18,512**	32,959
Total	**3,587,434**	3,031,551	**9,855,176**	5,694,373
Fair value	**3,952,422**	3,646,180	**5,177,839**	6,410,128

Notes to the Financial Statements

24. Financial Assets - Fair Value Through Profit or Loss

Accounting Policy

The Group classifies financial assets as financial assets recognised through profit or loss (FATPL) when they have been purchased primarily for short term profit making through trading activities. FATPL are recorded and measured at fair value and changes in fair value are recognised in the Net gains/(losses) on financial assets - FVTPL in the Statement of Profit or Loss.

SLFRS 9 requires financial instruments to be classified based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. FATPL include quoted equity securities that have been acquired principally for short term profit making and are recorded at fair value using the market prices published by the Colombo Stock Exchange.

Further as per SLFRS 9, financial assets recognised through profit or loss includes all financial assets other than those classified under FVOCI and amortised cost.

Dividend income or expense is recorded in 'Net trading income' according to the terms of the contract, or when the right to receive the payment has been established.

The Group evaluates its portfolio of assets FVOCI, to determine if the intention to sell them in the near future is still appropriate. When the Group can not sell these financial assets due to inactive markets and the management intention to sell them in the foreseeable future significant changes, the Group may choose to reclassify these financial assets. Financial assets FVOCI measure the fair value using the prices obtained from Colombo Stock Exchanges.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Quoted equity securities	24.1	**122,850**	275,550	**158,853**	334,188
Investment in Unit Trust	24.3	**-**	-	**1,513,365**	956,393
Total		**122,850**	275,550	**1,672,218**	1,290,581
Fair value		**122,850**	275,550	**1,672,218**	1,290,581

24.1 Quoted equity securities

As at 31st March	2026			2025		
	No. of Shares	Total Cost Rs. '000	Market Value Rs. '000	No. of Shares	Total Cost Rs. '000	Market Value Rs. '000
Company						
Capital Goods						
John Keells Holdings PLC	**5,391,080**	**74,416**	**99,196**	13,641,080	188,294	275,550
Aitken Spence PLC	**170,173**	**28,393**	**23,654**	-	-	-
Total		**102,809**	**122,850**		188,294	275,550
Mark to market gains/ (losses)		**20,041**			87,256	
Market value of equity securities		**122,850**			275,550	

As at 31st March	2026			2025		
Group	No. of Shares	Total Cost Rs. '000	Market Value Rs. '000	No. of Shares	Total Cost Rs. '000	Market Value Rs. '000
Shares Listed In Sri Lanka						
Capital Goods						
John Keells Holdings PLC	**5,391,080**	**74,416**	**99,196**	1,364,108	188,294	275,550
Aitken Spence PLC	**28,393**	**28,393**	**23,654**	-	-	-
Subtotal		**102,809**	**122,850**		188,294	275,550
Shares Listed In Bangladesh						
British American Tobacco Bangladesh	**10,000**	**17,977**	**5,344**	10,000	15,978	7,889
Beximco Pharma	**12,000**	**6,459**	**3,245**	12,000	5,742	2,900
Dutch Bangla Bank Ltd.	**76,418**	**11,280**	**7,639**	69,471	10,025	8,488
Marico Bangladesh Ltd.	**-**	**-**	**-**	1,452	8,605	8,627
Reckitt Benckiser	**310**	**4,411**	**2,601**	310	3,919	2,920
Global Islami Bank Limited	**433,955**	**9,601**	**-**	455,652	10,081	4,112
Square Pharmaceuticals Ltd.	**30,000**	**19,464**	**15,271**	30,000	17,298	16,105
Summit Power	**-**	**-**	**-**	150,000	17,542	5,451
Walton Hi-Tech Industries	**2,090**	**5,754**	**1,903**	1,900	5,120	2,146
		74,946	**36,003**	-	94,310	58,638
Total	**-**	**177,755**	**158,853**		282,604	334,188
Mark to market gains/ (losses)		**(18,902)**			51,584	
Market value of equity securities		**158,853**			334,188	

As at 31st March	2026			2025		
Company	Total Cost Rs. '000	Market Value Rs. '000	Composition %	Total Cost Rs. '000	Market Value Rs. '000	Composition %
Industry/Sector						
Capital Goods	**102,809**	**122,850**	**100.00%**	188,294	275,550	100.00%
Subtotal	**102,809**	**122,850**	**100.00%**	188,294	275,550	100.00%
Mark to market gains/ (losses)	**20,041**			87,256		
Market value of equity securities	**122,850**			275,550		
Group						
Capital Goods	**102,809**	**122,850**	**77.34%**	188,294	275,550	82.45%
Shares Listed In Bangladesh	**74,946**	**36,003**	**22.66%**	94,310	58,638	17.55%
Subtotal	**177,755**	**158,853**	**100.00%**	282,604	334,188	100.00%
Mark to market gains/ (losses)	**(18,902)**			51,584		
Market value of equity securities	**158,853**			334,188		

Sensitivity analysis of financial assets - FVTPL - equity is given in Note 57.4.3 on page 449.

Notes to the Financial Statements

24.3 Investment in Unit Trust

	Company			Group		
For the year ended 31st March	No. of Units	2026 Rs. '000	2025 Rs. '000	No. of Units	2026 Rs. '000	2025 Rs. '000
CAL Investment	-	-	-	40,110,810	1,513,365	824,256
NDB Wealth Management		-	-	-	-	132,137
		-	-	-	1,513,365	956,393

25. Loans And Receivables - Amortised Cost

Accounting Policy

Financial assets classified as loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Group and Company intends to sell immediately or in the near term and those that, upon initial recognition, designates as at fair value through profit or loss
- Those that the Group and Company, upon initial recognition, designates as FVOCI
- Those for which the Group and Company may not recover substantially all of its initial investment, other than because of credit deterioration

'Loans and receivables' are measured at amortised cost using the EIR, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in 'Interest income' in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in 'impairment charges for loans and receivables and other losses'.

Leasing

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group/Company as a Lessee

Leases that do not transfer to the Group/Company substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the Statement of Profit or Loss on a straight line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they are incurred.

Group/Company as a Lessor

Leases where the Group/Company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Receivables on Lease, Hire Purchase and Islamic Finance

As per SLFRS 16, a lease which transfers substantially all the risks and rewards incidental to ownership of an underlying asset is classified as a finance lease. At the commencement date, the Group recognises assets held under finance lease in the Statement of Financial Position and present them as a lease receivable at an amount equal to the net investment in the lease. Net investment in the lease is arrived by discounting lease payments receivable at the interest rate implicit in the lease, i.e. the rate which causes present value of lease payments to equal to the fair value of the underlying asset and initial direct costs. The finance income receivable is recognised in "interest income" over the periods of the leases so as to achieve a constant rate of return on the net investment in the leases.

'Day 1' Difference for Staff Loans

All staff loans granted at below market interest rates were recognised at fair value. The difference between the fair value and the amount disbursed were treated as 'day 1' difference and amortised as staff cost over the loan period by using effective interest rate (EIR). The staff loans were subsequently measured at amortised costs. Refer Note 31.2 on page 383.

Renegotiated Loans and Receivables
Where possible, the Group/Company seeks to restructure loans and receivables rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new receivable conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the receivable is no longer considered past due. Management continually reviews renegotiated loans and receivables to ensure that all criteria are met and that future payments are likely to occur. The receivable continue to be subject to any criteria are met and that future payments are likely to occur. The loans and receivables continue to be measured at amortised cost using original EIR and subject to an individual or collective impairment assessment.

Impairment allowance for loans and receivable to customers
Details on the Impairment allowance for loans and receivable to customers disclosed in the note 25.7

Reversals of Impairment
If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the impairment allowance account accordingly. The write-back is recognised in the Statement of Profit or Loss.

Written off of loans and receivables
Loans and receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Collateral Valuation
Revaluation of immovable properties obtained as collaterals against any accommodation granted are assessed based on the requirements in the Direction No 04 of 2018 on "Valuation of Immovable Properties" and subsequent amendments thereto issued by the Central Bank of Sri Lanka (CBSL). The assessment of immovable properties is carrying out by independent professional valuers as required by the said direction issued by CBSL.

The assessed fair value of the immovable properties does not consider for the measurement of regulatory provisions for bad and doubtful debts as per Direction No 01 of 2020 and subsequent amendments thereto issued by CBSL."

Collateral Repossessed
Repossessed collateral will not be taken into books of accounts unless the Group has taken those collaterals into its business operations. However such additions from the repossessed collaterals to the business operations are not significant.

Non-Accrual Receivables
Interest income recognition stops when receivables are over 90 days past due, involved in legal action, backed by untraceable or unattainable collaterals, or deemed uncollectible. For non-accrual receivables, financing revenue is recognized only when payments are received, with payments applied first to outstanding interest and then to the principal balance.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Loans and receivables	25.1.2	**280,395,170**	163,123,558	**304,969,906**	177,417,915
(Less):					
Individual impairment Allowance	25.7	**1,242,777**	2,048,292	**1,789,581**	2,019,233
Collective impairment Allowance	25.7	**3,413,980**	3,982,879	**3,932,015**	4,946,841
Net loans and receivables		**275,738,413**	157,092,387	**299,248,310**	170,451,841
Fair value		**272,267,417**	166,252,107	**296,456,347**	178,629,217

Notes to the Financial Statements

25.1 Analysis

25.1.1 Analysis by stage wise

Company

	2026			
As at 31st March	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Loans and receivables	**258,552,521**	**16,324,271**	**5,518,378**	**280,395,170**
(Less):				
Individual impairment Allowance	**-**	**93,993**	**1,148,784**	**1,242,777**
Collective impairment Allowance	**1,110,483**	**336,711**	**1,966,786**	**3,413,980**
Net loans and receivables	**257,442,038**	**15,893,567**	**2,402,808**	**275,738,413**

	2025			
As at 31st March	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Loans and receivables	143,413,112	10,151,081	9,559,365	163,123,558
(Less):				
Individual impairment Allowance	-	66,395	1,981,897	2,048,292
Collective impairment Allowance	686,434	167,389	3,129,056	3,982,879
Net loans and receivables	142,726,678	9,917,297	4,448,412	157,092,387

Group

	2026			
As at 31st March	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Loans and receivables	**280,109,271**	**17,284,414**	**7,576,221**	**304,969,906**
(Less):				
Individual impairment Allowance	**-**	**93,993**	**1,695,588**	**1,789,581**
Collective impairment Allowance	**1,455,878**	**418,186**	**2,057,952**	**3,932,016**
Net loans and receivables	**278,653,393**	**16,772,235**	**3,822,681**	**299,248,309**

	2025			
As at 31st March	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Loans and receivables	155,321,360	12,208,166	9,888,389	177,417,915
(Less):				
Individual impairment Allowance	-	66,395	1,952,838	2,019,233
Collective impairment Allowance	962,384	449,472	3,534,985	4,946,841
Net loans and receivables	154,358,976	11,692,299	4,400,566	170,451,841

25.1.2 Analysis by product

As at 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
By product					
Lease/Ijarah receivable	25.4.1/25.5.1	**108,488,088**	90,229,304	**108,490,927**	90,229,496
Hire-Purchase/ Murabah receivable	25.4.2/25.5.2	**21,033**	41,305	**12,595,911**	4,416,698
Other Loan and receivables	25.4.3	**170,310,988**	71,215,899	**183,883,068**	82,771,721
Related party receivables	25.2	**1,575,061**	1,637,050	**-**	-
Gross total		**280,395,170**	163,123,558	**304,969,906**	177,417,915
Fair value		**272,267,417**	166,252,107	**296,456,347**	178,629,217

25.1.3 Analysis by Currency

As at 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Sri Lankan Rupee	**280,395,170**	163,123,558	**292,064,833**	166,268,536
Bangladesh Taka	**-**	-	**12,905,073**	11,149,379
Gross total	**280,395,170**	163,123,558	**304,969,906**	177,417,915

25.1.4 Analysis by Industry

As at 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Agriculture, Forestry & Fishing	**26,358,383**	20,271,319	**29,191,311**	21,214,126
Arts, Entertainment & Recreation	**911,417**	825,904	**1,142,940**	878,592
Construction & Infrastructure Development	**9,366,705**	10,601,352	**9,484,554**	11,054,435
Consumption	**133,437,412**	48,109,047	**134,785,164**	48,553,463
Education	**2,105,668**	2,515,533	**2,424,134**	2,579,138
Financial Services	**17,317,318**	12,117,847	**21,496,045**	14,614,966
Health Care, Social Services & Support Services	**7,964,669**	6,333,545	**9,702,139**	8,898,764
Information Technology And Communication	**697,443**	1,060,960	**1,869,849**	1,096,380
Manufacturing	**7,584,675**	7,119,867	**13,697,239**	11,143,734
Professional, Scientific & Technical Activities	**3,186,675**	5,775,752	**3,875,294**	6,872,145
Tourism	**5,174,609**	3,185,110	**5,842,577**	3,587,488
Transportation & Storage	**39,662,102**	24,747,085	**40,420,844**	24,921,854
Wholesale & Retail Trade	**26,628,094**	20,126,980	**30,725,183**	21,550,252
Other	**-**	333,257	**312,633**	452,578
Gross total	**280,395,170**	163,123,558	**304,969,906**	177,417,915

Notes to the Financial Statements

25.2 Related Party Receivables

As at 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
People's Leasing Property Development Limited	**365,732**	433,894	**-**	-
People's Leasing Fleet Management Limited	**-**	-	**-**	-
People's Leasing Havelock Properties Limited	**52**	827,798	**-**	-
People's Micro-commerce Ltd.	**1,109,917**	259,264	**-**	-
People's Insurance PLC	**73,099**	89,833	**-**	-
Alliance Finance PLC	**26,261**	26,261	**-**	-
Total	**1,575,061**	1,637,050	**-**	-

25.3 Movement in gross loan and receivables

Company

As at 31st March	2026 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Gross carrying amount as at 1st April 2025	**143,413,112**	**10,151,081**	**9,559,365**	**163,123,558**
New assets originated or purchased	**192,923,437**	**8,884,185**	**381,241**	**202,188,863**
Assets derecognised or repaid (excluding write offs)	**(73,798,452)**	**(6,208,662)**	**(3,021,441)**	**(83,028,555)**
Transfers to Stage 2 and 3	**(6,355,152)**	**5,771,610**	**583,542**	**-**
Transfers to Stage 1 and 3	**2,058,388**	**(2,537,709)**	**479,321**	**-**
Transfers to Stage 1 and 2	**311,188**	**263,766**	**(574,954)**	**-**
Amounts written off	**-**	**-**	**(1,888,696)**	**(1,888,696)**
Gross carrying amount as at 31st March 2026	**258,552,521**	**16,324,271**	**5,518,378**	**280,395,170**

As at 31st March	2025 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Gross carrying amount as at 1st April 2024	84,239,819	10,439,263	17,826,158	112,505,240
New assets originated or purchased	104,114,534	4,253,549	1,088,485	109,456,568
Assets derecognised or repaid (excluding write offs)	(42,087,373)	(7,030,204)	(7,326,059)	(56,443,636)
Transfers to Stage 2 and 3	(4,344,530)	3,812,145	532,385	-
Transfers to Stage 1 and 3	1,159,417	(1,875,937)	716,520	-
Transfers to Stage 1 and 2	331,245	552,265	(883,510)	-
Amounts written off	-	-	(2,394,614)	(2,394,614)
Gross carrying amount as at 31st March 2025	143,413,112	10,151,081	9,559,365	163,123,558

Group

As at 31st March	2026 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Gross carrying amount as at 1st April 2025	**155,321,360**	**12,208,166**	**9,888,389**	**177,417,915**
New assets originated or purchased	**211,918,467**	**9,435,425**	**444,172**	**221,798,064**
Assets derecognised or repaid (excluding write offs)	**(82,627,601)**	**(8,561,690)**	**(1,501,934)**	**(92,691,224)**
Transfers to Stage 2 and 3	**(7,626,182)**	**6,925,932**	**700,250**	**-**
Transfers to Stage 1 and 3	**2,470,066**	**(3,045,251)**	**575,185**	**-**
Transfers to Stage 1 and 2	**373,426**	**316,519**	**(689,945)**	**-**
Amounts written off			**(1,888,696)**	**(1,888,696)**
Foreign exchange adjustments	**279,736**	**5,313**	**48,799**	**333,847**
Gross carrying amount as at 31st March 2026	**280,109,271**	**17,284,414**	**7,576,221**	**304,969,906**

As at 31st March	2025 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
Gross carrying amount as at 1st April 2024	95,124,775	12,411,576	19,096,116	126,632,467
New assets originated or purchased	111,992,418	4,857,910	1,118,941	117,969,269
Assets derecognised or repaid (excluding write offs)	(47,215,194)	(7,140,859)	(8,091,007)	(62,447,060)
Transfers to Stage 2 and 3	(4,431,421)	3,888,388	543,033	-
Transfers to Stage 1 and 3	1,275,359	(2,063,531)	788,172	-
Transfers to Stage 1 and 2	364,370	607,492	(971,862)	-
Amounts written off			(2,394,614)	(2,394,614)
Foreign exchange adjustments	(1,788,947)	(352,810)	(200,390)	(2,342,147)
Gross carrying amount as at 31st March 2025	155,321,360	12,208,166	9,888,389	177,417,915

Notes to the Financial Statements

25.4 Remaining Contractual Maturity Analysis -Company

25.4.1 Lease/Ijarah receivable

As at 31st March	2026				2025			
	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Gross rentals receivable	**55,703,702**	**85,897,312**	**330,415**	**141,931,429**	47,021,516	69,842,544	94,314	116,958,374
Less: Unearned income	**16,527,222**	**16,884,252**	**31,273**	**33,442,747**	13,207,498	13,512,601	7,143	26,727,242
Net rentals receivable	**39,176,480**	**69,013,060**	**299,142**	**108,488,682**	33,814,018	56,329,943	87,171	90,231,132
Less : Rentals received in advance				**594**				425
Lease/Ijarah receivable before impairment provision				**108,488,088**				90,230,707
Less : Allowance for impairment losses								
Individual Impairment								
Stage 1				**-**				-
Stage 2				**3,367**				1,403
Stage 3				**17,867**				25,999
Total individual impairment				**21,234**				27,402
Collective Impairment								
Stage 1				**475,350**				333,663
Stage 2				**191,676**				122,845
Stage 3				**997,968**				1,239,526
Total collective impairment				**1,664,994**				1,696,034
Total net rentals receivable	**39,176,480**	**69,013,060**	**299,142**	**106,801,860**	33,814,018	56,329,943	87,171	88,507,271

25.4.2 Hire -Purchase /Murabah receivable

As at 31st March	2026				2025			
	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Hire-Purchase/ Murabah receivable								
Gross rentals receivable	**22,900**	**153**	**-**	**23,053**	43,857	2,036	-	45,893
Less: Unearned income	**2,002**	**18**	**-**	**2,020**	4,573	16	-	4,589
Net rentals receivable	**20,898**	**135**	**-**	**21,033**	39,284	2,020	-	41,304
Less : Rentals received in advance				**-**				-
Hire-Purchase/ Murabah receivable before impairment provision				**21,033**				41,304
Less : Allowance for impairment losses								
Individual Impairment								
Stage 1				**-**				-
Stage 2				**-**				-
Stage 3				**-**				-
Total individual impairment				**-**				-
Collective Impairment								
Stage 1				**-**				1,171
Stage 2				**-**				-
Stage 3				**17,581**				36,787
Total collective impairment				**17,581**				37,958
Total net rentals receivable	**20,898**	**135**	**-**	**3,452**	39,284	2,020	-	3,346

25.4.3 Other Loan and receivables

As at 31st March	2026				2025			
	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Motor Loans	**12,540,252**	**30,115,897**	**431,439**	**43,087,588**	6,701,740	10,401,573	18,797	17,122,110
Short and medium loans	**7,009,296**	**21,558,814**	**371,609**	**28,939,719**	3,185,929	3,538,391	37,078	6,761,398
Clean Basis Loan	**44,124**	**3,027**	**-**	**47,151**	236,012	6,686	-	242,698
Self E Cash Loan	**3,166,259**	**1,489,129**	**-**	**4,655,388**	2,584,609	1,167,139	-	3,751,748
Fast Track Loan	**16,728,249**	**5,721,157**	**-**	**22,449,406**	5,544,909	3,027,066	-	8,571,975
Trading Murabah	**57,365**	**-**	**-**	**57,365**	85,412	15,616	-	101,028
Musharakah	**3,673,157**	**7,222,865**	**116,619**	**11,012,641**	1,020,471	1,513,267	55,118	2,588,856
Gold Loan	**42,558,706**	**-**	**-**	**42,558,706**	20,286,342	-	-	20,286,342
Factoring receivable	**372,960**	**-**	**-**	**372,960**	1,120,919	-	-	1,120,919
Margin trading	**14,221,475**	**-**	**-**	**14,221,475**	9,650,568	-	-	9,650,568
Staff loans	**298,968**	**1,284,111**	**1,090,112**	**2,673,191**	321,842	448,355	165,581	935,778
Sundry loans	**114,816**	**120,554**	**-**	**235,370**	82,001	506	-	82,507
Less ; Prepaid Rentals	**28**	**-**	**-**	**28**	(28)	-	-	(28)
Loan receivable before impairment provision	**100,785,655**	**67,515,554**	**2,009,779**	**170,310,988**	50,820,725	20,118,599	276,574	71,215,899
Less : Allowance for impairment losses								
Individual Impairment								
Stage 1				**-**				-
Stage 2				**90,626**				64,992
Stage 3				**1,104,656**				1,926,839
Total individual impairment				**1,195,282**				1,991,831
Collective Impairment								
Stage 1				**605,056**				317,512
Stage 2				**145,035**				45,947
Stage 3				**951,237**				1,852,743
Total collective impairment				**1,701,328**				2,216,202
Total net rentals receivable	**100,785,655**	**67,515,554**	**2,009,779**	**167,414,378**	50,820,725	20,118,599	276,574	67,007,866

Notes to the Financial Statements

25.5 Remaining Contractual Maturity Analysis -Group

25.5.1 Lease/Ijarah receivable

As at 31st March	2026				2025			
	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Gross rentals receivable	**55,706,541**	**85,897,311**	**330,416**	**141,934,268**	47,021,708	69,842,544	94,314	116,958,566
Less: Unearned income	**16,527,222**	**16,884,252**	**31,273**	**33,442,747**	13,207,498	13,512,601	7,143	26,727,242
Net rentals receivable	**39,179,319**	**69,013,059**	**299,143**	**108,491,521**	33,814,210	56,329,943	87,171	90,231,324
Less : Rentals received in advance				**594**				425
Lease/Ijarah receivable before impairment provision				**108,490,927**				90,230,899
Less : Allowance for impairment losses								
Individual Impairment								
Stage 1				**-**				-
Stage 2				**3,367**				1,403
Stage 3				**17,867**				25,999
Total individual impairment				**21,234**				27,402
Collective Impairment								
Stage 1				**475,350**				333,663
Stage 2				**191,676**				122,845
Stage 3				**997,968**				1,239,526
Total collective impairment				**1,664,994**				1,696,034
Total net rentals receivable	**39,179,319**	**69,013,059**	**299,143**	**106,804,699**	33,814,210	56,329,943	87,171	88,507,463

25.5.2 Hire-Purchase/ Murabah receivable

As at 31st March	2026				2025			
	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Gross rentals receivable	**7,151,800**	**11,086,256**	**-**	**18,238,056**	2,791,261	3,384,850	-	6,176,111
Less: Unearned income	**2,681,880**	**2,960,263**	**-**	**5,642,143**	985,400	774,013	-	1,759,413
Net rentals receivable	**4,469,920**	**8,125,993**	**-**	**12,595,913**	1,805,861	2,610,837	-	4,416,698
Less : Rentals received in advance				**-**				-
Hire-Purchase/ Murabah receivable before impairment provision				**12,595,913**				4,416,698
Less : Allowance for impairment losses								
Individual Impairment								
Stage 1				**-**				-
Stage 2				**-**				-
Stage 3				**-**				-
Total individual impairment				**-**				-
Collective Impairment								
Stage 1				**142,936**				54,409
Stage 2				**48,264**				19,784
Stage 3				**94,599**				168,104
Total collective impairment				**285,799**				242,297
Total net rentals receivable	**4,469,920**	**8,125,993**	**-**	**12,310,114**	1,805,861	2,610,837	-	4,174,401

25.5.3 Other Loan and receivables

As at 31st March	2026				2025			
	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Motor Loans	**12,540,252**	**30,115,897**	**431,439**	**43,087,588**	6,701,740	10,401,573	18,797	17,122,110
Short and medium loans	**15,177,360**	**22,221,137**	**4,748,558**	**42,147,055**	8,520,317	7,865,134	1,749,202	18,134,653
Clean Basis Loan	**44,124**	**3,027**	**-**	**47,151**	236,012	6,686	-	242,698
Self E Cash Loan	**3,166,259**	**1,489,129**	**-**	**4,655,388**	2,584,609	1,167,139	-	3,751,748
Fast Track Loan	**16,728,249**	**5,721,157**	**-**	**22,449,406**	5,544,909	3,027,066	-	8,571,975
Trading Murabah	**57,365**	**-**	**-**	**57,365**	85,412	15,616	-	101,028
Musharakah	**3,673,157**	**7,222,865**	**116,619**	**11,012,641**	1,020,471	1,513,267	55,118	2,588,856
Gold Loan	**42,558,706**	**-**	**-**	**42,558,706**	20,286,342	-	-	20,286,342
Factoring receivable	**372,960**	**-**	**-**	**372,960**	1,120,919	-	-	1,120,919
Margin trading	**14,221,475**	**-**	**-**	**14,221,475**	9,650,568	-	-	9,650,568
Staff loans	**663,712**	**1,284,111**	**1,090,112**	**3,037,935**	382,258	537,368	198,718	1,118,345
Sundry loans	**114,816**	**120,554**	**-**	**235,370**	82,001	506	-	82,507
Less :Prepaid Rentals	**28**	**-**	**-**	**28**	(28)	-	-	(28)
Loan receivable before impairment provision	**109,318,463**	**68,177,877**	**6,386,728**	**183,883,068**	56,215,530	24,534,355	2,021,835	82,771,721
Less : Allowance for impairment losses								
Individual Impairment								
Stage 1				**-**				-
Stage 2				**90,626**				64,992
Stage 3				**1,677,721**				1,926,839
Total individual impairment				**1,768,347**				1,991,831
Collective Impairment								
Stage 1				**837,592**				574,312
Stage 2				**178,246**				308,246
Stage 3				**965,385**				2,127,355
Total collective impairment				**1,981,223**				3,009,913
Total net rentals receivable	**109,318,463**	**68,177,877**	**6,386,728**	**180,133,498**	56,215,530	24,534,355	2,021,835	77,769,977

Notes to the Financial Statements

25.6 Impairment Allowance for Loans and Receivables

Accounting Policy

The Group recognizes impairment (Expected Credit Loss) on Loan and Receivables in accordance with SLFRS 9 - Financial Instruments.

Allowance for Expected Credit Loss
The Group records an allowance for expected credit loss (ECL) for all loans and receivables and other financial assets without held at Fair Value through Profit or Loss (FVPL), including loan commitments, financial guarantee contracts, and letters of credit, collectively referred to as "financial instruments." Equity instruments are not subject to impairment under SLFRS 9.

The Expected Credit Loss (ECL) allowance is based on the credit losses expected to arise over the life of the asset [Life Time Expected Credit Loss (LTECL)] when there is a significant increase in credit risk since origination. In all other instances, ECL is based on the 12-month ECL (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are detailed in the relevant company policy documents.

The 12-month ECL represents the portion of lifetime ECLs that results from default events on financial instruments possible within 12 months after the reporting date.
Both lifetime ECLs and 12-month ECLs are calculated either on an individual basis or a collective basis, based on a predetermined threshold of customer exposures. If a particular loan is credit impaired under individual impairment (Explained in Note 57.2) , the amount of loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows. If an individually assessed asset is determined not to be credit impaired under individual impairment, such financial assets are then collectively assessed for impairment along with other portfolios having similar risk characteristics under collective impairment. The Group's policy for grouping financial assets measured on a collective basis is explained in the relevant company policy documents..

In accordance with SLFRS 9, the Group adopts a three-stage model for impairment based on changes in credit quality since initial recognition

Stage 1: Initial Recognition and Performing Assets
A financial asset that is not originally credit-impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their Expected Credit Loss (ECL) measured at an amount equal to the portion of Lifetime Expected Credit Loss (LTECL) resulting from default events possible within the next 12 months (12mECL). This stage also includes financial assets for which the credit risk has improved and have been reclassified from Stage 2 and Stage 3.

Stage 2: Significant Increase in Credit Risk (SICR)
A financial asset is moved to Stage 2 if a significant increase in credit risk (SICR) since origination is identified. In this stage, the Group records an allowance for LTECL. This reflects the credit losses expected to arise over the life of the asset, considering all possible default events. Stage 2 also includes financial assets for which the credit risk has improved and have been reclassified from Stage 3.

Stage 3: Credit-Impaired Assets
If a financial asset is credit-impaired, it is moved to Stage 3. In this stage, the Group recognizes an allowance for LTECL, with the probability of default set at 100%. This reflects the full extent of expected credit losses due to impairment. Credit impairment is identified based on criteria outlined in the relevant policy documents.

Significant Increase in Credit Risk
When determining whether the risk of default on financial instruments has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without incurring excessive cost or effort. This evaluation includes both quantitative and qualitative analyses based on the Group's historical experience, expert credit assessment, and forward-looking information.

The Group considers a financial exposure to have significantly increased credit risk when contractual payments are more than 30 days past due, in accordance with the rebuttable presumption in SLFRS 9. Additionally, other factors such as changes in economic conditions, the creditworthiness of counterparties, and adverse changes in industry outlooks are also taken into account.

Calculation of Expected Credit Loss (ECL)
The Group calculates Expected Credit Losses (ECLs) using a three-stage approach to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate (EIR). A cash shortfall is defined as the difference between the cash flows due to the entity in accordance with the contract and the cash flows the entity expects to receive.

The calculation of ECLs, including the estimation of the expected period of exposure and discount rate, is performed on an individual basis or a collective basis according to the Group's impairment policy. Collective assessments are conducted separately for portfolios of facilities with similar credit risk characteristics.

The mechanics of ECL calculations are outlined below, with key elements under collective impairment assessment, such as Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), explained as follows:

Probability of Default (PD)
The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may occur at a specific time during the assessed period if the facility has not been previously derecognized and remains in the portfolio.

Exposure at Default (EAD)
The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and expected drawdowns on committed facilities. To calculate EAD for a Stage 1 loan, the Group assesses possible default events within 12 months. For all other loans, EAD is considered for default events over the lifetime of the financial instruments.

Loss Given Default (LGD)
The Loss Given Default (LGD) is an estimate of the loss arising in the event of a default at a given time. It is based on the difference between the contractual cash flows due and those the lender expects to receive, including from the realization of any collateral. LGD is calculated on a discounted cash flow basis using EIR as the discounting factor and is usually expressed as a percentage of the EAD.

These parameters are generally derived from internally developed statistical models and historical data, adjusted to reflect forward-looking information.

Forward-Looking Information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. When estimating ECLs, the Group considers three economic scenarios: base case, best case, and worst case. Quantitative economic factors are based on economic data and forecasts published by CBSL and other reliable sources.

In its ECL models, the Group relies on a broad range of forward-looking information, such as:

Quantitative factors: GDP growth, unemployment rate, rate of inflation, interest rate, and exchange rate.
Qualitative factors: Government policies, Status of the Industry Business, Regulatory Impact,Loan to value (LTV) and Climate Changers.
The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Financial Statements.

Revolving facilities
The Company offers a revolving facilities such as Fast track, and calculates only the 12-month ECL (12mECL) allowance on these facilities. The Exposure at Default (EAD) is determind by taking the higher of either sanction limit adjusted for Credit Conversion Factor (CCF) and the gross carrying amount of the loan (utilised amount).

For stage 03 contracts ,The EAD is limited to the gross carrying amount which is the utilised amount, as the Group freezes the limits of these contracts up to the utilised amount. The expected 12-month default probabilities are applied to EAD, multiplied by the expected Loss given Default (LGD), and discounted by an approximation to the original Efective interest Rate (EIR).

Notes to the Financial Statements

25.7 Movement in Individual and collective impairment charges during the year

A reconciliation of the allowance for impairment losses for loans and receivables, by class, is as follows:

Company

	Lease	Hire Purchase	Ijarah	Term Loans	Re-finance loans	Related Party Loans	Murabah	Trading Murabah	Factoring	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At 1st April 2024	2,500,087	178,870	66,726	4,662,655	47,490	73,208	3,083	224,122	1,098,546	8,854,787
Charge/(Reversal) for the year	(86,754)	(20,121)	(3,902)	(283,274)	(32,193)	(10,061)	(196)	(14,874)	22,373	(429,002)
Amounts written off	(737,136)	(121,827)	(16,988)	(1,387,026)	(12,693)		(1,851)	(117,093)	-	(2,394,614)
At 31st March 2025	1,676,197	36,922	45,836	2,992,355	2,604	63,147	1,036	92,155	1,120,919	6,031,171
Individual impairment										
Stage 1	-	-	-	-	-	-	-	-	-	-
Stage 2	1,403	-	-	64,992	-	-	-	-	-	66,395
Stage 3	25,999	-	-	799,955	2,409	29,059	-	3,556	1,120,919	1,981,897
Total Individual impairment	27,402	-	-	864,947	2,409	29,059	-	3,556	1,120,919	2,048,292
Collective impairment										
Stage 1	319,645	1,101	14,018	315,938	-	34,088	70	1,574	-	686,434
Stage 2	115,919	-	5,523	43,202	-	-	-	2,745	-	167,389
Stage 3	1,213,231	35,821	26,295	1,768,268	195	-	966	84,280	-	3,129,056
Total Collective impairment	1,648,795	36,922	45,836	2,127,408	195	34,088	1,036	88,599	-	3,982,879
Total	1,676,197	36,922	45,836	2,992,355	2,604	63,147	1,036	92,155	1,120,919	6,031,171

	Lease	Hire Purchase	Ijarah	Term Loans	Re-finance loans	Related Party Loans	Murabah	Trading Murabah	Factoring	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At 1st April 2025	**1,676,197**	**36,922**	**45,836**	**2,992,355**	**2,604**	**63,147**	**1,036**	**92,155**	**1,120,919**	**6,031,171**
Charge/(Reversal) for the year	**363,325**	**(5,383)**	**30,704**	**205,986**	**2**	**748**	**-**	**(12,065)**	**(69,034)**	**514,283**
Amounts written off	**(420,268)**	**(14,028)**	**(9,566)**	**(732,824)**	**(197)**	**-**	**(966)**	**(31,923)**	**(678,925)**	**(1,888,697)**
At 31st March 2026	**1,619,254**	**17,511**	**66,974**	**2,473,074**	**2,409**	**56,338**	**70**	**48,167**	**372,960**	**4,656,757**
Individual impairment										
Stage 1	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Stage 2	**3,367**	**-**	**-**	**86,325**	**-**	**-**	**-**	**4,301**	**-**	**93,993**
Stage 3	**17,867**	**-**	**-**	**729,287**	**2,409**	**26,261**	**-**	**-**	**372,960**	**1,148,784**
Total Individual impairment	**21,234**	**-**	**-**	**815,612**	**2,409**	**26,261**	**-**	**4,301**	**372,960**	**1,242,777**
Collective impairment										
Stage 1	**447,108**	**-**	**28,242**	**605,056**	**-**	**30,077**	**-**	**-**	**-**	**1,110,483**
Stage 2	**181,110**	**-**	**10,566**	**145,035**	**-**	**-**	**-**	**-**	**-**	**336,711**
Stage 3	**969,802**	**17,511**	**28,166**	**907,371**	**-**	**-**	**70**	**43,866**	**-**	**1,966,786**
Total Collective impairment	**1,598,020**	**17,511**	**66,974**	**1,657,462**	**-**	**30,077**	**70**	**43,866**	**-**	**3,413,980**
Total	**1,619,254**	**17,511**	**66,974**	**2,473,074**	**2,409**	**56,338**	**70**	**48,167**	**372,960**	**4,656,757**

Group

	Lease	Hire Purchase	Ijarah	Term Loans	Re-finance loans	Related Party Loans	Murabah	Trading Murabah	Factoring	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At 1st April 2024	2,500,087	373,980	66,726	5,398,483	47,490	-	3,083	224,122	1,098,546	9,712,517
Charge/(Reversal) for the year	(86,754)	(10,892)	(3,902)	(263,274)	(32,193)	-	(196)	(14,874)	22,373	(389,712)
Amounts written off	(737,136)	(121,827)	(16,988)	(1,387,026)	(12,693)		(1,851)	(117,093)	-	(2,394,614)
Exchange rate variance	-	-	-	37,883	-	-	-	-	-	37,883
At 31st March 2025	1,676,197	241,261	45,836	3,786,066	2,604	-	1,036	92,155	1,120,919	6,966,074
Individual impairment										
Stage 1	-	-	-	-	-	-	-	-	-	-
Stage 2	1,403	-	-	64,992	-	-	-	-	-	66,395
Stage 3	25,999	-	-	799,955	2,409	-	-	3,556	1,120,919	1,952,838
Total individual impairment	27,402	-	-	864,947	2,409	-	-	3,556	1,120,919	2,019,233
Collective impairment										
Stage 1	319,645	54,339	14,018	572,738	-	-	70	1,574	-	962,384
Stage 2	115,919	19,784	5,523	305,501	-	-	-	2,745	-	449,472
Stage 3	1,213,231	167,138	26,295	2,042,880	195	-	966	84,280	-	3,534,985
Total collective impairment	1,648,795	241,261	45,836	2,921,119	195	-	1,036	88,599	-	4,946,841
Total	1,676,197	241,261	45,836	3,786,066	2,604	-	1,036	92,155	1,120,919	6,966,074

	Lease	Hire Purchase	Ijarah	Term Loans	Re-finance loans	Related Party Loans	Murabah	Trading Murabah	Factoring	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At 1st April 2025	1,676,197	241,261	45,836	3,786,066	2,604	-	1,036	92,155	1,120,919	6,966,074
Charge/(Reversal) for the year	(56,943)	44,468	21,138	(462,439)	(195)	-	(966)	(43,988)	(747,959)	(1,246,884)
Exchange rate variance	-	-	-	2,406	-	-	-	-	-	2,406
At 31st March 2026	1,619,254	285,729	66,974	3,326,033	2,409	-	70	48,167	372,960	5,721,596
Individual impairment										
Stage 1	-	-	-	-	-	-	-	-	-	-
Stage 2	3,367	-	-	86,325	-	-	-	4,301	-	93,993
Stage 3	17,867	-	-	1,302,352	2,409	-	-	-	372,960	1,695,588
Total Individual impairment	21,234	-	-	1,388,677	2,409	-	-	4,301	372,960	1,789,581
Collective impairment										
Stage 1	447,108	142,936	28,242	837,592	-	-	-	-	-	1,455,878
Stage 2	181,110	48,264	10,566	178,246	-	-	-	-	-	418,186
Stage 3	969,802	94,529	28,166	921,519	-	-	70	43,866	-	2,057,952
Total Collective impairment	1,598,020	285,729	66,974	1,937,356	-	-	70	43,866	-	3,932,015
Total	1,619,254	285,729	66,974	3,326,033	2,409	-	70	48,167	372,960	5,721,596

Notes to the Financial Statements

25.8 Movement in provision for impairment during the year

Company

	2026			
As at 31st March	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
ECL allowance as at 1st April 2025 under SLFRS 9	**686,434**	**233,784**	**5,110,953**	**6,031,171**
New assets originated or purchased	**846,293**	**264,025**	**143,905**	**1,254,223**
Assets derecognised or repaid (excluding write offs)	**(435,305)**	**(124,662)**	**(573,412)**	**(1,133,380)**
Transfers to Stage 2 and 3	**(182,386)**	**89,985**	**92,401**	**-**
Transfers to Stage 1 and 3	**8,426**	**(81,776)**	**73,350**	**-**
Transfers to Stage 1 and 2	**8,820**	**27,645**	**(36,465)**	**-**
Impact on year end ECL of exposures transferred between stages during the year	**164,280**	**(43,243)**	**(945,465)**	**(824,428)**
Unwind of discount	**-**	**-**	**-**	**-**
Changes to models and inputs used for ECL calculations	**13,921**	**64,946**	**1,139,000**	**1,217,867**
Recoveries	**-**	**-**	**-**	**-**
Amounts written off	**-**	**-**	**(1,888,697)**	**(1,888,696)**
Foreign exchange adjustments	**-**	**-**	**-**	**-**
Balance as at 31st March 2026	**1,110,483**	**430,704**	**3,115,570**	**4,656,757**

	2025			
As at 31st March	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
ECL allowance as at 1st April 2024 under SLFRS 9	342,389	213,357	8,299,041	8,854,787
New assets originated or purchased	564,005	85,007	307,536	956,548
Assets derecognised or repaid (excluding write offs)	(341,817)	(197,262)	(601,297)	(1,140,376)
Transfers to Stage 2 and 3	(138,639)	53,067	85,572	-
Transfers to Stage 1 and 3	5,307	(92,612)	87,305	-
Transfers to Stage 1 and 2	3,235	74,247	(77,482)	-
Impact on year end ECL of exposures transferred between stages during the year	52,341	68,232	(616,667)	(496,094)
Changes to models and inputs used for ECL calculations	199,613	29,748	21,559	250,920
Amounts written off	-	-	(2,394,614)	(2,394,614)
Balance as at 31st March 2025	686,434	233,784	5,110,953	6,031,171

Group

As at 31st March	2026 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
ECL allowance as at 1st April 2025 under SLFRS 9	**962,385**	**515,867**	**5,487,823**	**6,966,074**
New assets originated or purchased	**1,199,853**	**301,968**	**161,291**	**1,663,112**
Assets derecognised or repaid (excluding write offs)	**(723,682)**	**(299,825)**	**(593,295)**	**(1,616,802)**
Transfers to Stage 2 and 3	**(186,034)**	**91,785**	**94,249**	**-**
Transfers to Stage 1 and 3	**9,269**	**(149,954)**	**140,685**	**-**
Transfers to Stage 1 and 2	**9,702**	**30,410**	**(40,112)**	**-**
Impact on year end ECL of exposures transferred between stages during the year	**172,494**	**(44,540)**	**(926,556)**	**(798,602)**
Changes to models and inputs used for ECL calculations	**11,559**	**66,290**	**1,316,256**	**1,394,105**
Amounts written off	**-**	**-**	**(1,888,696)**	**(1,888,696)**
Foreign exchange adjustments	**332**	**178**	**1,895**	**2,405**
Balance as at 31st March 2026	**1,455,878**	**512,179**	**3,753,540**	**5,721,596**

As at 31st March	2025 Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000
ECL allowance as at 1st April 2024 under SLFRS 9	609,726	434,107	8,668,685	9,712,517
New assets originated or purchased	757,265	170,889	317,999	1,246,153
Assets derecognised or repaid (excluding write offs)	(277,542)	(319,397)	(622,541)	(1,219,480)
Transfers to Stage 2 and 3	(351,412)	264,128	87,284	-
Transfers to Stage 1 and 3	5,838	(161,873)	156,035	-
Transfers to Stage 1 and 2	3,559	81,671	(85,230)	-
Impact on year end ECL of exposures transferred between stages during the year	54,959	70,279	(604,334)	(479,096)
Changes to models and inputs used for ECL calculations	209,592	30,641	21,127	261,360
Amounts written off	-	-	(2,394,614)	(2,394,614)
Foreign exchange adjustments	(49,600)	(54,578)	(56,588)	(160,766)
Balance as at 31st March 2025	962,385	515,867	5,487,823	6,966,074

Notes to the Financial Statements

26. Insurance and Reinsurance Receivables

Accounting Policy

Insurance - Product Classification

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders, if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable, if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired.

Insurance Receivables

Insurance receivables satisfy the contractual cash flow characteristic test (SPPI test) as the return solely represent capital and interest. Even though there were no interest charge for insurance receivables, they satisfy the SPPI test as they are considered to be short term and credit risk doesn't exist to charge interest. Upon completion of the SPPI test, the management elected the business model of hold to collect the contractual cash flows and measure the instrument at amortised cost as these are short term in nature. Since these are short term balances without a financing component, amortised cost will be equal to carrying value. Based on the three stages; performing (stage 1), under-performing (stage 2), nonperforming (stage 3), the Company provides ECL on 12 months ECL and lifetime ECL weighted among several scenarios.

De-recognition due to substantial modification of terms and conditions

Group de-recognises premium receivables, when the terms and conditions have been re-negotiated to the extent that, substantially, it becomes a new insurance contract, with the difference recognised as a separate asset or liability. The newly recognised insurance contracts are classified as stage 1 for ECL measurement purposes.

When assessing whether or not to de-recognise a insurance premium receivable, amongst others, Group considers the following factors:

- Loss of insurable interest
- Change in counterparty

Assessment of impairment of insurance receivables

The Group assessed the impairment provision based on the ECL method.

Reinsurance receivable

The Company cedes insurance risk to reinsurance in the normal course of business. Reinsurance receivables represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

According to the characteristics relating to reinsurance receivables, the instruments qualify the contractual cash flow characteristic test (SPPI test) as the return solely represent capital and interest. Even though there were no interest charge for reinsurance receivables, they satisfy the SPPI test as they are considered to be short-term and credit risk doesn't exist to charge interest. Upon completion of the SPPI test, the management elected the business model of hold to collect the contractual cash flows and measure the instrument at amortised cost as these are short-term in nature. Since these are short-term balances without a financing component, the amortised cost will be equal to carrying value.

Assessment of impairment of reinsurance receivables

Reinsurance receivables of the Company are not qualified for ECL model based on SLFRS 4 - Insurance Contracts, section 20. Impairment losses will be recognised on reinsurance receivables, if and only if, there is no objective evidence, as a result that occurred after initial recognition of the reinsurance assets, that the Company may not receive all amounts due to it under the terms of the contract; and that event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

Deferred Expenses

Deferred Acquisition Costs (DAC)

Costs of acquiring new businesses including commission, underwriting, marketing and policy issuance expenses which vary with and directly related to production of new businesses are deferred to the extent that these costs are recoverable out of future premiums. All other acquisition costs are recognised as an expense when incurred. Subsequent to initial recognition, deferred acquisition costs (DAC) are amortised over the period on the basis unearned premium is amortised.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

DAC are derecognised when the related contracts are either expired or cancelled.

An impairment review of DAC is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in the statement of profit or loss. DACs are also considered in the liability adequacy test for each reporting period.

Reinsurance Commissions

Commissions receivable on outwards reinsurance contracts are deferred and amortised on a straight line basis over the term of the expected premiums payable.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Reinsurance receivables	-	-	1,550,728	409,604
Insurance Receivables	-	-	1,544,875	1,288,750
Total	-	-	3,095,603	1,698,354
Fair value	-	-	3,095,603	1,698,354

Notes to the Financial Statements

27. Financial Assets - Fair Value through Other Comprehensive Income

Accounting Policy

Upon initial recognition, the Company occasionally elects to classify irrevocably some of its equity investments held for strategic purpose, as equity instruments at FVOCI when they meet the definition of Equity under LKAS 32 "Financial Instruments: Presentation" and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit or loss instead directly transferred to retained earnings at the time of derecognition. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

Unrealised gains and losses were recognised in Equity through OCI in the "Fair value reserve". When these financial investments were disposed, the cumulative gain or loss previously recognised in fair value reserve transfered to retained earnings. Dividend earned while holding financial assets - FVOCI were recognised in the Income Statement as "Operating income" when the right to receive the payment had been established. Equity Instruments at FVOCI are not subject to an impairment assessment.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Equity securities	27.1	**87,292**	315,005	**87,292**	315,005
Treasury bills		**-**	-	**-**	535,342
Debentures	27.1	**998,616**	977,135	**998,616**	977,135
Total		**1,085,908**	1,292,140	**1,085,908**	1,827,482
Fair value		**1,085,908**	1,292,140	**1,085,908**	1,827,482

27.1 Equity & Debt securities - Company

		2026			2025		
As at 31st March	Note	Shares/ Debentures	Cost of Investment Rs. '000	Market Value Rs. '000	Shares/ Debentures	Cost of Investment Rs. '000	Market Value Rs. '000
Quoted Investments							
People's Merchant Finance PLC		**7,724,108**	**48,379**	**87,282**	25,014,002	237,633	180,101
Asiri Hospital Holdings PLC		**-**	**-**	**-**	500,000	20,730	12,900
Windforce PLC		**-**	**-**	**-**	1,000,000	18,489	25,000
Lanka Credit And Business Finance PLC		**-**	**-**	**-**	5,000,000	50,000	13,000
Sanasa Development Bank PLC		**-**	**-**	**-**	2,320,270	215,532	83,994
Subtotal		**-**	**48,379**	**87,282**	-	542,384	314,995
Unquoted Investments							
Credit Information Bureau of Sri Lanka	27.2	**200**	**10**	**10**	200	10	10
Subtotal				**10**			10
Debenture investments							
Ceylon Electricity Board		**9,180,900**	**1,000,086**	**998,616**	9,180,900	1,000,086	977,135
Subtotal			**1,000,086**	**998,616**	9,180,900	1,000,086	977,135
Total			**1,048,475**	**1,085,908**		1,542,480	1,292,140

27.2 Reconciliation of fair value measurement for unquoted equity securities under level 3 hierarchy

27.2.1 Credit Information Bureau of Sri Lanka

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1st April	**10**	10	**10**	10
Remeasurement recognised in OCI	**-**	-	**-**	-
Balance as at 31st March	**10**	10	**10**	10

28. Debt Instrument - Amortised Cost

Accounting Policy

As per SLFRS 9, "Financial investments" are measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, these are subsequently measured at amortised cost (gross carrying amount using the EIR, less provision for impairment). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in "Interest Income" while the losses arising from impairment are recognised in "impairment charges for loans and other losses" in the Income Statement.

			Company		Group	
As at 31st March	Note	Page	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Treasury bills			**7,338,310**	5,161,177	**7,338,310**	5,161,177
Treasury bonds			**-**	-	**1,468,657**	4,320,266
Unquoted preference shares			**-**	-	**959,960**	1,116,718
Debentures	28.1		**-**	-	**1,030,154**	963,111
Total			**7,338,310**	5,161,177	**10,797,081**	11,561,272
Fair value			**7,339,639**	4,866,785	**14,155,396**	11,839,300

Notes to the Financial Statements

28.1 Debentures

			Group			
			2026		2025	
	Rate	Maturity date	No. of Debentures	Carrying Value Rs. '000	No. of Debentures	Carrying Value Rs. '000
DFCC Bank PLC	13.00%	29-Mar-25	-	-	844,500	95,475
	11.00%	12-Jun-25	-	-	1,190,000	129,429
MTD Walkers PLC	11.75%	30-Sep-19	254,784	26,954	254,784	26,954
Ceylon Electricity Board	9.35%	15-Apr-26	4,000,000	435,802	4,000,000	405,035
LOLC PLC	10.25%	24-Feb-26	-	-	3,000,000	333,629
Hayleys PLC	11.15%	23-Mar-33	3,000,000	300,714	-	-
Hayleys PLC	10.23%	23-Mar-31	2,000,000	200,438	-	-
DFCC Bank PLC	10.25%	21-Nov-29	904,600	93,657	-	-
Subtotal				1,057,565		990,522
Less : Allowance for expected credit losses				(27,411)		(27,412)
Total				1,030,154		963,110

Total allowance for expected credit loss stemmed from 12 months ECL since all investments under this category are investment grade instruments.

29. Investments in Subsidiaries

Accounting Policy

Investments in subsidiaries are stated at cost, net of any impairment losses which are charged to the Statement of Profit or Loss in the Company's Financial Statements and it is in accordance with the Sri Lanka Accounting Standard LKAS 27 on 'Consolidated and Separate Financial Statements'.

Subsidiaries are entities that are controlled by the Group/Company. Subsidiaries are consolidated from the date on which control is transferred to the Company and continue to be consolidated until the date when such control ceases. The Company is presumed to control an investee when it is exposed, or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Intra-group balances and transactions, income, expenses and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the Consolidated Financial Statements.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by the Company.

Non-controlling interests are presented separately in the consolidated Statement of Profit or Loss and within equity in the consolidated Statement of Financial Position, but separate from parent shareholders' equity. Any losses applicable to the non-controlling interests are allocated against the interests of the non-controlling interest even if this results in a deficit balance. Acquisitions of non-controlling interests are accounted for using the parent entity extension method, whereby the difference between the consideration and the fair value of the share of the net assets acquired is recognised as equity.

All subsidiaries of the Company have been incorporated in Sri Lanka other than Alliance Finance PLC which is incorporated in Bangladesh. A list of subsidiaries with there principal activities are given in the Note 1.2.

Company

	2026			2025		
As at 31st March	Holding %	Cost Rs. '000	Directors'/ market valuation Rs. '000	Holding %	Cost Rs. '000	Directors'/ market valuation Rs. '000
People's Leasing Fleet Management Limited	**100.00**	**175,000**	**364,967**	100.00	175,000	217,016
People's Leasing Property Development Limited	**100.00**	**892,215**	**2,524,509**	100.00	892,215	2,560,499
People's Leasing Havelock Properties Limited	**100.00**	**651,000**	**1,779,117**	100.00	600,000	1,762,366
People's Micro-commerce Ltd	**100.00**	**150,000**	**1,056,834**	100.00	150,000	770,956
People's Insurance PLC	**75.00**	**663,750**	**3,986,106**	75.00	663,750	4,352,644
Alliance Finance PLC	**51.00**	**1,351,186**	**1,779,525**	51.00	1,351,186	1,676,604
Total		**3,883,151**	**11,491,058**		3,832,151	11,340,085

Subsidiaries are not quoted in the Colombo stock exchange except People's Insurance PLC. The directors' valuation of investment in subsidiaries except for People's Insurance PLC has been carried out on net asset basis. People's Insurance PLC has been valued at market value basis.

The following table summaries the information relating to the Group's subsidiary that has a material non-controlling interest (NCI).

	2026			2025		
For the year ended 31st March	People's Insurance PLC Rs. '000	Alliance Finance PLC Rs. '000	Total Rs. '000	People's Insurance PLC Rs. '000	Alliance Finance PLC Rs. '000	Total Rs. '000
Non-controlling interest (NCI) percentage	**25%**	**49%**		25%	49%	
Net operating income	**5,265,665**	**602,361**	**5,868,026**	5,190,003	461,827	5,651,830
Less : Operating expenses	**4,677,691**	**436,615**	**5,114,306**	4,521,576	367,578	4,889,154
Profit before income tax	**587,974**	**165,746**	**753,720**	668,427	94,249	762,676
Less : Income tax expense	**135,943**	**94,122**	**230,065**	287,941	101,717	389,658
Profit for the year	**452,031**	**71,624**	**523,655**	380,486	(7,468)	373,018
Profit allocated to Non-controlling interest (NCI)	**113,008**	**35,096**	**148,104**	95,121	(3,659)	91,462

Notes to the Financial Statements

For the year ended 31st March	2026 People's Insurance PLC Rs. '000	2026 Alliance Finance PLC Rs. '000	2026 Total Rs. '000	2025 People's Insurance PLC Rs. '000	2025 Alliance Finance PLC Rs. '000	2025 Total Rs. '000
Cash and cash equivalents	**1,217,707**	**140,200**	**1,357,907**	367,750	254,227	621,977
Balances with banks & financial institutions	**6,098,684**	**1,474,781**	**7,573,465**	3,248,407	987,912	4,236,319
Loans and receivables	**266,715**	**12,783,944**	**13,050,659**	163,744	11,035,982	11,199,726
Insurance and reinsurance receivables	**3,897,861**	**-**	**3,897,861**	2,298,818	-	2,298,818
Financial assets - Fair value through other comprehensive income	**-**	**-**	**-**	535,342	-	535,342
Debt Instrument at amortised cost	**2,498,811**	**959,960**	**3,458,771**	5,283,377	1,116,718	6,400,095
Property, plant and equipment,Right of use assets & intangible assets	**288,178**	**93,215**	**381,393**	358,210	133,412	491,622
Other assets	**1,762,848**	**193,346**	**1,956,194**	1,233,233	182,948	1,416,181
Total assets	**16,030,804**	**15,645,446**	**31,676,250**	13,488,881	13,711,199	27,200,080
Due to banks	**271,037**	**2,959,805**	**3,230,842**	46,076	2,310,221	2,356,297
Due to customers	**-**	**8,553,478**	**8,553,478**	-	7,489,978	7,489,978
Other financial liabilities	**1,448,077**	**453,011**	**1,901,088**	1,553,726	433,654	1,987,380
Other liabilities	**565,182**	**189,887**	**755,069**	533,351	189,887	723,238
Insurance liabilities and reinsurance payable	**7,619,986**	**-**	**7,619,986**	5,595,322	-	5,595,322
Total liabilities	**9,904,282**	**12,156,181**	**22,060,463**	7,728,475	10,423,740	18,152,215
Net assets value	**6,126,520**	**3,489,265**	**9,615,786**	5,760,406	3,287,459	9,047,865

30. Investment Property

Accounting Policy

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions at the Statement of Financial Position date. Gains or losses arising from changes in fair value are included in the Statement of Profit or Loss in the year in which they arise.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements, and accounted for as per Sri Lanka Accounting Standard - LKAS 16 - "Property, Plant and Equipment".

Derecognition
Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Profit or Loss in the year of retirement or disposal.

Transfers to/from Investment Property
Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Company as an owner occupied property becomes an investment property, the Company, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.
For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of Profit or Loss. When the Company completes the construction or development of a self constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Statement of Profit or Loss.

Fair Value of Investment Property
Investment property of the Group and Company is reflected at fair value. When current market prices of similar assets are available, such evidences are considered in estimating fair values of these assets. In the absence of such information, the Group and Company determines within a reasonable fair value estimates, amounts that can be attributed as fair values, taking into consideration of the discounted cash flow projections based on the estimates, derived from the evidence such as current market rents for similar properties and using discount rates that reflect uncertainty in the amount and timing of cash flows.

Determining Fair Value
External and independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio every year. In financial periods within that period the fair value is determined by the board of directors.

The fair values are based on market values, being the estimated amount for which a property could be sold in an orderly transaction between market participants at the measurement date.

Investment Property Leased within the Group
Any property leased out to parent or subsidiary is considered as owner-occupied from the perspective of the Group and adjustments are made for consolidation purposes.

Owner Occupied Properties and Investment Property:
In determining if a property qualifies as Investment Property the Group/Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services are significant, so that a property does not qualify as investment property.

Notes to the Financial Statements

As at 31st March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Balance as at 1st April	**302,000**	295,465	**1,375,175**	1,305,512
Addition during the year	**-**	-	**-**	-
Gain from fair value adjustment	**(8,318)**	6,535	**(8,318)**	69,663
Adjustment due to change in intention	**-**	-	**-**	-
Disposal during the year	**-**	-	**-**	-
Transfer during the year	**-**	-	**-**	-
Balance as at 31st March	**293,682**	302,000	**1,366,857**	1,375,175

30.1 Valuation of Investment Properties

Company

Location	Address	Date of Valuation	Method of Valuation	Land Extent (Perches)	Number of Building	Bilding Area (Sq ft.)	2026 Cost Rs.'000	2026 Revaluation Rs.'000	2025 Revaluation Rs.'000
Penideniya -Kandy	No.210, Daulagala Road, Penideniya.	31.03.2026	MCM	13.5	1	10,948	60,000	48,322	63,000
Uragasmanhandiya Ambalangoda	No.490D, Siripura, Nawadagala.	31.03.2026	MCM	35.00	-	-	11,961	14,000	14,000
Katugasthota-Kandy	No.396, Katugasthota Road, Kandy	31.03.2026	MCM	26.45	1	2,355	213,000	231,360	225,000
Total					2		284,961	293,682	302,000

The company carries investment property at Market Value. Valuation of the above company investment properties were carried out as at 31.03.2026 by S.A.M.A. Perera (MRICS.U.K), Chartered valuation Surveyor, who is professional independent valuer. There are three lands located at; Pendeniya – Kandy, Katugasthota – Kandy and Urugasmanhandiya – Ambalangoda.

Group

Land and building at No. 7 and 9, Havelock Road, Colombo 5 is rented to People's Bank, People's Insurance PLC and People's Leasing & Finance PLC by the People's Leasing Havelock Properties Limited during the year. In the Group Financial Statements, such property have separated and part rented to People's Bank has been clarified as Investment Property to the Group. Basis for the separation is based on the number of sq.ft rented.

The Group carries investment property at Market value. Market valuation of the above investment property (except for Company investment property) was carried out as at 31st December 2025 by Mr. K.T.D.Tissera, FRICS (Eng), who is independent valuer not connected with the Company. Details of valuation of Group investment properties other than company included in note 32.4 on page 387.

Rent income recognized in respect to the above investment property is disclosed in Note 10 on page 333.

Direct operational expenses recognized in respect to the above investment property is disclosed in Note 15 on page 338.

31. Other Assets

Accounting Policy

The Company and the Group classify all their other assets as other financial assets and other non financial assets. Other non financial assets mainly comprises of advance payments, VAT recoverable, inventory and sundry receivables. Advance payments are carried at historical cost.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Other financial assets - Insurance Commission		**136,919**	76,511	**-**	-
Non financial assets	31.1	**1,265,409**	964,147	**1,385,421**	1,065,584
Total		**1,402,328**	1,040,658	**1,385,421**	1,065,584

31.1 Non Financial Assets

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Advance payments		**229,473**	205,535	**234,875**	279,166
Inventories		**42,738**	47,257	**65,667**	72,805
Prepaid Expense		**223,652**	184,623	**53,160**	62,870
Unamortised cost on staff loans (Day 1 difference)	31.2	**546,908**	263,086	**546,920**	263,170
Deferred expenses		**-**	-	**5,145**	(29,144)
Other receivables		**222,638**	263,646	**479,654**	416,717
Total		**1,265,409**	964,147	**1,385,421**	1,065,584

31.2 Unamortised cost on staff loans (Day 1 difference)

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1st April		**263,086**	383,859	**263,170**	384,218
Charge for the year		**283,822**	(120,773)	**283,750**	(121,048)
Balance as at 31st March		**546,908**	263,086	**546,920**	263,170

Notes to the Financial Statements

32. Property, Plant and Equipment

Accounting Policy

Basis of Recognition

Property, Plant and Equipment are tangible items that are held for servicing, or for administrative purposes, and are expected to be used during more than one year.

Property, Plant and Equipment is recognised if it is probable that future economic benefits associated with the asset will flow to the Group and cost of the asset can be measured reliably.

Basis of Measurement

An item of Property, Plant and Equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to or replace a part of it. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring at the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of computer equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The Company and Group apply the cost model to property, plant and equipment and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of day to day servicing of property, plant and equipment are charged to the Statement of Profit or Loss as incurred.

Repairs & Maintenance

Repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing assets will flow to the Company and Group and the renovation replaces an identifiable part of the asset. Major renovations are depreciated during the remaining useful life of the related asset.

Derecognition

Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' in the Statement of Profit or Loss in the year the asset is derecognised.

Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight–line basis over the estimated useful lives of each part of an item of property, plant and equipment since this method most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land is not depreciated.

The estimated useful lives are as follows;

Class of asset	% per annum	Period
Freehold buildings	2	50 years
Improvement of leasehold property	25	4 years
Motor vehicles	12.5 - 20	5 - 8 years
Computer hardware	20	5 years
Office equipments	10 - 20	5 -10 years
Furniture's and fittings	20	5 years

The above rates are consistently used by all the Group entities. The depreciation rates are determined separately for each significant part of an item of property, plant and equipment and commence to depreciate when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Useful Lives of Property, Plant and Equipment

The Group and Company depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group and Company intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group/Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

32.1 Property, Plant and Equipment - Company

	Freehold Land and Buildings Rs. '000	Improvement of Leasehold properties Rs. '000	Motor Vehicles Rs. '000	Computer Hardware Rs. '000	Office Equipments Rs. '000	Furniture and fittings Rs. '000	Total Rs. '000
Cost							
Balance as at 1st April 2025	**1,045,998**	**56,872**	**427,852**	**945,143**	**900,721**	**456,610**	**3,833,196**
Additions	**-**	**-**	**62,034**	**277,858**	**161,247**	**63,786**	**564,925**
Disposals	**-**	**-**	**(12,250)**	**(45,410)**	**(6,210)**	**(3,352)**	**(67,222)**
Transfers/adjustments	**(581)**	**-**	**-**				**(581)**
Balance as at 31st March 2026	**1,045,417**	**56,872**	**477,636**	**1,177,591**	**1,055,758**	**517,044**	**4,330,318**
(Less): Accumulated depreciation							
Balance as at 1st April 2025	**5,118**	**56,872**	**144,097**	**731,370**	**692,572**	**415,371**	**2,045,400**
Charge for the year	**471**	**-**	**24,820**	**96,486**	**80,232**	**18,640**	**220,649**
Disposals	**-**	**-**	**(2,297)**	**(45,410)**	**(8,358)**	**(3,352)**	**(59,417)**
Transfers/adjustments	**-**	**-**					**-**
Balance as at 31st March 2026	**5,589**	**56,872**	**166,620**	**782,446**	**764,446**	**430,659**	**2,206,632**
Net book value at 31st March 2026	**1,039,828**	**-**	**311,016**	**395,145**	**291,312**	**86,385**	**2,123,686**

	Freehold Land and Buildings Rs. '000	Improvement of Leasehold properties Rs. '000	Motor Vehicles Rs. '000	Computer Hardware Rs. '000	Office Equipments Rs. '000	Furniture and fittings Rs. '000	Total Rs. '000
Cost							
Balance as at 1st April 2024	723,542	56,872	427,978	803,282	800,035	436,983	3,248,692
Additions	322,456	-		141,545	100,990	20,990	585,981
Disposals	-	-	(126)		(604)	(747)	(1,477)
Transfers/adjustments	-	-	-	316	300	(616)	-
Balance as at 31st March 2025	1,045,998	56,872	427,852	945,143	900,721	456,610	3,833,196
(Less): Accumulated depreciation							
Balance as at 1st April 2024	4,647	56,872	118,452	674,218	629,407	403,714	1,887,310
Charge for the year	471	-	24,848	57,711	63,073	13,020	159,123
Disposals	-	-	(78)		(208)	(747)	(1,033)
Transfers/adjustments	-	-	875	(559)	300	(616)	-
Balance as at 31st March 2025	5,118	56,872	144,097	731,370	692,572	415,371	2,045,400
(Less): Impairment charges	-	-	-	-	-	-	-
Net book value at 31st March 2025	1,040,880	-	283,755	213,773	208,149	41,239	1,787,796

Notes to the Financial Statements

32.2 Property, Plant and Equipment - Group

	Freehold Land and Buildings Rs. '000	Improvement of Leasehold properties Rs. '000	Motor Vehicles Rs. '000	Computer Hardware Rs. '000	Office Equipments Rs. '000	Furniture and fittings Rs. '000	Total Rs. '000
Cost							
Balance as at 1st April 2025	**4,009,545**	**58,583**	**319,142**	**1,159,682**	**1,294,314**	**595,944**	**7,437,210**
Additions	**-**	**-**	**73,849**	**373,989**	**217,130**	**92,535**	**757,503**
Disposals	**-**	**-**	**(45,050)**	**(55,349)**	**(10,123)**	**(3,352)**	**(113,874)**
Transfers/adjustments	**(581)**	**-**	**-**	**-**	**-**	**-**	**(581)**
Exchange rate variance	**-**	**-**	**698**	**1,820**	**868**	**494**	**3,880**
Fair value adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31st March 2026	**4,008,964**	**58,583**	**348,639**	**1,480,142**	**1,502,189**	**685,621**	**8,084,138**
(Less): Accumulated depreciation							
Balance as at 1st April 2025	**636,806**	**57,349**	**161,553**	**872,601**	**921,754**	**505,446**	**3,155,509**
Charge for the year	**63,674**	**-**	**40,496**	**128,385**	**105,755**	**32,021**	**370,331**
Disposals	**-**	**-**	**(5,758)**	**(55,349)**	**(12,265)**	**(3,352)**	**(76,724)**
Exchange rate variance	**-**	**-**	**1,407**	**4,625**	**4,149**	**1,625**	**11,806**
Balance as at 31st March 2026	**700,480**	**57,349**	**197,698**	**950,262**	**1,019,393**	**535,740**	**3,460,922**
Net book value at 31st March 2026	**3,308,484**	**1,234**	**150,941**	**529,880**	**482,796**	**149,881**	**4,623,216**

	Freehold Land and Buildings Rs. '000	Improvement of Leasehold properties Rs. '000	Motor Vehicles Rs. '000	Computer Hardware Rs. '000	Office Equipments Rs. '000	Furniture and fittings Rs. '000	Total Rs. '000
Cost							
Balance as at 1st April 2024	3,687,089	58,583	270,198	960,045	1,151,476	550,586	6,677,977
Additions	322,456	-	59,213	206,960	142,894	51,934	783,457
Additions due to acquisition of subsidiary	-	-		-	-	-	-
Disposals	-	-	(8,575)	-	(1,211)	(807)	(10,593)
Transfers/adjustments	-	-	-	316	3,981	(4,297)	-
Exchange rate variance	-	-	(1,694)	(7,639)	(2,826)	(1,472)	(13,631)
Balance as at 31st March 2025	4,009,545	58,583	319,142	1,159,682	1,294,314	595,944	7,437,210
(Less): Accumulated depreciation							
Balance as at 1st April 2024	573,132	57,349	129,809	804,842	844,767	488,389	2,898,288
Charge for the year	63,674	-	36,176	71,168	80,865	19,547	271,430
Disposals	-	-	(4,587)	-	(1,531)	(795)	(6,913)
Transfers/adjustments	-	-	875	(559)	300	(616)	-
Exchange rate variance	-	-	(720)	(2,850)	(2,647)	(1,079)	(7,296)
Balance as at 31st March 2025	636,806	57,349	161,553	872,601	921,754	505,446	3,155,509
Net book value at 31st March 2025	3,372,739	1,234	157,589	287,081	372,560	90,498	4,281,701

32.3 Fully Depreciated Property, Plant and Equipment

The initial cost of fully depreciated property, plant and equipment, which are still in use as at reporting date is as follows.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Improvement of leasehold properties	**56,872**	56,872	**56,872**	56,872
Motor vehicles	**107,433**	107,261	**107,837**	107,665
Computer hardware	**580,323**	590,742	**671,885**	691,159
Office equipment	**608,930**	555,623	**708,824**	630,828
Furniture and fittings	**398,817**	385,185	**466,169**	446,990
Total	**1,752,375**	1,695,683	**2,011,587**	1,933,514

32.4 Group Freehold lands & buildings

Location	Address	Date of Valuation	Method of Valuation	Land Extent (perches)	Number of Building	Building Area (Sq.Ft)	2026 Cost Rs. '000	2026 Revaluation Rs. '000	2025 Revaluation Rs. '000
People's Leasing & Finance PLC									
Vehicle yards									
Makola	No. 496, Makola North, Makola	31.12.2025	MCM	90	1	11,600	7,632	70,000	53,000
Mabima	No. 225/D, Nayagala Road, Heiyantuduwa, Mabima	31.12.2025	MCM	330.75	1	820	22,532	118,000	88,000
Meegahamulla	Kandepalla, Beligamuwa, Galewala	31.12.2025	MCM	260	1	1,836	27,558	58,000	31,000
Monaragala	No. 10, Pothuwil Road, Monaragala	31.12.2025	MCM	125.9	1	1,376	46,905	100,000	100,000
Administrative purpose									
Bandarawela	No. 35/2D, Welimada Road, Bandarawela	31.12.2025	MCM	8.3	1	5,194	31,257	60,000	50,000
Jaffna	No. 10, Mahathma Gandhi Road, Jaffna	31.12.2025	MCM	44.72	-	-	45,764	214,000	155,063
Matara	No. 367, Anagarika Darmapala Mawatha Matara	31.12.2025	MCM	40	-	-	93,599	220,000	120,000
Kandy	No. 296, Senanayaka Road, Kandy	31.12.2025	MCM	47.1	-	-	142,711	233,700	203,700
Anuradhapura	No. 50, Maithripala Senanayake Road, Anuradhapura	31.12.2025	MCM	40.51	-	-	155,882	222,805	182,295
Colombo	No 10d/8 Kaduwela	31.12.2025	MCM	94.3	-	-	149,702	295,000	260,000
Colombo	No. 1173,Maradana Road,Colombo 08.			27.09	-	-	321,875	321,875	322,456
Subtotal					5		1,045,417	1,913,380	1,565,514
People's Leasing Property Development Limited									
Borella	No. 1161, Maradana Road, Colombo 08	31.12.2025	MCM	104.9	2	127,621	1,532,414	3,700,000	3,700,000
Subtotal					2		1,532,414	3,700,000	3,700,000
People's Leasing Havelock Properties Limited									
Colombo 05*	No. 07, Havelock Road, Colombo 05	31.12.2025	MCM	111.45	1	84,024	2,059,690	3,500,000	3,400,000
Subtotal					1		2,059,690	3,500,000	3,400,000
Total					8		4,637,521	9,113,380	8,665,514

Notes to the Financial Statements

MCM : Market Comparable Method
* Land and building value of Rs.628,556,600 is clasiffied as investment property and Rs. 1,431,133,056 is clasiffied as property, plant and equipment in the group financial statements.

Market valuation of the above Land & Buildings was carried out by Mr. K.T.D. Tissera, FRICS (Eng), who is independent valuer not connected with the Company. Investment method, Contractor's Test method and Comparison method have been used for the valuation. Freehold land and buildings of the Company are considered under Level 3 of fair value hierarchy.

Temporarily idle property, plant and equipment
There were no property, plant and equipment of the Group/Company idle as at 31st March 2026 and 31st March 2025.

Property, plant and equipment retired from active use
There were no property, plant and equipment of the Group/Company retired from active use as at 31st March 2026 and 31st March 2025.

Title restriction on property, plant and equipment
There were no restriction on the title of property, plant and equipment of the Group/Company as at 31st March 2026 and 31st March 2025.

Property, plant and equipment pledged as security for liabilities
There were no items of property, plant and equipment of the Group/Company pledged as securities for liabilities other than disclosed in Note 54 on page 417 (asset pledged) to the Financial Statements.

Compensation from third parties for items of property, plant and equipment
There were no compensation received during the year from third parties for items of property, plant and equipment of the Group/Company that were impaired, lost or given up.

Unobservable input used in measuring fair value
Significant unobservable input used in measuring non-financial assets categorised as level 3 in fair value hierarchy disclosed in to Note - 21.6 on page 347 to the Financial Statements.

33. Right of Use Assets

Accounting Policy

SLFRS 16 – Leases

Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts for branches/head office that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

Prepaid lease rentals paid to acquire land use rights are amortised over the lease term in accordance with the pattern of benefits provided. Leasehold property comprising of land use rights and is amortised on a straight line basis over the remaining lease term.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Cost				
Balance as at 1st April	**4,840,499**	3,815,915	**3,370,393**	2,766,130
Transfer from other asset (Prepaid rentals)	**9,177**	28,362	**9,177**	28,362
	4,849,676	3,844,277	**3,379,570**	2,794,492
Additions	**805,038**	996,222	**945,888**	584,348
Disposals	**(118,164)**	-	**(118,164)**	-
Exchange rate variance	**-**	-	**13,516**	(8,447)
Balance as at 31st March	**5,536,550**	4,840,499	**4,220,810**	3,370,393
(Less): Accumulated amortisation				
Balance as at 1st April	**2,968,331**	2,455,140	**1,816,991**	1,479,098
Amortisation	**522,467**	513,191	**399,554**	343,657
Transfer to net investment in lease	**-**	-	**-**	-
Disposal	**(68,677)**	-	**(68,677)**	-
Exchange rate variance	**-**	-	**12,722**	(5,764)
Balance as at 31st March	**3,422,121**	2,968,331	**2,160,590**	1,816,991
Net book value at 31st March	**2,114,429**	1,872,168	**2,060,220**	1,553,402

Notes to the Financial Statements

34. Goodwill and Intangible Assets

Accounting Policy

The Group's intangible assets include the goodwill and customer list which acquired in business combination and value of computer software.

Basis of Recognition
An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group/Company in accordance with the Sri Lanka Accounting Standard- LKAS 38 - 'Intangible Assets'.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are stated in the Statement of Financial Position at cost less any accumulated amortisation and any accumulated impairment losses if any.

Subsequent Expenditure
Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Useful Economic Lives, Amortisation and Impairment
The useful economic lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates in accordance with LKAS 8. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight– line method to write down the cost of intangible assets to their residual values over their estimated useful economic lives at the rates as specified below;

Class of asset	% per annum	Period
Computer software	20	5 years

unamortised balances of intangible assets with finite lives are reviewed for impairment annually and whenever there is an indication for impairment and recognised in Statement of Profit or Loss to the extent that they are no longer probable of being recovered from the expected future benefits.

Goodwill that arises upon the acquisition of subsidiary is included in intangible assets. Goodwill is initially measured at cost. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss in such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

Goodwill with infinite useful lives are assessed for impairment annually. The assessment of infinite life is reviewed annually to determine whether the infinite life continues to be supportable.

Derecognition
Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in in the Statement of Profit or Loss in the year the asset is derecognised.

As at 31st March	Company			Group		
	Computer software Rs. '000	Goodwill Rs. '000	Total Rs. '000	Computer software Rs. '000	Goodwill Rs. '000	Total Rs. '000
Cost						
Balance as at 1st April 2025	**252,494**	**308,545**	**561,039**	**336,549**	**417,099**	**753,648**
Additions	**82,420**	**-**	**82,420**	**91,182**	**-**	**91,182**
Exchange rate variance	**-**	**-**	**-**	**1,716**	**-**	**1,716**
Balance as at 31st March 2026	**334,914**	**308,545**	**643,459**	**429,447**	**417,099**	**846,546**
(Less): Accumulated amortisation						
Balance as at 1st April 2025	**217,775**	**308,545**	**526,320**	**272,552**	**308,545**	**581,097**
Amortisation	**23,766**	**-**	**23,766**	**35,525**	**-**	**35,525**
Exchange rate variance	**-**	**-**	**-**	**(538)**	**-**	**(538)**
Balance as at 31st March 2026	**241,541**	**308,545**	**550,086**	**307,539**	**308,545**	**616,084**
Net book value at 31st March 2026	**93,373**	**-**	**93,373**	**121,908**	**108,554**	**230,462**
Cost						
Balance as at 1st April 2024	248,110	308,545	556,655	324,682	417,099	741,781
Additions	4,384	-	4,384	15,768	-	15,768
Exchange rate variance	-	-	-	(3,901)	-	(3,901)
Balance as at 31st March 2025	252,494	308,545	561,039	336,549	417,099	753,648
(Less): Accumulated amortisation						
Balance as at 1st April 2024	207,100	308,545	515,645	247,932	308,545	556,477
Amortisation	10,675	-	10,675	23,168	-	23,168
Exchange rate variance	-	-	-	1,452	-	1,452
Balance as at 31st March 2025	217,775	308,545	526,320	272,552	308,545	581,097
(Less): Impairment charges	-	-	-	-	-	-
Net book value at 31st March 2025	34,719	-	34,719	63,997	108,554	172,552

Intangible assets include fully amortised software amounting to Rs. 199,852,821 for the company and Rs. 267,797,638 for the Group as at 31st March 2026 (Rs. 199,492,821 for Company and Rs. 267,437,368 for Group as at 31st March 2025), which are still in use as at the reporting date.

Impairment Tests for Goodwill

The Group undertakes an annual test for impairment, based on value in use computation using cash flow projections based on financial budgets approved by the senior management. The discount rate of 17.86% and the projected growth rate based on GDP are the key assumptions used for this purpose. The discount rate was estimated based on an average percentage of cost of equity of the company. Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the units to exceed their recoverable amount.

There were no restrictions existed on the title of the intangible assets of the Group/Company as at the reporting date. Further, there were no items pledged as securities for liabilities. There were no capitalised borrowing costs related to the acquisition of intangible assets during the year 2025/26.

Notes to the Financial Statements

35. Due to Banks

Accounting Policy

Due to banks include bank overdrafts and long term and short term loans obtained from banks. Subsequent to initial recognition, these are measured at their amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The EIR amortisation is included in 'interest expenses' in the Statement of Profit or Loss. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognise as well as through the EIR amortisation process.

Company has not had any defaults of principal, interest or other breaches with regard to Due to Banks during 2025/26 or 2024/25.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Overdrafts	**203,608**	1,433,358	**1,334,301**	1,864,818
Term loans	**76,746,888**	10,003,215	**89,022,112**	14,964,167
Asset backed securities	**2,649,256**	-	**2,649,256**	-
Subordinated Loan	**10,133,989**	-	**10,133,989**	-
Total	**89,733,741**	11,436,573	**103,139,658**	16,828,985
Fair value	**89,594,593**	11,436,573	**105,712,382**	16,825,813

35.1 Movement of due to banks

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1 April	**10,003,215**	1,755,746	**14,964,167**	5,656,370
Amount borrowed during the year	**124,100,000**	24,500,000	**131,937,986**	26,823,963
Repayments during the year	**(48,625,770)**	(16,590,843)	**(49,966,035)**	(18,138,300)
Interest expenses during the year	**4,052,688**	338,312	**4,869,239**	622,134
Subtotal	**89,530,133**	10,003,215	**101,805,357**	14,964,167
Overdrafts	**203,608**	1,433,358	**1,334,301**	1,864,818
Balance as at 31 March	**89,733,741**	11,436,573	**103,139,658**	16,828,985

35.2 Long term loan details

Name of the borrower	Granted date	Facility amount Rs. '000	Period	Security status
Hatton National Bank PLC	27.03.2025	4,000,000	04 years	Secured
Seylan Bank PLC	28.03.2025	5,000,000	03 years	Secured
Pan Asia Bank PLC	23.06.2025	750,000	02 Years	Secured
Sampath Bank PLC	30.06.2025	5,000,000	04 years	Secured
National Development Bank PLC	22.07.2025	3,000,000	03 years	Secured
Commercial Bank of Ceylon PLC	30.07.2025	5,000,000	04 years	Secured
Seylan Bank PLC	03.09.2025	10,000,000	05 years	Secured
Pan Asia Bank PLC	09.09.2025	2,000,000	03 years	Secured
Commercial Bank of Ceylon PLC	15.10.2025	2,500,000	04 years	Secured
Commercial Bank of Ceylon PLC	17.10.2025	2,500,000	04 years	Secured
People's Bank	27.10.2025	5,000,000	05 years	Secured
Bank of Ceylon	14.11.2025	7,000,000	04 years	Secured
DFCC Bank PLC	12.01.2026	500,000	03 years	Secured
Hatton National Bank PLC	19.01.2026	5,000,000	04 years	Secured
DFCC Bank PLC	23.01.2026	500,000	03 years	Secured
DFCC Bank PLC	28.01.2026	500,000	03 years	Secured
National Savings Bank	02.02.2026	10,000,000	04 years	Secured
DFCC Bank PLC	06.02.2026	1,000,000	03 years	Secured
Nations Trust Bank PLC	30.03.2026	2,000,000	04 years	Secured
Nations Trust Bank PLC	30.03.2026	2,000,000	04 years	Secured
National Development Bank PLC	31.03.2026	3,000,000	03 years	Secured
Subordinated Loan (Trustee Bank-Hatton National Bank PLC)	24.02.2026	10,000,000	05 years	Unsecured
Securitization Loan (Trustee Bank-National Development Bank PLC)	30.03.2026	2,650,000	05 years	Secured

*Details of the securities discloed in Note 55 on Page 420 -"Asset Pledged" to financial statements

35.3 Contractual Maturity Analysis

35.3.1 Remaining Contractual Maturity Analysis of Due to bank -Company

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Overdrafts	**203,608**	**-**	**-**	**203,608**
Long term loans	**18,895,309**	**57,132,299**	**719,280**	**76,746,888**
Asset backed securities	**350,000**	**2,299,256**	**-**	**2,649,256**
Total	**19,448,917**	**59,431,555**	**719,280**	**79,599,752**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Overdrafts	1,433,358	-	-	1,433,358
Long term loans	3,670,682	6,332,533	-	10,003,215
Total	5,104,040	6,332,533	-	11,436,573

Notes to the Financial Statements

36. Due to Customers

Accounting Policy

Due to customers include fixed deposits and savings deposits. Subsequent to initial recognition, these are measured at their amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The EIR amortisation is included in 'interest expenses' in the Statement of Profit or Loss. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised.

Deposits of 12.87 billion (2024/25 Rs.7.1 billion) held as collateral for Loans against deposits were included in Due to customers.

In compliance with the Finance Companies (Insurance of Deposit Liabilities) Direction No. 02 of 2010 all the eligible deposit liabilities have been insured with the Sri Lanka Deposit Insurance and Liquidity Support Scheme, as a safety net measure that will safeguard customer rights and confidence. The company has paid Rs. 212.10 Mn as the premium for the above insurance scheme during the year. (2024/25 -134.75 Mn).

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Fixed Deposits	**155,553,013**	117,512,800	**162,347,012**	123,067,554
Savings Deposits	**9,895,862**	7,016,884	**9,872,984**	7,001,159
Total	**165,448,875**	124,529,684	**172,219,996**	130,068,713
Fair value	**165,110,546**	124,806,329	**171,529,919**	130,118,804

36.1 Remaining Contractual Maturity Analysis of Due to Customers - Company

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Fixed Deposits	**91,478,660**	**64,074,353**	**-**	**155,553,013**
Savings Deposits	**9,721,109**	**174,753**	**-**	**9,895,862**
Total	**101,199,769**	**64,249,106**	**-**	**165,448,875**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Fixed Deposits	75,874,846	41,637,954	-	117,512,800
Savings Deposits	6,708,757	103,400	204,727	7,016,884
Total	82,583,603	41,741,354	204,727	124,529,684

36.2 Remaining Contractual Maturity Analysis of Due to Customers - Group

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Fixed Deposits	**98,938,809**	**63,172,380**	**235,823**	**162,347,012**
Savings Deposits	**9,698,231**	**174,753**	**-**	**9,872,984**
Total	**108,637,040**	**63,347,133**	**235,823**	**172,219,996**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Fixed Deposits	82,085,219	40,982,335	-	123,067,554
Savings Deposits	6,692,381	103,400	205,378	7,001,159
Total	88,777,600	41,085,735	205,378	130,068,713

37. Debt Securities Issued

Accounting Policy

Debt Securities issued represent the funds borrowed by the Company and Group for long term and short term liquidity fund requirements. Subsequent to initial recognition, these are measured at their amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR. The EIR amortisation is included in 'interest expenses' in the Statement of Profit or Loss. Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Listed Debentures	37.2	**5,062,517**	5,014,652	**5,062,517**	5,014,652
Total		**5,062,517**	5,014,652	**5,062,517**	5,014,652
Fair value		**5,007,688**	4,866,785	**5,007,688**	4,866,785

37.1 Movement of debt securities issued

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1 April	**5,014,652**	11,032,248	**5,014,652**	11,032,248
Redemption of debt securities issued		(5,362,869)	**-**	(5,362,869)
Interest expenses on debt securities issued	**432,732**	595,538	**432,732**	595,538
Interest paid on debt securities issued	**(384,867)**	(1,250,265)	**(384,867)**	(1,250,265)
Balance as at 31 March	**5,062,517**	5,014,652	**5,062,517**	5,014,652

37.2 Listed debentures

As at 31st March					Company		Group	
Issued date Maturity date	Face value Rs. '000	Interest rate	Repayment term	Type	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Senior, unsecured, redeemable,'A(+) rated								
5-Aug-2021 5-Aug-2026	4,272,360	9.00%	Annually	Type C	4,518,890	4,516,284	4,518,890	4,516,284
5-Aug-2021 5-Aug-2026	364,766	9.00%	At Maturity	Type D	543,627	498,368	543,627	498,368
	4,637,126				5,062,517	5,014,652	5,062,517	5,014,652

Notes to the Financial Statements

37.2.1 Utilisation of Funds Raised via Capital Market

Issue of listed, senior, unsecured, redeemable, rated debentures during the year 2021/22

Objective as per Prospectus	Amount allocated as per Prospectus in Rs.'000	Proposed date of utilisation as per Prospectus	Amount allocated from proceeds in Rs.'000 (A)	% of total proceeds	Amounts utilised in Rs. (B)	% of utilisation against allocation (B/A)	Clarification if not fully utilised including where the funds are invested
The funds raised through the Debenture Issue will be utilised to expand the lending portfolio of the Company	10,000,000	within 06 months from the Date of Allotment	10,000,000	100	10,000,000	100	N/A

Remaining Contractual Maturity Analysis of Debt Security -Company

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Listed Debentures	**5,062,517**	**-**	**-**	**5,062,517**
Total	**5,062,517**	**-**	**-**	**5,062,517**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Listed Debentures	384,977	4,629,675	-	5,014,652
Total	384,977	4,629,675	-	5,014,652

Remaining Contractual Maturity Analysis of Debt Security -Group

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Listed Debentures	**5,062,517**	**-**	**-**	**5,062,517**
Total	**5,062,517**	**-**	**-**	**5,062,517**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Listed Debentures	384,977	4,629,675	-	5,014,652
Total	384,977	4,629,675	-	5,014,652

38. Other Financial Liabilities

Accounting Policy

Other financial liabilities includes amount payable to suppliers, insurance payable, dividend payable and other payables.These liabilities are non interest bearing and recorded at amounts expected to be payable as at the reporting date.

All other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost.

Amount payable to suppliers
Amount payable to suppliers includes obligation to pay for vehicle suppliers in the ordinary course of business.

Insurance payable
Insurance payable includes premium amount payble to insurance companies in relation to vehicles.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Amount payable to suppliers	**4,684,283**	5,167,955	**6,381,240**	6,038,332
Insurance payable	**802,258**	600,465	**-**	-
Other payables	**532,966**	646,651	**2,168,964**	2,149,106
Total	**6,019,507**	6,415,071	**8,550,204**	8,187,438

39. Insurance Liabilities and Reinsurance Payable

Accounting Policy

Provision for net unearned premium
Provision for unearned premiums represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognised as premium income. At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognised in the Statement of Profit or Loss by setting up a provision for liability adequacy.

As required by SLFRS 4 - Insurance Contracts, the Group performs a liability adequacy test (LAT) in respect of non-life contract liabilities with the assistance of an external actuary.

Provision for gross outstanding claims
Non-life insurance contract liabilities are recognised when contracts are entered into and premiums are charged. These liabilities are known as the outstanding claims provision, which are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries.

The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are de-recognised when the contract expires, is discharged or is cancelled.

Notes to the Financial Statements

Provision for gross incurred but not reported claims
Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation.

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the Statement of Financial Position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder method, Bornheutter-Ferguson method and Frequency/Severity method.

The main assumption underlying these techniques is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium.

Insurance Contract Liabilities
Non-life Insurance Contract Liabilities
Non-life insurance contract liabilities are recognised when contracts are entered and premiums are charged. These liabilities are known as the outstanding claims provision, which are based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques. The liability is not discounted for the time value of money. No provision for equalization or catastrophe reserves is recognised. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

The provision for unearned premiums represents premiums received for risks that have not yet expired. Generally, the reserve is released over the term of the contract and is recognised as premium income. At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant non-life insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums is inadequate, the deficiency is recognized in the statement of income by setting up a provision for liability adequacy.

De-recognition of Insurance Payable
Insurance payables are derecognised when the obligation under the liability is discharged, canceled or expired.

Unexpired Risk Reserve
The calculation of premium liability requires a comparison between the Company's held unearned premium reserves less deferred acquisition cost with the expected amount decided based on the significant management judgment. In estimating the unexpired risk liability, assumptions are made on the expected net claim ratio for each of business and claim management expenses incurred whilst these policies remain exposed for claims.

Non-life Insurance Contract Liabilities

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter- Ferguson methods and Frequency/severity method.

The main assumption underlying these techniques is that a company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident periods and significant business lines, but can also be further analysed by geographical area and claim types. Large claims may be separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Similar judgments, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgment is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

All general insurance contracts are subject to a Liability Adequacy Test (LAT). The LAT was carried out by M/s. NMG Financial Services Consulting Pte Limited, Singapore.

Reinsurance liabilities represent balances due to insurance companies. Reinsurance assets or liabilities are de-recognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Insurance Liabilities	39.1	-	-	**6,624,954**	4,830,545
Reinsurance payables		-	-	**798,983**	628,243
Total		-	-	**7,423,937**	5,458,788

39.1 Insurance Liabilities

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Outstanding claims provision	-	-	**2,768,125**	1,977,060
Provision for unearned premiums (net)	-	-	**3,856,829**	2,853,485
Total	-	-	**6,624,954**	4,830,545

Notes to the Financial Statements

40. Lease Liabilities

Accounting Policy

The Company recognises lease liabilities measured at present value of lease payments to be made over the lease term at the commencement date of the lease.In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The Group applied modified retrospective approach in accordance with SLFRS 16 when adopting the standards and used 13.05% as a weighted average incremental borrowing rate in order to record the right of use assets and Lease Liabilities (2025 - 14.91%).

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1st April	**2,236,091**	1,636,537	**1,778,792**	1,554,027
Additions/renewal of operating lease agreements during the year	**805,038**	996,222	**945,888**	584,348
Accretion of interest	**281,680**	271,323	**242,802**	198,363
Payments to lease creditors	**(760,671)**	(667,991)	**(599,901)**	(557,946)
Expiration of operating lease agreements during the year	**(128,660)**	-	**(128,660)**	-
Balance as at 31st March	**2,433,478**	2,236,091	**2,238,921**	1,778,792

Sensitivity analysis of Lease liability

The impact arising from the possible changes in the incremental borrowing rate on the lease liability disclosed in Risk Management Disclosure 56.4.1 on page 444.

Remaining Contractual Maturity Analysis of Lease Liability

Company

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Lease Liability	**589,449**	**1,487,760**	**356,269**	**2,433,478**
Total	**589,449**	**1,487,760**	**356,269**	**2,433,478**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Lease Liability	561,593	1,380,554	293,944	2,236,091
Total	561,593	1,380,554	293,944	2,236,091

Group

As at 31st March 2026	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Lease Liability	**473,929**	**1,440,471**	**324,522**	**2,238,921**
Total	**473,929**	**1,440,471**	**324,522**	**2,238,921**

As at 31st March 2025	Within one year Rs. '000	1-5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Lease Liability	445,665	1,096,350	236,777	1,778,792
Total	445,665	1,096,350	236,777	1,778,792

41. Current Tax Liabilities

Accounting Policy

The Group and Company is subject to income taxes and other taxes including VAT and SSCL on financial services. Significant judgment is required to determine the total provision for current, deferred and other taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements.

The Group and Company recognized assets and liabilities for current deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income, deferred tax amounts in the period in which the determination is made.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Current tax payable	41.1	**2,048,092**	(52,589)	**2,434,236**	326,594
Total		**2,048,092**	(52,589)	**2,434,236**	326,594

41.1 Current tax liability

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1st April	**(52,589)**	295,474	**326,594**	536,436
Provision for the year	**3,228,121**	1,428,189	**3,816,233**	2,008,214
Under/(Over) provision in respect of previous year	**603,420**	(2,157)	**534,027**	(3,924)
Payment of income tax	**(1,687,665)**	(1,685,532)	**(2,009,318)**	(1,969,527)
Tax credits(*)	**(43,195)**	(88,563)	**(233,300)**	(244,605)
Balance as at 31st March	**2,048,092**	(52,589)	**2,434,236**	326,594

Notes to the Financial Statements

41.2 Withholding Tax (WHT) on Fixed Deposits and Saving Accounts

WHT/AIT has been reinstated in accordance with Sections 84 and 85 of the Inland Revenue Act No. 24 of 2017 and the amendments thereto (No. 10 of 2021 and No. 45 of 2022). As a result, starting on January 1, 2023, 5% will be applied to service fees for persons that exceed Rs. 100,000, 10% to rent for person that exceeds Rs. 100,000 and 15% to dividends. WHT/AIT on interest was increased from 5% to 10% with effect from 1 April 2025 under the Inland Revenue (Amendment) Act, No. 02 of 2025. On the income tax payment, this WHT deduction can be claimed as a tax credit.

42. Other Liabilities

Accounting Policy

Other liabilities include VAT on financial services payable,Social Security Contribution Levy (SSCL),Value Added Tax (VAT) payable, other tax payable and other payable. These Non-Financial Liabilities should be measured at amounts that would rationally be paid to settle the present obligation or amount to transfer it to a third party on the balance sheet date.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
VAT on financial services Payable	**289,599**	242,044	**304,197**	254,754
SSCL Payable	**43,776**	31,759	**77,698**	58,518
Value Added Tax (VAT) Payable	**46,443**	58,115	**214,045**	186,861
W.H.T. Payable	**114,808**	36,044	**141,323**	69,416
Crop Insurance Levy Payable	**22,345**	8,851	**22,345**	8,851
Amount payable to customers	**702,214**	527,615	**704,685**	530,766
Stamp Duty Payable	**122,137**	159,024	**126,593**	162,250
Other Payable	**433,691**	422,943	**489,625**	465,620
Total	**1,775,013**	1,486,395	**2,080,511**	1,737,036

43. Retirement Benefit Obligation

Employee Benefits

Retirement Benefit Obligation - Gratuity

The Group/Company measures the present value of the promised retirement benefits for gratuity, which is a retirement benefit plan with the advice of an independent professional actuary using the 'Projected Unit Credit method' (PUC) as required by the Sri Lanka Accounting Standard- LKAS 19 - 'Employee Benefits'.

The Retirement Benefit Plan of the Company was amended due to the increase in retirement age enacted by the Minimum Retirement Age of Workers Act No. 28 of 2021.

Recognition of Actuarial Gains and Losses

The Group/Company recognises the total actuarial gains and losses that arise in calculating the Company's obligation in respect of the plan in Statement of Comprehensive Income during the period in which it occurs.

Funding Arrangements

The gratuity liability is not externally funded.

Defined Contribution Plans -Employees' Provident Fund & Defined Contribution Plans - Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods as defined in the Sri Lanka Accounting Standard - LKAS 19 (Employee Benefits).

The contribution payable to a defined contribution plan is in proportion to the services rendered to the Company by the employees and is recorded as an expense when they become due. Unpaid contributions are recorded as a liability.

The Group/Company and employees contribute to the Employees' Provident Fund managed by the Central Bank of Sri Lanka at 12% and 8% respectively on the gross salary of each employee.

The Group/Company contributes to the Employees' Trust Fund at 3% on the gross salary of each employee.

Retirement Benefit Obligation
The cost of the retirement benefit obligation is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future gratuity increases. Due to the long term nature of such obligation, these estimates are subjected to significant uncertainty. All assumptions are reviewed at each reporting date.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 01st April		**1,000,719**	778,537	**1,155,916**	897,355
Amount recognise in Statement of Profit or Loss	43.1	**183,618**	158,224	**217,182**	206,602
Amount recognise in Statement of Comprehensive Income	43.2	**20,616**	134,126	**39,567**	143,496
Benefits paid during the year		**(27,239)**	(70,168)	**(40,025)**	(91,537)
Balance as at 31st March		**1,177,714**	1,000,719	**1,372,640**	1,155,916

43.1 Amount recognise in Statement of Profit or Loss

	Company		Group	
For the year ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Current service cost	**98,710**	64,800	**129,507**	102,887
Net interest on the net defined benefit liability	**84,908**	93,424	**87,675**	103,715
Total amount recognised in Statement of Profit or Loss	**183,618**	158,224	**217,182**	206,602

43.2 Amount recognise in Statement of Comprehensive Income

	Company		Group	
For the year ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Losses/(Gains) due to changes in assumptions	**4,198**	94,403	**5,259**	103,773
Experience Losses/(Gains) arising during the year	**16,418**	39,723	**34,308**	39,723
Total actuarial (losses)/gain recognised in Statement of Comprehensive Income	**20,616**	134,126	**39,567**	143,496

An actuarial valuation of the retirement benefit obligation was carried out as at 31 March 2026 by Messrs Units Actuaries & Consultants, a firm of professional actuaries (31 March 2025 by Messrs Actuarial & Management Consultants (Private) Limited. The valuation method used by the actuaries to value the liability is the 'Projected Unit Credit (PUC), the method recommended by the Sri Lanka Accounting Standard, LKAS 19 - 'Employee Benefits.

Notes to the Financial Statements

Company /Group

As at 31st March	2026	2025
Actuarial assumptions		
Discount rate	10.00%	10.00%
Future salary increment rate	10.00%	10.00%
Mortality	A1967/70 ultimate mortality	A1967/70 ultimate mortality
Disability	Standard RI rates	Standard RI rates
Retirement age	60 Years	60 Years

Expected average working life of the active participants is 7.6 years for the year ended 31st March 2026. (6 - 2025)

43.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measures.

The sensitivity of the Statement of Comprehensive Income and the Statement of Financial Position is the effect of the assumed changes in discount rate & salary increment rate on the employment benefit obligation for the year.

For The Year Ended 31 March		2026		2025	
		Effect on Statement of Comprehensive Income increase/ (reduction) in results for the year Rs. '000	Effect on employee benefit obligation increase/ (reduction) in the liability Rs. '000	Effect on Statement of Comprehensive Income increase/ (reduction) in results for the year Rs. '000	Effect on employee benefit obligation increase/ (reduction) in the liability Rs. '000
Increase/ (decrease) in discount rate					
	1%	1,091,799	(1,091,799)	953,451	(953,451)
	-1%	(1,275,533)	1,275,533	(1,052,656)	1,052,656
Increase/ (decrease) in salary Increment					
	1%	1,274,186	(1,274,186)	1,051,807	(1,051,807)
	-1%	(1,091,413)	1,091,413	(953,373)	953,373

43.4 Analysis of retirement benefit obligation by Maturity Profile

Following note analysed the defined benefit obligation by expected future working life time of each individual employee. The expected future working life considers the probability of an exit due to withdrawal, death or disability prior to retirement date.

For the year ended 31 March	Company		Group	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Within the next 12 months	**85,798**	149,708	**95,911**	182,914
Between 1-5 years	**412,312**	478,888	**588,856**	536,002
Beyond 5 years	**679,604**	372,123	**687,873**	437,000
Total	**1,177,714**	1,000,719	**1,372,640**	1,155,916

44. Deferred Tax Liabilities / (Assets)

GRI 207-1, 207-2

Accounting Policy

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the Statement of Profit or Loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

For the year ended 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Recognised under assets	**541,664**	213,519	**861,307**	602,599
Recognised under liabilities	**(121,897)**	(154,197)	**(431,309)**	(576,030)
Deferred tax liability/(Asset)	**419,767**	59,322	**429,998**	26,569

Net deferred tax assets/liabilities of one entity cannot set-off against another entity's assets/liabilities since there is no legally enforceable right to set-off. Therefore net deferred tax assets and liabilities of deferent entities are separately recognised in the Statement of Financial Position.

44.1 Summary of Deferred Tax

44.1.1 Movement in Deferred Tax

	Note	Company 2026 Temporary difference Rs. '000	Company 2026 Tax effect Rs. '000	Company 2025 Temporary difference Rs. '000	Company 2025 Tax effect Rs. '000	Group 2026 Temporary difference Rs. '000	Group 2026 Tax effect Rs. '000	Group 2025 Temporary difference Rs. '000	Group 2025 Tax effect Rs. '000
Balance as at 1st April		**(197,739)**	**(59,322)**	(2,729,829)	(818,949)	**(88,563)**	**(26,569)**	(2,764,507)	(829,352)
Temporary differences affect the income statement by changing the tax expense through deferred tax	44.2	**(1,180,873)**	**(354,262)**	2,529,756	758,927	**(1,293,570)**	**(388,071)**	2,616,142	784,843
The origination and reversal of temporary differences impact the Statement of Profit or Loss and Other Comprehensive Income	44.2	**(20,615)**	**(6,185)**	2,334	700	**(51,193)**	**(15,358)**	59,802	17,941
Balance as at 31st March		**(1,399,227)**	**(419,768)**	(197,739)	(59,322)	**(1,433,326)**	**(429,998)**	(88,563)	(26,569)

44.1.2 Reconciliation of effective tax rate between Temporary difference and Differed tax

A reconciliation of the temporary differences set-off by deferred tax is provided below:

		Company				Group			
		2026		2025		2026		2025	
	Note	Amount Rs. '000	Tax effect Rs. '000	Amount Rs. '000	Tax effect Rs. '000	Amount Rs. '000	Tax effect Rs. '000	Amount Rs. '000	Tax effect Rs. '000
Profit as per Statement of Profit or Loss		**8,558,360**	**2,567,508**	5,788,336	1,736,500	**9,882,392**	**2,964,717**	6,879,378	2,063,813
Add :Temporary difference									
Disallowed expenses / Lease Capital recoverable	17.6	**2,668,459**	**800,538**	(876,849)	(263,055)	**6,587,951**	**1,976,385**	(1,014,222)	(304,267)
Less:Temporary difference									
Allowable expenses / Exempted income	17.6	**(1,446,938)**	**(434,081)**	(1,652,907)	(495,872)	**(1,807,875)**	**(542,363)**	(2,078,875)	(623,663)
Temporary difference - Taxable income		**9,779,881**	**2,933,964**	3,258,580	977,574	**14,662,468**	**4,398,740**	3,786,281	1,135,884
Deferred tax adjustment	44.2		**(354,262)**		758,927		**(388,071)**		784,843
Total Tax on Temporary difference			**2,579,702**		1,736,501		**4,010,669**		1,920,727
Effective tax rate on Temporary difference			**30%**		30%		**20%-40%**		20%-40%
Current tax rate			**30%**		30%		**20%-40%**		20%-40%

Notes to the Financial Statements

44.2 Reconciliation of Deferred tax – Company

As at / for the year ended 31 March	Statement of financial position		Profit or loss		Other Comprehensive Income	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Deferred tax Assets						
Post employment benefit obligation	**347,129**	259,978	**80,966**	(26,417)	**6,185**	40,238
Provision for impairment charges	**134,784**	(105,263)	**240,047**	886,485	**-**	-
Right-of-use assets	**59,751**	58,804	**947**	(7,462)	**-**	-
	541,664	213,519	**321,960**	852,606	**6,185**	40,238
Deferred tax Liabilities						
Accelerated depreciation for tax purposes – Property, Plant and Equipment	**115,841**	111,339	**4,502**	(50,044)	**-**	-
Accelerated depreciation for tax purposes – Leased assets	**6,056**	42,858	**(36,802)**	143,723	**-**	-
Fair value on OCI	**-**		**-**	-		39,537
	121,897	154,197	**(32,300)**	93,679	**-**	39,537
Deferred tax effect on profit or loss for the year	**-**	-	**354,260**	758,927	**-**	-
Other comprehensive income for the year	**-**	-	**-**	-	**6,185**	700
Recognised under equity	**-**	-	**-**	-	**-**	-
Net deferred tax asset as at March 31st	**419,767**	59,322	**-**	-	**-**	-

44.3 Reconciliation of Deferred tax – Group

As at / for the year ended 31 March	Statement of financial position		Profit or loss		Other Comprehensive Income	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Deferred tax Assets						
Post employment benefit obligation	**488,125**	346,536	**129,719**	(119,336)	**11,870**	43,048
Provision for impairment charges	**297,298**	121,180	**176,118**	457,421	**-**	-
Right-of-use assets	**61,977**	119,013	**(57,036)**	(67,671)	**-**	-
Carry forward tax losses	**13,907**	15,870	**(1,963)**	63,798	**-**	-
	861,307	602,599	**246,838**	334,212	**11,870**	43,048
Deferred tax Liabilities						
Accelerated depreciation for tax purposes – Property, Plant and Equipment	**377,916**	432,488	**(54,572)**	(552,141)	**-**	-
Accelerated depreciation for tax purposes – Leased assets	**6,056**	92,717	**(86,661)**	101,509	**-**	-
Fair value on OCI	**9,291**	12,779	**-**	-	**(3,488)**	-
Fair value gain/Loss on Investment property	**38,046**	38,046	**-**	-	**-**	25,108
	431,309	576,030	**(141,233)**	(450,632)	**(3,488)**	25,108
Deferred tax effect on profit or loss for the year	**-**	-	**388,071**	784,844	**-**	-
Other comprehensive income for the year	**-**	-	**-**	-	**15,358**	17,940
Net deferred tax asset as at March 31st	**429,998**	26,569	**-**	-	**-**	-

45. Stated Capital

Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the Central Bank of Sri Lanka. The adequacy of the Company's capital is monitored using, among other measures, the rules and ratios established by the Central Bank of Sri Lanka .

The Company has complied in full with all its externally imposed capital requirements over the reported period.

Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

	Company/Group 2026		Company/Group 2025	
	Number	Rs. '000	Number	Rs. '000
Balance as at 1 April	**2,154,375,750**	**19,230,479**	2,154,375,750	19,230,479
Scrip Dividend	**55,491,496**	**1,281,853**	-	-
Balance as at 31 March	**2,209,867,246**	**20,512,332**	2,154,375,750	19,230,479

Notes to the Financial Statements

Rights, preferences and restrictions of classes of capital

The ordinary shares of the Company are quoted in the Colombo Stock Exchange. The holders of ordinary shares have the right to receive dividend as declared from time to time and are entitled to one vote per share at the Annual General Meeting of the Company.

Regulatory capital As at 31st March	2026		2025	
	Actual Rs. '000	Required Rs. '000	Actual Rs. '000	Required Rs. '000
Tier 1 Capital / Core capital	**46,592,067**	**2,500,000**	41,548,341	2,500,000
Tier 1 Capital Ratio / Core capital Ratio	**15.25%**	**10.00%**	22.94%	10.00%
Total Capital Ratio / Total risk weighted capital Ratio	**18.88%**	**14.00%**	22.68%	14.00%

As per Finance Business Act Directions No 3 of 2018, regulatory capital consists of Tier 1 capital, which comprises stated capital, statutory reserved fund, retained earnings including current year profit, general & other reserves less goodwill, other intangible assets, other comprehensive income losses, shortfall of the cumulative impairment to total provisions and interest in suspense and 50% of investment in banking and financial companies.

46. Statutory Reserve Fund

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1st April	3,147,965	2,967,853	3,325,935	3,107,595
Transfer during the year	254,054	180,112	288,907	218,340
Balance as at 31st March	3,402,019	3,147,965	3,614,842	3,325,935

People's Leasing & Finance PLC

According to the Paragraph 3 (a) of Finance Companies (Capital Funds) Direction No.1 of 2003, every finance company shall maintain reserve fund and as per Paragraph 3 (b) (i) of the said direction, so long the capital funds are not less than twenty five (25) per cent of total deposit liabilities, a sum equal to not less than five (5) per cent of the net profits shall be transferred to reserve fund each year.

Since the capital funds are not less than twenty five (25) per cent of total deposit liabilities, company has transferred five (5) per cent of the net profits to reserve fund.

Alliance Finance PLC

As per Financial regulation 1994, every Non-Banking Financial Institution is required to transfer at least 20% of it's current years profit to the fund until such reserve fund equal to its paid up share capital and share premium (if any). In conformity with the above requirement the Company transferred 20% of net profit to statutory reserve before declaration of dividend.

47. Retained Earnings

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 1st April	19,976,739	19,884,827	24,431,095	23,976,101
Profit for the year	5,081,080	3,603,377	5,772,100	3,998,783
Comprehensive income	(14,431)	(133,426)	(23,740)	(127,523)
Transfers to reserves	39,770	(361,913)	4,917	(400,140)
Dividend paid	(1,508,063)	(3,016,126)	(1,508,063)	(3,016,126)
Balance as at 31st March	23,575,094	19,976,739	28,676,309	24,431,095

48. Other Reserves

Equity Reserves

The reserves recorded in equity (Statement of Comprehensive Income) on the Statement of Financial Position include;

- The fair value reserve comprises the cumulative net change in fair value of financial assets measured at fair value through other comprehensive income (Refer Note 48.3) on page 411.
- Foreign currency translation reserve
  As at the reporting date, the assets and liabilities of the Alliance Finance PLC a subsidiary of the Company was translated into the presentation currency (Sri Lankan Rupee) at the exchange rate ruling at the reporting date and the Statement of Profit or Loss and Statement of Other Comprehensive Income was translated at the average exchange rate for the period. The exchange differences arising on the translation of these Financial Statement is taken to foreign currency translation reserve through Statement of Other Comprehensive Income (Refer Note 48.4) on page 412.
- Regulatory loss allowance reserve
  In accordance with Section 7.1 of the Finance Business Act Directions (Classification and Measurement of Credit Facilities) No. 01 of 2020, a non-distributable regulatory loss allowance reserve must be established through an appropriation of retained earnings whenever the loss allowance for expected credit loss (impairment) is less than the regulatory provision.

48.1 Current Year 2026

		Company			Group		
	Note	Opening balance at 01-04-2025 Rs. '000	Movement / transfers Rs. '000	Closing balance at 31-03-2026 Rs. '000	Opening balance at 01-04-2025 Rs. '000	Movement / transfers Rs. '000	Closing balance at 31-03-2026 Rs. '000
Regulatory loss allowance reserve		281,912	(281,912)	-	281,912	(281,912)	-
Fair value reserve	48.3	(225,340)	262,773	37,433	(231,268)	254,053	22,785
Foreign currency translation reserve	48.4	-	-	-	582,361	77,412	659,773
Total		56,572	(19,139)	37,433	633,005	49,553	682,558

48.2 Previous year 2025

		Company			Group		
	Note	Opening balance at 01-04-2025 Rs. '000	Movement / transfers Rs. '000	Closing balance at 31-03-2026 Rs. '000	Opening balance at 01-04-2025 Rs. '000	Movement / transfers Rs. '000	Closing balance at 31-03-2026 Rs. '000
Regulatory loss allowance reserve	48.3	100,111	181,801	281,912	-	281,912	281,912
Fair value reserve	48.3	(357,132)	131,792	(225,340)	(326,987)	95,719	(231,268)
Foreign currency translation reserve	48.4	-	-	-	658,332	(75,971)	582,361
Total		(257,021)	313,593	56,572	331,345	397,379	633,005

48.3 Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of financial assets measured at fair value through other comprehensive income until such investments are derecognised or impaired.

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 01st April	(225,340)	(357,132)	(231,268)	(326,987)
Transfer from retain earnings	(11,912)	-	(11,912)	-
Balance as at 01st April – Adjusted	(237,252)	(357,132)	(243,180)	(326,987)
Net fair value gains/(losses) on remeasuring financial investments	274,685	131,792	263,059	83,694
Transfer to NCI	-	-	2,906	12,025
Balance as at 31st March	37,433	(225,340)	22,785	(231,268)

Notes to the Financial Statements

48.4 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the Financial Statements of foreign subsidiary.

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Balance as at 01st April	-	-	582,361	658,332
Net gains/(losses) arising from translating the Financial Statements	-	-	151,789	(148,962)
Transfer to NCI	-	-	(74,377)	72,991
Balance as at 31st March	-	-	659,773	582,361

49. Non -Controlling Interest

Non controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Non controlling interest represents 25% of net assets of the Subsidiary, People's Insurance PLC and 49% of net assets of the subsidiary, Alliance Finance PLC.

	Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000
Balance as at 01st April	2,404,860	2,400,197
Acquisition of a subsidiary with non-controlling interest	-	150,554
Profit for the year	148,103	91,462
Other comprehensive income	71,002	(83,049)
Dividend paid for the year	(51,838)	(154,304)
Balance as at 31st March	2,572,127	2,404,860

50. Notes to the Statement of Cash Flows

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Depreciation of property, plant and equipment	13	**220,649**	159,123	**370,331**	271,430
Amortisation of right to use assets	13	**522,467**	513,191	**399,554**	343,657
Amortisation of intangible assets	13	**23,766**	10,675	**35,525**	23,167
Impairment losses of loans and receivables	11	**413,416**	(403,301)	**559,311**	(383,497)
Charge for retirement benefit obligation	12	**183,618**	158,224	**217,182**	206,602
Gain/(Loss) on sale of property, plant and equipment	10	**(5,132)**	(279)	**(12,259)**	(7,407)
Net gain/(Loss) on financial assets - FVTPL	9	**(56,824)**	(146,186)	**(126,009)**	(182,398)
Fair value gain on investment property		**8,318**	(6,535)	**8,318**	(69,663)
Net gain/(Loss) on financial assets - FVOCI		**(85,841)**	(85,841)	**(85,841)**	(192,476)
Grossed up notional tax and withholding tax credit		-	-	-	-
Total		**1,224,437**	199,071	**1,366,112**	9,415

50.1 Changes in Operating Assets

	Company		Group	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Net (increase)/decrease in other balances with bank & financial institutions	(555,883)	11,256,731	(4,160,803)	11,868,582
Net (increase)/decrease in Loans and receivables	(119,773,746)	(49,818,413)	(129,243,432)	(49,395,275)
Net (increase)/decrease in Right of Use Asssts	(764,728)	(1,024,585)	(906,372)	(604,555)
Net (increase)/decrease in insurance and reinsurance receivables	-	-	(1,397,249)	(111,657)
Net (increase)/decrease in debt instrument at amortised cost	(2,177,133)	13,210,878	764,191	12,265,242
Net (increase)/decrease in other assets	(87,594)	2,811,037	(251,415)	2,814,721
Total	(123,359,084)	(23,564,351)	(135,195,081)	(23,162,942)

50.2 Changes in Operating Liabilities

	Company		Group	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Net increase/(decrease) in due to customers	40,919,191	27,091,957	42,151,283	26,225,659
Net increase/(decrease) in other financial liabilities	32,985	121,646	(22,063)	619,960
Net (increase)/decrease in Opertaing Lease liability	197,387	599,555	460,129	224,765
Net increase/(decrease) in insurance and reinsurance payables	-	-	1,965,149	(49,905)
Net increase/(decrease) in other liabilities	71,201	56,293	104,425	52,725
Total	41,220,765	27,869,450	44,658,923	27,073,203

51. Contingent Liabilities and Commitments

Commitments and Contingencies

Contingent Liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured as defined in the Sri Lanka Accounting Standard- LKAS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless its occurrence is remote.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Contingent liabilities	51.1	968,386	463,182	1,229,232	661,516
Commitments	51.2	26,596,289	18,589,432	26,596,289	18,589,432
Total		27,564,675	19,052,614	27,825,521	19,250,948

51.1 Contingent Liabilities

In the normal course of business, the Group and Company makes various irrecoverable commitments and incur certain contingent liabilities with legal recourse to its customers and would be a party to litigation due to its operations. Even though these obligations may not be recognised in the Statement of Financial Position, they do contain operational risk and therefore form a part of the overall risk profile of the Group and Company. However no material losses are anticipated as a result of these transactions.

Notes to the Financial Statements

As at 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Litigation against the Company	51.1.1	**908,791**	394,026	**908,791**	394,026
Guarantees - Others	51.1.2	**59,595**	69,156	**59,595**	69,156
Assessment received from Inland Revenue Department		**-**	-	**260,846**	198,334
Total		**968,386**	463,182	**1,229,232**	661,516

51.1.1 Litigation against the Company

Litigation is a common occurrence in the finance industry due to the nature of the business undertaken. The Company has formal controls and policies for managing legal claims. Pending legal claims where the Company had already made provisions for possible losses in its Financial Statements or has a reasonable security to cover the damages are not included below as the Company does not expect cash outflows from such claims.

As of the date of the Statement of Financial Position, fifty nine (59) clients have filed cases against the company. The Company's legal counsel is of the opinion that litigation which is currently pending will not have a material impact on the reported financial results or future operations of the Company.

51.1.2 Guarantees - Other

Guarantee provided by the Company with the request of Fixed deposits customers to third party and assure to make the obligation at the time of customer is unable to settle the payment.

51.2 Commitments

The Group/Company has commitments for acquisition of property, plant and equipment, intangible assets and un-utilised facilities incidental to the ordinary course of business as at 31st March as follows:

For the Year Ended 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Capital Commitments				
Approved but not contracted for	2,109,037	1,537,092	2,109,037	1,537,092
Subtotal	2,109,037	1,537,092	2,109,037	1,537,092
Un-utilised facilities				
Margin trading	14,106,746	9,812,170	14,106,746	9,812,170
Fast track	4,469,379	2,073,298	4,469,379	2,073,298
Selfy e Cash	5,887,543	5,154,518	5,887,543	5,154,518
Gold Loan- Wadiah	20,479	7,482	20,479	7,482
Gold Loan-Card	3,105	4,872	3,105	4,872
Subtotal	24,487,252	17,052,340	24,487,252	17,052,340
Total	26,596,289	18,589,432	26,596,289	18,589,432

In the computation of Expected Credit Loss company consider un-utilised amount of revolving facility. Therefore allowance for un-utilised facility is included in Note 25.7 on page 370.

52. Net Assets Value Per Ordinary Share

	Company		Group	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Total equity attributable to equity holders of the Company	47,526,878	42,411,755	53,486,041	47,620,514
Total number of shares	2,209,867,246	2,154,375,750	2,209,867,246	2,154,375,750
Net assets value per share (Rs.)	21.51	19.69	24.20	22.10

53. Current/Non Current Analysis

As at 31st March	2026			2025		
Company	Within 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000	Within 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000
Assets						
Cash and cash equivalents	23,022,483	-	23,022,483	18,696,732	-	18,696,732
Balances with banks & financial institutions	3,587,434	-	3,587,434	3,031,551	-	3,031,551
Financial assets -Fair value through profit or loss	122,850	-	122,850	275,550	-	275,550
Loans and receivables	144,807,435	130,930,978	275,738,413	94,366,827	62,725,560	157,092,387
Financial assets - Fair value through other comprehensive income	1,085,898	10	1,085,908	1,292,130	10	1,292,140
Debt instrument - Amortised cost	7,338,310	-	7,338,310	5,161,177	-	5,161,177
Investments in subsidiaries	-	3,883,151	3,883,151	-	3,832,151	3,832,151
Investment property	-	293,682	293,682	-	302,000	302,000
Other assets	1,253,181	149,147	1,402,328	889,844	150,814	1,040,658
Property, plant and equipment	-	2,123,686	2,123,686	-	1,787,796	1,787,796
Right to use assets	-	2,114,429	2,114,429	-	1,872,168	1,872,168
Deferred tax assets	-	419,768	419,768	-	59,322	59,322
Goodwill and intangible assets	-	93,373	93,373	-	34,719	34,719
Current tax receivables	-	-	-	52,589		
Total assets	181,217,591	140,008,224	321,225,815	123,766,400	70,764,540	194,530,940
Liabilities						
Due to banks	29,582,906	60,150,835	89,733,741	5,104,040	6,332,533	11,436,573
Due to customers	101,199,769	64,249,106	165,448,875	82,583,603	41,946,081	124,529,684
Debt securities issued	5,062,517	-	5,062,517	384,977	4,629,675	5,014,652
Other financial Liabilities	6,019,507	-	6,019,507	6,415,071	-	6,415,071
Lease Liabilities	589,449	1,844,029	2,433,478	561,593	1,674,498	2,236,091
Current tax Liabilities	2,048,092	-	2,048,092	-	-	-
Other Liabilities	1,775,013	-	1,775,013	1,486,395	-	1,486,395
Retirement Benefit Obligation	85,798	1,091,916	1,177,714	149,709	851,010	1,000,719
Total liabilities	146,363,051	127,335,886	273,698,937	96,685,388	55,433,797	152,119,185
Net assets	34,854,541	12,672,337	47,526,878	27,081,012	15,330,743	42,411,755

Notes to the Financial Statements

As at 31st March	2026			2025		
Group	Within 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000	Within 12 months Rs. '000	After 12 months Rs. '000	Total Rs. '000
Assets						
Cash and cash equivalents	**24,730,318**	**-**	**24,730,318**	19,583,402	-	19,583,402
Balances with banks & financial institutions	**9,855,176**	**-**	**9,855,176**	5,694,373	-	5,694,373
Financial assets -Fair value through profit or loss	**1,672,218**	**-**	**1,672,218**	1,290,581	-	1,290,581
Loans and receivables	**161,160,090**	**138,088,220**	**299,248,310**	96,915,172	73,536,669	170,451,841
Reinsurance and insurance receivables	**3,095,603**	**-**	**3,095,603**	1,698,354	-	1,698,354
Financial assets - Fair value through other comprehensive income	**1,085,898**	**10**	**1,085,908**	1,827,472	10	1,827,482
Debt instrument - Amortised cost	**9,758,537**	**1,038,544**	**10,797,081**	10,941,728	619,544	11,561,272
Investment properties	**-**	**1,366,857**	**1,366,857**	-	1,375,175	1,375,175
Other assets	**1,236,274**	**149,147**	**1,385,421**	914,770	150,814	1,065,584
Property, plant and equipment	**-**	**4,623,216**	**4,623,216**	-	4,281,701	4,281,701
Right to use assets	**-**	**2,060,220**	**2,060,220**	-	1,553,402	1,553,402
Deferred tax assets	**-**	**429,998**	**429,998**	-	26,569	26,569
Goodwill and intangible assets	**-**	**230,462**	**230,462**	-	172,552	172,552
Total assets	**212,594,114**	**147,986,674**	**360,580,788**	138,865,852	81,716,436	220,582,288
Liabilities						
Due to banks	**42,491,355**	**60,648,303**	**103,139,658**	9,250,000	7,578,985	16,828,985
Due to customers	**108,637,040**	**63,582,956**	**172,219,996**	88,777,600	41,291,113	130,068,713
Debt securities issued	**5,062,517**	**-**	**5,062,517**	384,977	4,629,675	5,014,652
Other financial liabilities	**8,550,204**	**-**	**8,550,204**	8,187,438	-	8,187,438
Insurance and reinsurance payable	**-**	**7,423,937**	**7,423,937**	-	5,458,788	5,458,788
Lease Liabilities	**394,892**	**1,844,029**	**2,238,921**	104,294	1,674,498	1,778,792
Current tax liabilities	**2,434,236**	**-**	**2,434,236**	326,594	-	326,594
Other liabilities	**2,080,511**	**-**	**2,080,511**	1,737,036	-	1,737,036
Retirement benefit obligation	**95,911**	**1,276,729**	**1,372,640**	202,913	953,003	1,155,916
Total liabilities	**165,877,459**	**138,645,161**	**304,522,620**	108,970,852	61,586,062	170,556,914
Net assets	**39,202,770**	**16,855,398**	**56,058,168**	29,895,000	20,130,374	50,025,374

54. Financial Reporting By Segment

Accounting Policy

The group's segmental reporting is based on the Business Segments.

A segment is a distinguishable component of the Group that is engaged in providing products and services. (Business segment, which is subject to risks and rewards that are different from those of other segments).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The accounting policies adopted for segment reporting are those accounting policies adopted for preparing the Financial Statements of the Group.

Inter-segment transfers are accounted for at competitive fair market prices charged to intercompany counterparts for similar services. Such services are eliminated on consolidation.

As per the provision of Sri Lanka Reporting Standard -SLFRS- 8, the operating segment of the group has been identify based on the product and services offered by the group of which level of risk and rewards are significantly differ from one another.

Top management of the Group consider the operating results and condition of its business segments in their decision making process and performance evaluation. Types of products and services from which each operating segment derives its revenues described as follows;

Lease & Hire-purchase
This segment includes Leasing and Hire Purchase products offered to the customers.

Loans
This segment includes Loan products offered to the customers.

Islamic
This segment includes Ijarah, Murabah, Musharakah and Trading Murabah products offered to the customers.

Insurance business
Insurance business segment includes general insurance

Other business
This segment include all other business activities that group engaged other than above segments.

Notes to the Financial Statements

	Lease & HP		Loans		Islamic	
For the year ended 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest income	**21,242,935**	15,403,947	**19,607,247**	9,158,211	**2,379,062**	1,086,637
Net earned premium	**-**	-	**-**	-	**-**	-
Net fee and commission income	**1,403,741**	1,265,710	**1,295,654**	752,511	**157,209**	89,287
Net trading income	**-**	-	**-**	-	**-**	-
Other operating income	**271,512**	166,459	**250,605**	98,966	**30,407**	11,742
Gross income	**22,918,188**	16,836,116	**21,153,506**	10,009,688	**2,566,678**	1,187,666
Interest expenses	**9,911,931**	7,088,059	**9,148,721**	4,214,110	**1,110,068**	500,011
Total Operating income	**13,006,257**	9,748,057	**12,004,785**	5,795,578	**1,456,610**	687,655
Credit loss expenses	**1,831,126**	827,475	**(1,273,906)**	1,083,297	**(31,790)**	111,819
Net operating income	**11,175,131**	8,920,582	**13,278,691**	4,712,281	**1,488,400**	575,836
Depreciation	**308,985**	346,244	**436,447**	281,742	**44,218**	29,271
Segment result	**5,947,426**	4,478,581	**5,489,476**	2,662,682	**666,070**	315,932
Less : Tax on financial services	**1,514,968**	1,108,278	**1,398,316**	658,912	**169,666**	78,181
Income tax expense	**1,793,662**	1,389,850	**1,655,551**	826,317	**200,878**	98,044
Profit attributable to equity holder	**2,638,796**	1,980,453	**2,435,610**	1,177,453	**295,527**	139,707
As at 31st March						
Segment assets	**132,019,115**	105,833,816	**186,479,455**	86,118,140	**18,892,876**	8,947,001
Total assets	**132,019,115**	105,833,816	**186,479,455**	86,118,140	**18,892,876**	8,947,001
Segment liabilities	**112,506,334**	82,986,610	**158,917,288**	67,527,113	**16,100,458**	7,015,539
Total liability	**112,506,334**	82,986,610	**158,917,288**	67,527,113	**16,100,458**	7,015,539

Insurance		Other		Eliminations		Group	
2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
1,018,047	1,108,849	**2,023,568**	3,185,446	**(528,757)**	(417,396)	**45,742,102**	29,525,694
5,068,148	4,833,404	**-**	-	**(372,728)**	(259,005)	**4,695,420**	4,574,399
-	-	**128,473**	290,113	**(875,228)**	(1,134,915)	**2,109,849**	1,262,706
78,884	35,393	**47,125**	147,005	**-**	-	**126,009**	182,398
194,031	130,208	**410,209**	369,858	**(660,545)**	(406,128)	**496,219**	371,105
6,359,110	6,107,854	**2,609,375**	3,992,422	**(2,437,258)**	(2,217,444)	**53,169,599**	35,916,302
-	-	**1,128,532**	1,680,822	**(528,755)**	(417,391)	**20,770,497**	13,065,611
6,359,110	6,107,854	**1,480,843**	2,311,600	**(1,908,503)**	(1,800,053)	**32,399,102**	22,850,691
-	-	**33,881**	(11,474)	**-**	-	**559,311**	2,011,117
6,359,110	6,107,854	**1,446,962**	2,323,074	**(1,908,503)**	(1,800,053)	**31,839,791**	20,839,574
135,442	116,416	**33,791**	44,202	**(153,473)**	(179,621)	**805,410**	638,254
515,558	734,371	**677,148**	1,062,024	**(157,849)**	(266,030)	**13,137,829**	8,987,560
-	-	**172,488**	262,810		-	**3,255,437**	2,108,182
155,485	227,899	**204,219**	329,581	**(47,605)**	(82,558)	**3,962,189**	2,789,133
360,073	506,472	**300,442**	469,633	**(110,244)**	(183,472)	**5,920,203**	4,090,245
16,030,813	13,488,882	**14,437,635**	13,510,998	**(7,279,106)**	(7,316,576)	**360,580,788**	220,582,261
16,030,813	13,488,882	**14,437,635**	13,510,998	**(7,279,106)**	(7,316,576)	**360,580,788**	220,582,261
						-	-
9,904,282	7,728,475	**12,303,711**	10,594,268	**(5,209,453)**	(5,295,084)	**304,522,620**	170,556,921
9,904,282	7,728,475	**12,303,711**	10,594,268	**(5,209,453)**	(5,295,084)	**304,522,620**	170,556,921

Notes to the Financial Statements

55. Assets Pledged

The following assets have been pledged as securities for liabilities.

		Carrying Amount Pledged				
		Company		Group		
Nature of Assets	Nature of Liabilities	31 March 2026 Rs. '000	31 March 2025 Rs. '000	31 March 2026 Rs. '000	31 March 2025 Rs. '000	Included under
Rentals receivables on lease	Securitisation	6,332,061	-	6,332,061	-	Loans and receivables
	Term loan	110,278,236	-	110,278,236	-	Loans and receivables
	Short term loans	19,698,916	20,689,756	19,698,916	20,689,756	Loans and receivables
Rentals receivables on hire-purchase	Securitisation	-	-	-	-	Loans and receivables
	Term loan	-	-	10,933,937	3,781,101	Loans and receivables
	Short term loans	-	-	782,929	-	Loans and receivables
Rentals receivables on loans	Securitisation	-	-	-	-	Loans and receivables
	Term loan	2,103,806	-	2,103,806	-	Loans and receivables
	Short term loans	483,238	853,153	682,438	853,153	
Fixed deposits	Bank guarantee for assessment	-	-	-	125,700	Contingent liabilities and commitments
Fixed deposits	Overdrafts	-	-	166,667	150,839	Balances with banks & financial institutions
Freehold lands and buildings	Term loan	-	-	-	3,818,007	Property, plant & equipment & investment property

56. Related Party Disclosure

The Company and the Group out transactions in the ordinary course of business with the parties who are defined as related parties in the Sri Lanka Accounting Standards – LKAS 24 (Related Party Disclosure), the details of which are reported below:

56.1 Parent and ultimate controlling party

The immediate Parent of the Company is People's Bank which is a Government owned entity.

56.2 Transactions with Key Management Personnel (KMP) and their Family Members

As per the Sri Lanka Accounting Standard - LKAS -24) - "Related Party Disclosures", the KMPs include those who are having authority and responsibility for planning, directing and controlling the activities of the Company. Accordingly, the Board of Directors of the Company, Immediate parent Company and members of the Corporate Management of the Company have been classified as KMPs of the Company.

The Company carries out transactions with KMPs & their close family members in the ordinary course of its business on an arms length basis at commercial rates.

Close family members of KMPs are those family members who may be expected to influence, or be influenced by, those KMPs in their dealing with the entity.

56.2.1 Transactions with Key Management personnel and their Close Family Members

Remuneration to Key Management Personnel

(a) Remuneration to Board of Directors

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Short term employees benefits	56.2.1.1 a	**66,385**	27,668	**96,190**	50,818
Total		**66,385**	27,668	**96,190**	50,818

56.2.1.a Short term employees benefits-Board of Directors

For the Year Ended 31 March	Company 2026 Rs.	Company 2025 Rs.	Group 2026 Rs.	Group 2025 Rs.
Basic Salary	-	-	-	-
Board and Sub committee Sitting Fees	66,385	27,668	96,190	50,818
Fixed Allowance	-	-	-	-
Variable Allowance	-	-	-	-
Bonuses	-	-	-	-
Reimbursed Expenses	-	-	-	-
Other Monitory benefits	-	-	-	-
Non Monitory Expenses	-	-	-	-
Total	66,385	27,668	96,190	50,818

(b) Remuneration to Corporate Management

For the year ended 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Short term employees benefits	56.2.1.1.b	**278,971**	260,251	**492,445**	367,351
Post employment benefits		**20,530**	17,035	**24,640**	37,546
Total		**299,501**	277,286	**517,085**	404,897

56.2.1.1.b Short term employees benefits-Corporate Management

For the Year Ended 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 2025 Rs. '000
Basic Salary	115,458	102,876	298,360	194,688
Fixed Allowance	54,535	63,928	71,962	80,041
Variable Allowance	-	-	211	779
Bonuses	101,917	83,960	114,190	81,908
Reimbursed Expenses	-	-	-	-
Other Monitory benefits	-	-	84	72
Non Monitory Expenses	7,061	9,487	7,638	9,863
Total	278,971	260,251	492,445	367,351

Notes to the Financial Statements

In addition to the above, the Company has also provided non cash benefits such as Company maintained vehicles to KMPs in line with the approved employment terms of the Company.

56.2.2 Share Transactions with Key management Personnel

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
No. of ordinary shares held	483,517	397,340	567,053	399,376
Cash dividend paid	-	455	-	455
Scrip dividend (No. of shares)	13,101	-	13,101	-

56.2.3 Transactions, Arrangements and Agreements Involving Key Management Personnel (KMPs), their Close Family Members (CFMs) and other related entities

(a) Items in Statement of Profit or Loss

	Board of Directors		Corporate Management		Total	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest income	-	-	2,065	156	2,065	156
Interest expense	3,022	10	30,949	26,624	33,971	26,634

(b) Items in Statement of Financial Position

	Board of Directors		Corporate Management		Total	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Assets						
Loans and receivables	-	-	70,625	904	70,625	904
	-	-	70,625	904	70,625	904
Liabilities						
Due to customers	25,778	209	307,185	170,167	332,963	170,376
Fixed deposits	25,778	209	307,185	170,167	332,963	170,376
	25,778	209	307,185	170,167	332,963	170,376

56.3 Net accommodation and Net accommodation as a Percentage of Capital funds

	2026 Rs. '000	2025 Rs. '000	2026 %	2025 %
People's Leasing Property Development Limited	(494)	433	-	1.02
People's Leasing Havelock Properties Limited	52	827,798	-	1.95
People's Micro-Commerce Ltd	11,493	259,264	-	1.00
People's Insurance PLC	73,099	89,833	0.15	0.21
Alliance Finance PLC	26,261	26,261	0.06	0.06
Corporate management	70,625	904	0.15	-
Total net accommodation	181,036	1,204,493	0.36	4.24

56.4 Transactions with Related Entities

Transactions with Government of Sri Lanka and Government Related Entities

The immediate parent of the Company is People's Bank which is Government owned entity. The Company enters into transactions, arrangements and agreements with Government of Sri Lanka and its related entities. The significant financial dealings during the year and as at the Statement of Financial Position date are as follows:

a. Items in Statement of Profit or Loss

	Company		Group	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest income	-	91	-	91
Interest expenses	983,206	387,721	1,006,186	387,721

b. Items in Statement of Financial Position

	Company		Group	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Assets				
Loans and receivables	-	1,052	-	1,052
Total	-	1,052	-	1,052
Liabilities				
Due to banks	6,416,640	-	6,416,640	-
Due to customer	5,185,622	4,988,739	5,185,622	4,988,563
Total	11,602,262	4,988,739	11,602,262	4,988,563

Further, transactions as detailed below, relating to the ordinary course of business, are entered into with the Government of Sri Lanka and its related entities

- Investments in Treasury Bills, Treasury Bonds
- Payments of statutory rates and taxes
- Payments for utilities mainly comprising of telephone, electricity and water
- Payments for employment retirement benefits - ETF
- Payment of incidentals such as RMV charges and CRIB fees that are paid based on standard rates.

c. Individual Significant Transactions

There were no individual significant transactions with the Government of Sri Lanka and Government related entities, other than on normal day-to-day business operations.

Notes to the Financial Statements

56.4.1 Company

The Company had the under mentioned financial dealings during the financial year with the following related entities.

a. Items in Statement of Profit or Loss

	Parent		Subsidiaries	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Interest income	**1,277,612**	1,974,337	**243,247**	213,801
Interest expense	351,081	431,931	341,928	286,951
Fee & Commission income	-	-	874,223	712,680
Other operating income	-	-	171,797	429,818
Benefits, claims and underwriting expenditure	-	-	**342,363**	242,960
Depriciation and amortisation	6,064	3,548	200,110	226,020
Other operating expenses	-	-	1,941	1,631

b. Items in Statement of Financial Position

	Parent		Subsidiaries	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Assets				
Cash and cash equivalents	16,326,414	12,047,568	-	-
Balances with banks & financial institutions	3,587,434	3,031,551	-	-
Loans and receivables	-	-	107,572	1,637,050
Financial assets - Amortised cost	**7,338,310**	5,161,177	-	-
Investments in subsidiaries/associate (net of impairment)	-	-	3,883,151	3,832,151
Other assets	-	-	178,772	252,946
Right of use asset	24,540	22,975	289,599	489,710
Total	27,276,698	20,263,271	4,459,094	6,211,857
Liabilities				
Due to banks	194,644	1,423,816	-	-
Due to customers	5,720,140	4,988,563	1,780,518	1,949,173
Other Financial liabilities	-	-	982,385	731,099
Other liabilities	-	-	13,434	24,108
Lease liability	31,344	26,050	351,621	551,086
Total	5,946,128	6,438,429	3,127,958	3,255,466

c. Transactions

For the Year Ended 31 March	Parent		Subsidiaries	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Building rent paid	**450**	600	**256,659**	284,342
Building rent received	-	-	8,692	12,606
Cash and cash equivalents - Repo investments	73,300,000	9,250,000	-	-
Cash and cash equivalents - Repo settlements	65,828,573	4,296,613	-	-
Cash and cash equivalents - Money market account investments	**92,346,948**	83,775,226		
Cash and cash equivalents - Money market account withdrawals	95,772,482	80,034,053		
Balances with banks and financial institutions - FD investments	-	514,803	-	-
Balances with banks and financial institutions - FD withdrawals	-	1,041,494	-	-
Loans and receivables - Grantings	-	-	1,000,000	383,840
Loans and receivables - Repayments	-	-	1,476,706	375,552
Debt instrument - Amortised cost - Investments	**31,672,324**	30,660,972	-	-
Debt insturment - Amortised cost - Settlements	30,096,700	45,112,787	-	-
Due to banks - Borrowings	-	-	-	-
Due to banks - Repayment	-	-	-	-
Due to customers - Investments	4,071,646	5,109,519	2,247,309	2,174,275
Due to customers - Settlements	3,748,305	4,681,511	2,912,427	4,028,275
Other financial liabilities - Services obtained	-	-	8,258	8,258
Other financial liabilities - Repayment	-	-	8,258	8,258
Dividend paid	1,131,047	2,262,095	-	-
Dividend received	-	-	163,105	419,688
Insurance premium paid in respect of customers introduced by People's Leasing & Finance PLC	-	-	825,924	669,928
Total	397,968,476	266,739,673	8,907,338	8,365,022

56.4.2 Group

The group had the under mentioned financial dealings during the financial year with the following related entities.

a. Items in Statement of Profit or Loss

For the Year Ended 31 March	Immediate Parent	
	2026 Rs. '000	2025 Rs. '000
Interest income	**1,418,476**	2,112,845
Interest expenses	307,581	433,806
Net earned premiums	437,953	365,909
Fee and commission income	33,304	27,783
Other operating income	**128,420**	125,240
Benefits, claims and underwriting expenditure	66,186	39,373
Depreciation and amortisation	6,064	3,548

Notes to the Financial Statements

b. Items in Statement of Financial Position

For the Year Ended 31 March	Immediate Parent 2026 Rs. '000	2025 Rs. '000
Assets		
Cash and cash equivalents	16,581,911	12,382,904
Balances with banks & financial institutions	4,884,833	4,092,113
Insurance and reinsurance receivables	390,419	309,017
Financial assets - Amortised cost	**7,338,310**	5,161,177
Other assets	13,111	4,962
Right of use assets	24,540	22,975
Total	29,233,124	21,973,148
Liabilities		
Due to banks	465,141	1,694,029
Due to customers	5,185,622	4,988,563
Other liabilities	31,161	8,871
Lease liabilities	31,344	26,050
Total	5,713,268	6,717,513

56.5 Transactions exceeding 10% of the gross income of the Company

Name of the Related party	Relationship	Nature of the transaction	Transaction value 2026 Rs. '000	2025 Rs. '000	Transaction value as a % of gross income 2026 Rs. '000	2025 Rs. '000	Terms and conditions
People's Bank	Immediate Parent	Repo investments	**73,300,000**	9,250,000	**166.64%**	32.54%	Normal terms
		Repo settlements	**65,828,573**	4,296,613	**149.65%**	15.11%	Normal terms
		FD investments	**-**	514,803	**0.00%**	1.81%	Normal terms
		FD withdrawals	**-**	1,041,494	**0.00%**	3.66%	Normal terms
		Tbill investments	**31,672,324**	30,660,972	**72.00%**	107.86%	Normal terms
		Tbill settlements	**30,096,700**	45,112,787	**68.42%**	158.69%	Normal terms
People's Insuarance PLC	Subsidiary	Insurance premium	**825,924**	669,928	**1.88%**	2.36%	Normal terms

57. Risk Management (Company/Group)

57.1 Introduction

Risk is inherent in the Group's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability, sustainability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is primarily exposed to credit risk, liquidity risk and market risk. It is also subject to various operating risks. Detailed risk analysis is given in risk management section.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed a subcommittee, Integrated Risk Management (IRM) Committee, which has the responsibility to monitor the overall risk process within the Company.

The IRM Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The IRM Committee is responsible for managing risk decisions and monitoring risk levels and reports on a periodical basis to the Board.

The Risk Management & Control Unit is responsible for monitoring compliance with risk principles, policies and limits across the Company.

Assets and Liabilities Committee (ALCO)

ALCO is chaired by the Chief Executive Officer. Other permanent members of the ALCO include, Senior Deputy General Managers-Operations, Deputy General Manager-Risk & Control, Deputy General Manager- Recoveries & Administration, Deputy General Manager-Marketing, Head of Deposits, Head of Finance, Head of Treasury and the Committee Secretary. The Committee meetings should be held at least once a month to monitor and manage the assets and liabilities of the Company and also overall liquidity position to keep the Company's liquidity at healthy levels, whilst satisfying regulatory requirements. The Chairman of ALCO upon a request of any permanent member may convene a special meeting of the Committee when an issue arises that cannot wait until the next regularly scheduled meeting.

Integrated Risk Management Operating Committee

Integrated Risk Management Operating Committee ("IRMOC" or "the Committee") has been formed as a management level committee to further strengthen the Risk Governance Structure of the Company and support the Board, Board Sub-Committees and the Corporate Management in managing the risks associated with the business operations of the Company in an integrated manner.

IRMOC is chaired by the Head of Risk. The members of the Committee include the members of Corporate Management, Chief Managers-Operations and Senior Managers (except the Senior Managers attached to Branches). All business managers that involved in the operations of the Company can be recognised as "Risk Owners" as they negotiate to assume risk exposures with potential customers within the Board approved Risk Management policies and Risk Tolerance limits. Accordingly, Members of Senior Management involved in business operations can be considered as Senior Risk Owners. Therefore, At IRMOC, it is mandatory to have a higher level of involvement by the Senior Risk Owners of the Company.

The Committee shall focus on reviewing assumed risks at the front-line, specifically focusing on Credit Risk, Operational Risk and Compliance Risk.

The IRMOC shall meet at least quarterly or more frequently as and when required. The Committee met four (04) times quarterly during the year under review. The IRMOC is accountable to the Integrated Risk Management Committee (IRMC). The Committee submitted the highlights of the Minutes of IRMOC Meetings to the IRMC for seeking the Committee's views, concurrence and or specific directions.

Credit risk

Credit risk refers to the potential loss a company may incur if its customers or counterparties fail to fulfill their contractual obligations. To manage and control this risk, the company establishes limits on the level of risk it is willing to accept from individual and group counterparties, as well as from specific geographical regions and industries. The company also monitors exposures to ensure they remain within these predetermined limits.

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57.2 Credit Risk Management

Recognizing the critical importance of managing Default Risk, the Company employs a comprehensive array of tools and techniques. The process begins with rigorous credit evaluation, guided by a Board-approved Credit Policy and Standard Operating Procedures (SOPs). Credit proposals undergo thorough review by the Central Credit Department, with high-limit cases scrutinized by the Management Credit Committee. Retail and SME exposures are assessed using CRIB data, while corporate borrowers undergo individual evaluation.

Post-disbursement, the Company conducts independent monthly reviews, ensuring any identified gaps are promptly addressed. The focus on vehicle leasing/mortgages necessitates maintaining a pool of registered property values. Monitoring Default Risk is a shared responsibility, with Corporate Management providing oversight to ensure adherence to internal controls and SOPs. Recovery structures guide branch teams, and centralized units monitor early warning signals and handle litigation.

Credit Concentration Risk is managed within Board-approved thresholds. Regular monitoring by the Risk and Control Department ensures adherence to these limits, with a robust credit stress testing program in place. In FY 2023/24, the Company maintained a cautious lending stance initially, gradually expanding into low-risk lending in response to economic recovery. A new Credit Evaluation System and dedicated Credit Department were implemented to streamline processes and enhance credit quality. Post-disbursement reviews were expanded, providing greater insights into concentration risks, which were closely monitored and reported to executive committees for review and action.

Impairment assessment

At each reporting date, an allowance for expected credit losses (ECL) is recorded. This allowance is determined based on either 12-month ECLs or lifetime ECLs, contingent upon whether there has been a significant increase in credit risk for the financial instrument since its initial recognition. Any changes to the ECL allowance are recognized in the profit and loss statement as an impairment gain or loss.(Explained in Note 25.6).

Definition of Default

The company defines default and classification as Stage 3 (credit-impaired) for ECL calculations for collective purpose when contractual payments are overdue by more than 90 days or exceed the sanctioned limit for a similar duration. Additionally, any credit facilities classified as Stage 3 under SLFRS 9 are considered defaulted.

Significant Increase in Credit Risk

The Company continuously monitors assets for Expected Credit Losses (ECL). To determine whether an instrument or portfolio falls under 12-month ECL or Lifetime ECL (LTECL), the Company assesses if there has been a significant increase in credit risk since initial recognition. Additionally, the Company uses qualitative methods to identify significant increases in credit risk, such as moving an account to the watch list due to restructuring or refinancing or/and other qualitative indicators.

For estimating ECLs collectively, the Company categorizes credit exposures into below stages:

- Stage 1: Accounts with no signs of deterioration since origination, considered Low Credit Risk (LCR), and less than or equal to 30 days past due. A 12-month ECL is applied.
- Stage 2: Accounts showing significant credit deterioration since origination, 31 to 90 days past due. Lifetime ECLs are applied.
- Stage 3: Impaired assets, including those more than 90 days past due. Lifetime ECLs are applied

Individual Impairment

As detailed in Note 25.6, the Company calculates Expected Credit Losses (ECLs) either collectively or individually based on certain factors. An individual impairment assessment is conducted for exposures exceeding the Individually Significant Threshold of LKR 50 Million.
The company performs both qualitative and quantitative evaluations of default for its individually significant customers. This involves analyzing a variety of indicators that signal the likelihood of payment default, which could result in the reclassification of a customer to either Stage 3 or Stage 2.

Exposures assessed individually and recognized with an impairment provision are excluded from the collective impairment assessment. If no objective evidence of expected loss is found for an individually assessed exposure, it is included in a group of similar credit risk exposures for collective impairment assessment.

Climate Risk

Climate risk may arise through the Company's financing activities to customers and sectors exposed to climate related physical and transition risks, which may impact borrowers creditworthiness and repayment capacity. The Company has incorporated climate change related considerations as a qualitative factor within the Economic Factor Adjustment (EFA) applied in the Expected Credit Loss (ECL) assessment process to ensure impairment estimates reflect current and forward looking information. The Company continues to monitor climate related developments and potential impacts on the credit portfolio

57.2.1 Maximum exposure to credit risk

Credit quality by class of financial assets

The Company manages the credit quality of financial assets using internal credit evaluation system. The tables below show the credit quality by the class of asset for all financial assets exposed to credit risk, based on the Company's internal credit evaluation system. The amounts presented are gross of impairment allowances.

Definition of Past Due

The Company considers that any amounts uncollected one day or more beyond their contractual due date as 'past due'.

Company

		Past due but not impaired					
As at 31st March 2026	Neither past due nor impaired Rs. '000	1-30 Days Rs. '000	31-60 days Rs. '000	61-90 days Rs. '000	Over 90 days Rs. '000	Individually impaired Rs. '000	Total Rs. '000
Cash and cash equivalents (excluding cash in hand)	**21,138,291**	**-**	**-**	**-**	**-**	**-**	**21,138,291**
Balances with banks & financial institutions	**3,587,434**	**-**	**-**	**-**	**-**	**-**	**3,587,434**
Financial assets -Fair value through profit or loss	**122,850**	**-**	**-**	**-**	**-**	**-**	**122,850**
Loans and receivables - Amortised cost	**220,152,391**	**38,400,132**	**12,134,746**	**3,852,453**	**4,091,214**	**1,764,234**	**280,395,170**
Financial assets - Fair value other comprehensive income	**1,085,908**	**-**	**-**	**-**	**-**	**-**	**1,085,908**
Debt instrument - Amortised cost	**7,338,310**	**-**	**-**	**-**	**-**	**-**	**7,338,310**
Other financial assets	**136,919**	**-**	**-**	**-**	**-**	**-**	**136,919**
Total	**253,562,103**	**38,400,132**	**12,134,746**	**3,852,453**	**4,091,214**	**1,764,234**	**313,804,882**

Company

		Past due but not impaired					
As at 31st March 2025	Neither past due nor impaired Rs. '000	1-30 Days Rs. '000	31-60 days Rs. '000	61-90 days Rs. '000	Over 90 days Rs. '000	Individually impaired Rs. '000	Total Rs. '000
Cash and cash equivalents (excluding cash in hand)	17,170,048	-	-	-	-	-	17,170,048
Balances with banks & financial institutions	3,031,551	-	-	-	-	-	3,031,551
Financial assets -Fair value through profit or loss	275,550	-	-	-	-	-	275,550
Loans and receivables - Amortised cost	122,704,211	20,708,901	7,499,810	2,229,659	6,126,543	3,854,434	163,123,558
Financial assets - Fair value other comprehensive income	1,292,140	-	-	-	-	-	1,292,140
Debt instrument - Amortised cost	5,161,177	-	-	-	-	-	5,161,177
Other financial assets	76,511	-	-	-	-	-	76,511
Total	149,711,188	20,708,901	7,499,810	2,229,659	6,126,543	3,854,434	190,130,535

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Group

As at 31st March 2026	Neither past due nor impaired Rs. '000	Past due but not impaired 1-30 Days Rs. '000	31-60 days Rs. '000	61-90 days Rs. '000	Over 90 days Rs. '000	Individually impaired Rs. '000	Total Rs. '000
Cash and cash equivalents (excluding cash in hand)	**22,776,786**	**-**	**-**	**-**	**-**	**-**	**22,776,786**
Balances with banks & financial institutions	**9,855,176**	**-**	**-**	**-**	**-**	**-**	**9,855,176**
Financial assets -Fair value through profit or loss	**1,672,218**	**-**	**-**	**-**	**-**	**-**	**1,672,218**
Loans and receivables - Amortised cost	**239,662,735**	**40,661,345**	**13,014,983**	**4,155,685**	**5,710,924**	**1,764,234**	**304,969,906**
Insurance and reinsurance receivables	**3,095,603**	**-**	**-**	**-**	**-**	**-**	**3,095,603**
Financial assets - Fair value other comprehensive income	**1,085,908**	**-**	**-**	**-**	**-**	**-**	**1,085,908**
Debt instrument - Amortised cost	**10,797,081**	**-**	**-**	**-**	**-**	**-**	**10,797,081**
Total	**288,945,507**	**40,661,345**	**13,014,983**	**4,155,685**	**5,710,924**	**1,764,234**	**354,252,678**

Group

As at 31st March 2025	Neither past due nor impaired Rs. '000	Past due but not impaired 1-30 Days Rs. '000	31-60 days Rs. '000	61-90 days Rs. '000	Over 90 days Rs. '000	Individually impaired Rs. '000	Total Rs. '000
Cash and cash equivalents (excluding cash in hand)	18,007,629	-	-	-	-	-	18,007,629
Balances with banks & financial institutions	5,694,373	-	-	-	-	-	5,694,373
Financial assets -Fair value through profit or loss	1,290,581	-	-	-	-	-	1,290,581
Loans and receivables - Amortised cost	133,864,139	21,457,221	9,129,951	3,078,215	6,887,828	3,000,561	177,417,915
Insurance and reinsurance receivables	1,698,354	-	-	-	-	-	1,698,354
Financial assets - Fair value other comprehensive income	1,827,482	-	-	-	-	-	1,827,482
Debt instrument - Amortised cost	11,561,272	-	-	-	-	-	11,561,272
Total	173,943,830	21,457,221	9,129,951	3,078,215	6,887,828	3,000,561	217,497,606

57.2.2 Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the statement of financial position.

Industry analysis

Company

31 March 2026	Financial Services* Rs. '000	Agriculture Rs. '000	Manufacturing Rs. '000	Tourism Rs. '000	Transport Rs. '000	Construction Rs. '000	Traders Rs. '000	Services Rs. '000	Industry Rs. '000	Others Rs. '000	Total Rs. '000
Cash and cash equivalents	23,022,483	-	-	-	-	-	-	-	-	-	23,022,483
Balances with banks & financial institutions	3,587,434	-	-	-	-	-	-	-	-	-	3,587,434
Financial assets -Fair value through profit or loss	-	-	-	-	-	-	-	122,850	-	-	122,850
Loans and receivables - Amortised cost	17,317,318	26,358,383	7,584,675	5,174,609	39,662,102	9,366,705	26,628,094	13,257,012	1,608,860	133,437,412	280,395,170
Less - Impairment charges	-	-	-	-	-	-	-	-	-	-	4,656,757
Net loans and receivables	-	-	-	-	-	-	-	-	-	-	275,738,413
Financial assets - Fair value other comprehensive income	87,282	-	-	-	-	-	-	998,626	-	-	1,085,908
Debt instrument - Amortised cost	7,338,310	-	-	-	-	-	-	-	-	-	7,338,310
Other financial assets	136,919	-	-	-	-	-	-	-	-	-	136,919

Company

31 March 2025	Financial Services* Rs. '000	Agriculture Rs. '000	Manufacturing Rs. '000	Tourism Rs. '000	Transport Rs. '000	Construction Rs. '000	Traders Rs. '000	Services Rs. '000	Industry Rs. '000	Others Rs. '000	Total Rs. '000
Cash and cash equivalents	18,696,732	-	-	-	-	-	-	-	-	-	18,696,732
Balances with Banks & financial institutions	3,031,551	-	-	-	-	-	-	-	-	-	3,031,551
Financial assets -Fair value through profit or loss	-	-	-	-	-	-	-	275,550	-	-	275,550
Loans and receivables - Amortised cost	12,117,847	20,271,319	7,119,867	3,185,110	24,747,085	10,601,352	20,126,980	14,624,830	1,886,864	48,442,304	163,123,558
Less - Impairment charges	-	-	-	-	-	-	-	-	-	-	6,031,171
Net loans and receivables	-	-	-	-	-	-	-	-	-	-	157,092,387
Financial assets - Fair value other comprehensive income	277,095	-	-	-	-	-	-	1,015,045	-	-	1,292,140
Debt instrument - Amortised cost	5,161,177	-	-	-	-	-	-	-	-	-	5,161,177
Other financial assets	76,511	-	-	-	-	-	-	-	-	-	76,511

** Financial services include banks, finance institutions, insurance companies, stock brokering companies and fund management companies, venture capital companies and investment advisory services companies.*

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Industry analysis

Group

31 March 2026	Financial Services* Rs. '000	Agriculture Rs. '000	Manufacturing Rs. '000	Tourism Rs. '000	Transport Rs. '000	Construction Rs. '000	Traders Rs. '000	Services Rs. '000	Industry Rs. '000	Others Rs. '000	Total Rs. '000
Cash and cash equivalents	24,730,318	-	-	-	-	-	-	-	-	-	24,730,318
Balances with banks & financial institutions	9,855,176	-	-	-	-	-	-	-	-	-	9,855,176
Financial assets -Fair value through profit or loss	1,544,658	-	-	-	-	-	-	127,560	-	-	1,672,218
Loans and receivables - Amortised cost	21,496,045	29,191,311	13,697,239	5,842,577	40,420,844	9,484,554	30,725,183	16,001,567	3,012,789	135,097,797	304,969,906
Less - Impairment charges											5,721,596
Net loans and receivables											299,248,310
Reinsurance and insurance receivable	-	-	-	-	-	-	-	-	-	3,095,603	3,095,603
Financial assets - Fair value other comprehensive income	87,282	-	-	-	-	-	-	998,626	-	-	1,085,908
Debt instrument - Amortised cost	10,797,081	-	-	-	-	-	-	-	-	-	10,797,081

Group

31 March 2025	Financial Services* Rs. '000	Agriculture Rs. '000	Manufacturing Rs. '000	Tourism Rs. '000	Transport Rs. '000	Construction Rs. '000	Traders Rs. '000	Services Rs. '000	Industry Rs. '000	Others Rs. '000	Total Rs. '000
Cash and cash equivalents	19,583,402	-	-	-	-	-	-	-	-	-	19,583,402
Balances with banks & financial institutions	5,694,373	-	-	-	-	-	-	-	-	-	5,694,373
Financial assets -Fair value through profit or loss	968,993	-	-	-	-	-	-	321,588	-	-	1,290,581
Loans and receivables - Amortised cost	14,614,966	21,214,126	11,143,734	3,587,488	24,921,854	11,054,435	21,550,252	18,350,047	1,974,972	49,006,041	177,417,915
Less - Impairment charges											6,966,074
Net loans and receivables											170,451,841
Reinsurance and insurance receivable	-	-	-	-	-	-	-	-	-	1,698,354	1,698,354
Financial assets - Fair value other comprehensive income	812,437	-	-	-	-	-	-	1,015,045	-	-	1,827,482
Debt instrument - Amortised cost	11,561,272	-	-	-	-	-	-	-	-	-	11,561,272

* Financial services include banks, finance institutions, insurance companies, stock brokering companies and fund management companies, venture capital companies and investment advisory services companies.

Geographical distribution of loans and receivables

Provincial breakdown for loans and receivable within Sri Lanka is as follows;

Company	Lease/Ijarah receivable Rs. '000	Hire-Purchase/ Murabah receivable Rs. '000	Other Loan and receivables Rs. '000	Related party receivables Rs. '000	Total Rs. '000
As at 31 March 2026					
Central	**12,317,552**	**3,103**	**15,301,648**	**-**	**27,622,303**
Eastern	**5,065,620**	**132**	**10,646,448**	**-**	**15,712,200**
North Central	**8,089,414**	**101**	**6,297,907**	**-**	**14,387,422**
Northern	**4,765,453**	**213**	**9,314,015**	**-**	**14,079,680**
North Western	**10,450,343**	**-**	**10,062,806**	**-**	**20,513,150**
Sabaragamuwa	**9,214,223**	**59**	**9,867,701**	**-**	**19,081,983**
Southern	**16,078,778**	**756**	**20,535,829**	**-**	**36,615,363**
Uva	**8,086,932**	**2**	**6,773,908**	**-**	**14,860,841**
Western	**34,419,772**	**16,668**	**81,510,726**	**1,575,061**	**117,522,228**
Total	**108,488,088**	**21,033**	**170,310,988**	**1,575,061**	**280,395,170**

Company	Lease/Ijarah receivable Rs. '000	Hire-Purchase/ Murabah receivable Rs. '000	Other Loan and receivables Rs. '000	Related party receivables Rs. '000	Total Rs. '000
As at 31 March 2025					
Central	10,864,346	3,822	4,126,451	-	14,994,619
Eastern	3,998,032	861	2,232,065	-	6,230,958
North Central	5,840,842	1,003	1,812,859	-	7,654,704
Northern	3,705,808	-	2,089,370	-	5,795,178
North Western	9,175,979	2,063	2,763,319	-	11,941,361
Sabaragamuwa	7,617,274	3,347	3,016,592	-	10,637,213
Southern	12,803,300	3,018	6,526,299	-	19,332,617
Uva	6,476,366	1,355	2,227,912	-	8,705,633
Western	29,747,357	25,836	46,421,032	1,637,050	77,831,275
Total	90,229,304	41,305	71,215,899	1,637,050	163,123,558

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Group	Lease/Ijarah receivable Rs. '000	Hire-Purchase/ Murabah receivable Rs. '000	Other Loan and receivables Rs. '000	Related party receivables Rs. '000	Total Rs. '000
As at 31 March 2026					
Central	**12,317,552**	**1,775,780**	**15,334,768**	**-**	**29,428,100**
Eastern	**5,065,620**	**1,650,572**	**10,674,054**	**-**	**17,390,246**
North Central	**8,089,414**	**2,152,140**	**6,340,993**	**-**	**16,582,547**
Northern	**4,765,453**	**306,765**	**9,315,150**	**-**	**14,387,367**
North Western	**10,450,343**	**606,327**	**10,071,552**	**-**	**21,128,223**
Sabaragamuwa	**9,214,223**	**944,936**	**9,893,448**	**-**	**20,052,607**
Southern	**16,078,778**	**952,595**	**20,548,107**	**-**	**37,579,480**
Uva	**8,086,932**	**2,220,875**	**6,874,881**	**-**	**17,182,687**
Western	**34,422,611**	**1,985,922**	**81,925,042**	**-**	**118,333,575**
Bangladesh	**-**	**-**	**12,905,073**	**-**	**12,905,073**
Total	**108,490,927**	**12,595,911**	**183,883,068**	**-**	**304,969,906**

Company	Lease/Ijarah receivable Rs. '000	Hire-Purchase/ Murabah receivable Rs. '000	Other Loan and receivables Rs. '000	Related party receivables Rs. '000	Total Rs. '000
As at 31 March 2025					
Central	10,864,346	715,038	4,144,150	-	15,723,534
Eastern	3,998,032	533,480	2,268,775	-	6,800,287
North Central	5,840,842	787,188	1,832,820	-	8,460,850
Northern	3,705,808	4,222	2,089,370	-	5,799,400
North Western	9,175,979	153,057	2,786,265	-	12,115,301
Sabaragamuwa	7,617,274	335,606	3,030,256	-	10,983,136
Southern	12,803,300	439,805	6,607,676	-	19,850,781
Uva	6,476,366	842,319	2,276,081	-	9,594,766
Western	29,747,549	605,983	46,587,141	-	76,940,673
Bangladesh	-	-	11,149,379	-	11,149,379
Total	90,229,496	4,416,698	82,771,913	-	177,418,107

57.2.3 Fair value of collateral and credit enhancements held

As a general principle, the Company endeavors to obtain adequate collateral to secure its credit portfolios. The Company focuses on quality and responsibility of such collateral to mitigate potential credit losses. Management monitors the market value of collateral, and requests additional collateral in accordance with the underlying agreement. A reasonable margin of safety is maintained in collateral values.

The main types of collateral obtained are, as follows:

- For commercial lending, charges over real estate properties, inventory and trade receivables and transfer of ownership over the vehicles.
- For retail lending, mortgages over residential properties and transfer of ownership over the vehicles.

The general creditworthiness of significant customers tends to be the most relevant indicator of credit quality of a facility extended to those parties. However, collateral provides additional security and the Company generally requests large borrowers to provide same. The Company may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees. As Company's focus on corporate customers is mainly based on their credit worthiness, business standing and reputation, Company does not insist on updated valuation of collateral from corporate clients. Such valuations will only be called for from corporate clients only if there is a foreseeable deterioration in credit standing or evidence of possible credit risk. Accordingly, the Company does not routinely update the valuation of collateral held against all facilities to significant customers. For impaired facilities, the Company usually obtains the current market value of the collateral, since it may be an input to the impairment measurement.

The following tables show the fair value of collateral and credit enhancements held by the Company & the Group.

	31 March 2026		31 March 2025	
Company	Maximum exposure to credit risk Rs. '000	Net exposure Rs. '000	Maximum exposure to credit risk Rs. '000	Net exposure Rs. '000
Cash and cash equivalents (excluding cash in hand)	**21,138,291**	21,138,291	17,170,048	**17,170,048**
Balances with banks & financial institutions	3,587,434	3,587,434	3,031,551	3,031,551
Financial assets -Fair value through profit or loss	122,850	122,850	275,550	275,550
Loans and receivables - Amortised cost	275,738,413	26,510	157,092,387	82,728
Financial assets - Fair value through other comprehensive income	**1,085,908**	1,085,908	1,292,140	1,292,140
Debt instrument - Amortised cost	7,338,310	7,338,310	5,161,177	5,161,177
Other financial assets	136,919	136,919	76,511	76,511
	309,148,125	33,436,222	184,099,364	27,089,705

	31 March 2026		31 March 2025	
Group	Maximum exposure to credit risk Rs. '000	Net exposure Rs. '000	Maximum exposure to credit risk Rs. '000	Net exposure Rs. '000
Cash and cash equivalents (excluding cash in hand)	**22,776,786**	**22,776,786**	18,007,629	**18,007,629**
Balances with banks & financial institutions	9,855,176	**9,855,176**	5,694,373	5,694,373
Financial assets -Fair value through profit or loss	1,672,218	**1,672,218**	1,290,581	1,290,581
Loans and receivables - Amortised cost	299,248,310	**26,510**	170,451,841	82,728
Reinsurance and insurance receivable	**3,095,603**	**3,095,603**	1,698,354	1,698,354
Financial assets - Fair value through other comprehensive income	1,085,908	**1,085,908**	1,827,482	1,827,482
Debt instrument - Amortised cost	10,797,081	**10,797,081**	11,561,272	11,561,272
	348,531,082	**49,309,282**	210,531,532	40,162,419

The below table provides an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even if the future value of collateral is forecasted using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure shown below when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

Notes to the Financial Statements

Type of collateral or credit enhancement	Fair value of collateral and credit enhancements held under the base case scenario					
In Rs.'000	Maximum exposure to credit risk	Movable securities	Immovable securities	Total collateral	Net exposure	Associated ECL
Company						
As at 31 March 2026						
Loans and receivables	5,518,378	8,799,562	4,341,403	13,140,965	(7,622,587)	3,115,570
As at 31 March 2025						
Loans and receivables	9,559,365	6,924,407	9,460,900	16,385,307	(6,825,942)	5,110,953
Group						
As at 31 March 2026						
Loans and receivables	7,576,221	8,831,337	4,512,667	13,344,004	(5,767,783)	3,753,540
As at 31 March 2025						
Loans and receivables	9,888,389	7,324,498	9,994,974	21,406,794	(11,518,405)	5,487,823

57.2.5 Offsetting financial assets & liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

57.2.6 Financial assets & liabilities not subject to offsetting

Amounts that do not qualify for offsetting include netting arrangements that only permit outstanding transactions with the same counterparty to be offset in an event of default or occurrence of other predetermined events. Such netting arrangements include repurchase agreements and other similar secured lending and borrowing arrangements.

The amount of the financial collateral received or pledged subject to netting arrangements but not qualified for offsetting are disclosed below.

As at 31 March	2026			2025		
Company & Group	Gross amount Rs. '000	Amount subject to netting but do not qualify for offsetting Rs. '000	Net amount Rs. '000	Gross amount Rs. '000	Amount subject to netting but do not qualify for offsetting Rs. '000	Net amount Rs. '000
Financial Assets						
Loans & receivables	**12,871,201**	**4,730,120**	**8,141,081**	12,109,103	3,820,825	8,288,278

57.2.7 Gold Price Sensitivity – Gold Loan Portfolio

The Company's gold loan portfolio is exposed to credit risk arising from fluctuations in gold prices, which may impact the recoverable value of pledged gold collateral. A decline in future gold prices may result in a reduction in the recoverable value of collateral, potentially affecting the Company's ability to fully recover outstanding loan balances, accrued interest, and related recovery costs.

Management performs sensitivity assessments by applying reasonably possible future gold price stress scenarios to evaluate the potential impact on the recoverable value of pledged gold collateral relating to the gold loan portfolio.

As at 31 March	2026	2025
Company	Impact on Statement of Profit or Loss Rs. '000	Impact on Statement of Profit or Loss Rs. '000
Future Gold Price Movement		
5% reduction in gold prices	No Impact	No Impact
10% reduction in gold prices	(47,242)	No Impact
20% reduction in gold prices	(809,198)	(28,630)

57.2.8 Sensitivity of impairment provision on loans and receivables

	Sensitivity on ECL sensitivity effect on Statement of Financial Position [Increase/(Decrease) in impairment provision]				
Company	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000	Sensitivity effect on income Rs. '000
As at 31 March 2026					
PD 1% increase across all age buckets	**79,645**	**23,121**	**-**	**102,766**	**102,766**
PD 1% decrease across all age buckets	**(79,645)**	**(23,121)**	**-**	**(102,766)**	**(102,766)**
LGD 5% increase	**82,768**	**30,269**	**28,847**	**141,884**	**141,884**
LGD 5% decrease	**(82,768)**	**(30,269)**	**(28,847)**	**(141,884)**	**(141,884)**
Probability weighted Economic Scenarios					
– Base case 10% increase, worst case 5% decrease and best case 5% decrease	**203,155**	**52,861**	**-**	**256,016**	**256,016**
– Base case 10% decrease, worst case 5% increase and best case 5% increase	**(203,155)**	**(52,861)**	**-**	**(256,016)**	**(256,016)**

	Sensitivity on ECL sensitivity effect on Statement of Financial Position [Increase/(Decrease) in impairment provision]				
Company	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000	Sensitivity effect on income Rs. '000
As at 31 March 2025					
PD 1% increase across all age buckets	4,180	1,523	-	5,703	5,703
PD 1% decrease across all age buckets	(4,180)	(1,523)	-	(5,703)	(5,703)
LGD 5% increase	20,899	7,998	77,116	106,013	106,013
LGD 5% decrease	(20,899)	(7,998)	(77,116)	(106,013)	(106,013)
Probability weighted Economic Scenarios					
– Base case 10% increase, worst case 5% decrease and best case 5% decrease	1,276	233	-	1,509	1,509
– Base case 10% decrease, worst case 5% increase and best case 5% increase	(1,276)	(233)	-	(1,509)	(1,509)

Notes to the Financial Statements

	Sensitivity on ECL sensitivity effect on Statement of Financial Position [Increase/(Decrease) in impairment provision]				
Group	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000	Sensitivity effect on income Rs. '000
As at 31 March 2026					
PD 1% increase across all age buckets	**84,233**	**24,453**	**-**	**108,685**	**108,685**
PD 1% decrease across all age buckets	**(84,233)**	**(24,453)**	**-**	**(108,685)**	**(108,685)**
LGD 5% increase	**89,389**	**32,691**	**31,155**	**153,235**	**153,235**
LGD 5% decrease	**(89,389)**	**(32,691)**	**(31,155)**	**(153,235)**	**(153,235)**
Probability weighted Economic Scenarios					
– Base case 10% increase, worst case 5% decrease and best case 5% decrease	**(42,932)**	**(12,138)**	**-**	**(55,070)**	**(55,070)**
– Base case 10% decrease, worst case 5% increase and best case 5% increase	**42,932**	**12,138**	**-**	**55,070**	**55,070**

	Sensitivity on ECL sensitivity effect on Statement of Financial Position [Increase/(Decrease) in impairment provision]				
Group	Stage 1 Rs. '000	Stage 2 Rs. '000	Stage 3 Rs. '000	Total Rs. '000	Sensitivity effect on income Rs. '000
As at 31 March 2025					
PD 1% increase across all age buckets	4,421	1,611	-	6,032	6,032
PD 1% decrease across all age buckets	(4,421)	(1,611)	-	(6,032)	(6,032)
LGD 5% increase	22,571	8,638	83,285	114,494	114,494
LGD 5% decrease	(22,571)	(8,638)	(83,285)	(114,494)	(114,494)
Probability weighted Economic Scenarios				-	-
– Base case 10% increase, worst case 5% decrease and best case 5% decrease	1,295	236	-	1,531	1,531
– Base case 10% decrease, worst case 5% increase and best case 5% increase	(1,295)	(236)	-	(1,531)	(1,531)

57.3 Liquidity Risk and Funding Management

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To limit this risk, the management has arranged diversified funding sources in addition to its deposit base, and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

In compliance with Finance Companies (Liquid Assets) Direction No: 4 of 2013 which shall not as the close of the business on any day, be less than the total of;

(a) 10% of the outstanding value of the time deposits and accrued interest payable at the close of the business on such day and

(b) 15% of outstanding value of the saving deposit and accrued interest payable at the close of the business on such day and

(c) 10% of the total unsecured borrowings

Further the company shall maintaining liquidity assets in the form of Sri Lankan government Treasury Bills & Government securities equivalent to 7.5% of the average of its month end total deposit liabilities and borrowings of the 12 months preceding financial year.

The Company stresses the importance of savings accounts as sources of funds to finance lending to customers. They are monitored using the advances to deposit ratio , which compares loans and advances to customers as a percentage of customer savings accounts and fixed deposits.

The ratios at the end of the year was as follows:

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Liquidity ratios				
Advances to deposit ratios (Times)	1.67	1.26	1.74	1.31
Liquidity Assets to Deposit (%)	20	12	23	14

57.3.1 Analysis of Financial Assets and Liabilities by Remaining Contractual Maturities

The table below summaries the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March 2026.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that many customers will not request repayment on the earliest date the Company could be required to pay and the table does not reflect the expected cash flows indicated by the Company's deposit retention history.

57.3.2 Remaining Contractual Maturities of Undiscounted Cash Flows of Financial Assets and Liabilities

Company

Year ended 31 March 2026	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Financial Asset							
Cash and cash equivalents	16,813,384	6,276,202		-	-	-	23,089,586
Balances with banks & financial institutions	-		-	4,785,527	-	-	4,785,527
Financial assets -Fair value through profit or loss	-	122,850	-	-	-	-	122,850
Loans and receivables - Amortised cost	29,186,687	53,622,604	85,727,098	127,123,174	41,286,448	2,553,230	339,499,241
Financial assets - Fair value through other comprehensive income	-	1,085,898	-	-	-	10	1,085,908
Debt instrument - Amortised cost	-	7,338,310		-	-	-	7,338,310
Other financial assets	-	136,919	-	-	-	-	136,919
Total undiscounted financial assets	46,000,071	68,582,783	85,727,098	131,908,701	41,286,448	2,553,240	376,058,341
Financial liabilities							
Due to banks	203,608	12,950,158	23,015,693	46,398,375	28,338,335	-	110,906,169
Due to customers	9,521,470	36,509,415	63,892,125	64,912,101	9,996,659	241,143	185,072,913
Debt securities issued	2,935	-	5,063,408	-	-	-	5,066,343
Other financial liabilities	-	6,019,507	-	-	-	-	6,019,507
Lease Liabilities	-	132,141	664,719	1,121,662	839,591	397,652	3,155,765
Total undiscounted financial liabilities	9,728,013	55,611,221	92,635,945	112,432,138	39,174,585	638,795	310,220,697
Net undiscounted financial assets/(liabilities)	36,272,058	12,971,562	(6,908,847)	19,476,563	2,111,863	1,914,445	65,837,644

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Year ended 31 March 2025	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Financial Asset							
Cash and cash equivalents	8,574,096	10,122,636		-	-	-	18,696,732
Balances with banks & financial institutions	-		-	7,478	4,778,041	-	4,785,519
Financial assets -Fair value through profit or loss	-	275,550	-	-	-	-	275,550
Loans and receivables - Amortised cost	8,742,875	43,302,563	51,303,361	72,661,981	20,832,941	376,113	197,219,834
Financial assets -Fair value through profit or loss	-	400,846	-	1,003,931	-		1,404,777
Debt instrument - Amortised cost	-	5,192,759	-	-	-	-	5,192,759
Other financial assets	-	76,511	-	-	-	-	76,511
Total undiscounted financial assets	17,316,971	59,370,865	51,303,361	73,673,390	25,610,982	376,113	227,651,682
Financial liabilities							
Due to banks	1,431,684	1,896,741	2,595,947	6,173,580	1,056,501	-	13,154,453
Due to customers	6,777,490	35,770,419	45,564,217	46,639,776	5,917,491	204,727	140,874,120
Debt securities issued	-	554	384,512	5,218,138	-	-	5,603,204
Other financial liabilities	-	6,415,071	-	-	-	-	6,415,071
Lease Liabilities	-	178,840	543,902	1,197,180	612,390	330,876	2,863,188
Total undiscounted financial liabilities	8,209,174	44,261,625	49,088,578	59,228,674	7,586,382	535,603	168,910,036
Net undiscounted financial assets/(liabilities)	9,107,797	15,109,240	2,214,783	14,444,716	18,024,601	(159,491)	58,741,646

Group

Year ended 31 March 2026	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Financial Asset							
Cash and cash equivalents	18,454,116	6,276,202	-	-	-	-	24,730,318
Balances with banks & financial institutions	208,500	922,887	3,169,654	6,932,284	659,200	-	11,892,525
Financial assets -Fair value through profit or loss	-	1,672,218	-	-	-	-	1,672,218
Loans and receivables - Amortised cost	29,729,165	59,380,777	95,358,205	140,028,799	42,552,053	6,933,346	373,982,345
Reinsurance and insurance receivable	-	3,801,073	96,787	-	-	-	3,897,861
Financial assets - Fair value through other comprehensive income	-	1,085,898	-	-	-	10	1,085,908
Debt instrument - Amortised cost	-	7,338,310	-	-	-	-	7,338,310
Total undiscounted financial assets	48,391,781	80,477,365	98,624,646	146,961,083	43,211,253	6,933,356	424,599,484
Financial liabilities							
Due to banks	518,481	14,606,070	27,649,351	52,966,867	30,191,163	1,036,374	126,968,306
Due to customers	9,676,797	41,098,719	67,592,497	65,015,227	10,001,258	241,143	193,625,641
Debt securities issued	2,935	-	5,063,408	-	-	-	5,066,343
Other financial liabilities	-	8,550,204	-	-	-	-	8,550,204
Insurance and reinsurance payable	4,028,273	3,258,043	61,288	76,333	-	-	7,423,937
Lease Liabilities	-	205,456	631,287	1,257,082	624,656	330,876	3,049,357
Total undiscounted financial liabilities	14,226,486	67,718,492	100,997,831	119,315,510	40,817,077	1,608,393	344,683,789
Net undiscounted financial assets/(liabilities)	34,165,295	12,758,873	(2,373,185)	27,645,573	2,394,176	5,324,963	79,915,695

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Year ended 31 March 2025	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
Financial Asset							
Cash and cash equivalents	9,460,766	10,122,636	-	-	-	-	19,583,402
Balances with banks & financial institutions	37,210	513,920	2,549,868	7,478	5,437,241	-	8,545,717
Financial assets -Fair value through profit or loss	-	1,290,581	-	-	-	-	1,290,581
Loans and receivables - Amortised cost	8,897,939	46,789,997	56,393,445	80,075,646	23,360,970	3,025,133	218,543,130
Reinsurance and insurance receivable	-	1,268,209	572,030	-	-	-	1,840,239
Financial assets - Fair value through other comprehensive income	-	1,827,472	-	-	-	10	1,827,482
Debt instrument - Amortised cost	-	6,702,844	3,395,336	1,188,195	-	-	11,286,375
Total undiscounted financial assets	18,395,915	68,515,659	62,910,679	81,271,319	28,798,211	3,025,143	262,916,926
Financial liabilities							
Due to banks	1,863,144	2,486,590	4,058,867	8,997,942	1,999,945	-	19,406,488
Due to customers	6,777,490	42,743,045	47,498,899	46,690,254	5,950,755	213,455	149,873,899
Debt securities issued	-	554	384,512	5,218,138	-	-	5,603,204
Other financial liabilities	-	8,187,438	-	-	-	-	8,187,438
Reinsurance and insurance payable	5,420,071	38,717	-	-	-	-	5,458,788
Lease Liabilities	-	109,137	336,403	910,141	485,158	191,776	2,032,615
Total undiscounted financial liabilities	14,060,705	53,565,481	52,278,680	61,816,476	8,435,858	405,231	190,562,432
Net undiscounted financial assets/(liabilities)	4,335,210	14,950,178	10,631,999	19,454,844	20,362,353	2,619,912	72,354,497

57.3.3 Commitments and Guarantees

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down.

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Company

Year ended	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
As at 31 March 2026						
Guarantees	-	16,000	43,446	149	-	59,595
Litigation against the Company	-	585,707	323,084	-	-	908,791
Commitment	-	18,035,755	4,686,032	3,874,502	-	26,596,289
Total commitments and guarantees	-	18,637,462	5,052,562	3,874,651	-	27,564,675
As at 31st March 2025						
Guarantees	-	27,800	41,093	263	-	69,156
Assessment received from Inland Revenue Department	-	-	-	-	-	-
Litigation against the Company	-	214,005	180,021	-	-	394,026
Capital commitment	-	17,436,613	1,152,819	-	-	18,589,432
Total commitments and guarantees	-	17,678,418	1,373,933	263	-	19,052,614

Group

Year ended	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 5 years Rs. '000	Over 5 years Rs. '000	Total Rs. '000
As at 31 March 2026						
Guarantees	-	16,000	43,446	149	-	59,595
Assessment received from Inland Revenue Department	-	-	-	260,846	-	260,846
Litigation against the Company	-	585,707	323,084	-	-	908,791
Commitment	-	18,035,755	4,686,032	3,874,502	-	26,596,289
Total commitments and guarantees	-	18,637,462	5,052,562	4,135,497	-	27,825,521
As at 31st March 2025						
Guarantees	-	27,800	41,093	263	-	69,156
Assessment received from Inland Revenue Department	-	-	-	198,334	-	198,334
Litigation against the Company	-	214,005	180,021	-	-	394,026
Capital commitment	-	17,436,613	1,152,819	-	-	18,589,432
Total commitments and guarantees	-	17,678,418	1,373,933	198,597	-	19,250,948

The Company expects that not all of the contingent liabilities or commitments will be drawn before expiry of the commitments.

Notes to the Financial Statements

57.3.3 Total liquid assets

The table below sets out the components of the Company's liquid assets;

For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000
Cash in hand	1,873,470	1,518,172
Balances in current accounts	1,003,137	454,062
Deposits in commercial banks	5,108,045	7,977,781
Securities under reverse repurchase agreement	17,339,138	10,122,636
Treasury bills and Treasury Bonds	7,337,904	5,161,108
Total liquidity assets	32,661,694	25,233,759

57.4 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

Currently, increased volatility and decline in value of many financial asset classes may impact the trading books of most company due to the increased market risk. The uncertainty caused by the pandemic could lead to increased pressure on the local currency resulting in higher foreign exchange risk.

Company estimate how the reduction in interest rates will impact their rate sensitive assets and liabilities and the subsequent implication on profitability.

57.4.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company policy is to continuously monitor interest rates on regular basis. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate financial assets and financial liabilities.

The following table demonstrates the sensitivity of the Company's Statement of Profit or Loss for the year ended 31st March 2026 and 31st March 2025 to a reasonable possible change in interest rates, with all other variable constant.

As at 31 March	2026 Rs. '000	2025 Rs. '000
Impact on Statement of Profit or Loss due to interest rate shocks		
0.50%	110,554	79,492
1%	221,109	(158,985)
-0.50%	(110,554)	(79,492)
-1%	(221,109)	158,985

Sensitivity of Lease Liability to Key Assumption

Sensitivity to Incremental Borrowing Rates

As at 31 March	2026 Rs. '000	2025 Rs. '000
Impact on Company's Statement of Financial Position due to interest rate shocks		
1%	(446,786)	(285,687)
-1%	446,786	285,687

Interest Rate Risk Exposure on Financial Asset and Liabilities

The table below analyses the Company's interest rate risk exposure on non–trading financial assets and liabilities. The Company's assets and liabilities are included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Company

2026	Carrying amount Rs. '000	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Non–interest bearing Rs. '000
Assets								
Cash and cash equivalents	23,022,483	1,520,612	17,339,137					4,162,735
Balances with banks & financial institutions	3,587,434	-	-	-	3,587,434	-	-	-
Financial assets -Fair value through profit or loss	122,850	-	-	-	-	-	-	122,850
Loans and receivables - Amortised cost	280,395,170	22,734,253	59,680,531	67,049,409	105,778,502	23,749,311	1,403,164	-
Less - Impairment charges	4,656,757	-	-	-	-	-	-	-
Net loans and receivables	275,738,413	-	-	-	-	-	-	-
Financial assets - Fair value through other comprehensive income	1,085,908	-	998,616	-	-	-	-	87,292
Debt instrument - Amortised cost	7,338,310	-	7,338,310	-	-	-	-	-
Other financial assets	136,919	-	-	-	-	-	-	136,919
Total	315,689,074	24,254,864	85,356,594	67,049,409	109,365,936	23,749,311	1,403,164	4,509,796
Liabilities								
Due to banks	89,733,741	637,350	11,105,301	17,840,254	36,254,178	23,177,377	719,280	-
Due to customers	165,448,875	9,636,369	34,711,701	56,851,700	55,776,072	8,237,211	235,823	-
Debt securities issued	5,062,517	425,391	-	4,637,126	-	-	-	-
Other Financial liabilities	6,019,507	-	-	-	-	-	-	6,019,507
Lease Liabilities	2,433,478	-	165,369	424,080	801,120	686,641	356,269	-
Total	268,698,118	10,699,110	45,982,371	79,753,160	92,831,370	32,101,229	1,311,371	6,019,643
Total interest sensitivity gap	46,990,956	13,555,754	39,374,223	(12,703,751)	16,534,566	(8,351,917)	91,793	-

Notes to the Financial Statements

Company

2025	Carrying amount Rs. '000	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Non–interest bearing Rs. '000
Assets								
Cash and cash equivalents	18,696,732	4,946,230	10,122,636	-	-	-	-	3,627,866
Balances with banks & financial institutions	3,031,551	1,028,481	-	-	3,070	2,000,000	-	-
Financial assets -Fair value through profit or loss	275,550	-	-	-	-	-	-	275,550
Loans and receivables - Amortised cost	163,123,558	14,458,978	39,682,780	46,256,240	48,803,776	13,628,433	293,351	-
Less - Impairment charges	6,031,171	-	-	-	-	-	-	-
Net loans and receivables	157,092,387	-	-	-	-	-	-	-
Financial assets - Fair value through other comprehensive income	1,292,140	-	-	-	977,135	-	-	315,005
Debt instrument - Amortised cost	5,161,177	-	5,161,177	-	-	-	-	-
Other financial assets	76,511	-	-	-	-	-	-	76,511
Total	185,626,048	20,433,689	54,966,593	46,256,240	49,783,981	15,628,433	293,351	4,294,932
Liabilities								
Due to banks	11,436,573	1,431,683	1,671,757	2,000,600	5,334,933	997,600	-	-
Due to customers	124,529,684	7,742,239	34,385,693	40,455,671	38,191,668	3,549,686	204,727	-
Debt securities issued	5,014,652	384,977	-	-	4,629,675	-	-	-
Other financial liabilities	6,415,071	-	-	-	-	-	-	6,415,071
Lease Liability	2,236,091	-	198,431	363,162	898,290	482,264	293,944	-
Total	149,632,071	9,558,899	36,255,881	42,819,433	49,054,566	5,029,550	498,671	6,415,071
Total interest sensitivity gap	35,993,977	10,874,790	18,710,712	3,436,807	729,415	10,598,883	(205,320)	-

The table below analyses the Group's interest rate risk exposure on non–trading financial assets and liabilities. The Group's assets and liabilities are included at carrying amount and categorised by the earlier of contractual re–pricing or maturity dates.

Group

2026	Carrying amount Rs. '000	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Non–interest bearing Rs. '000
Assets								
Cash and cash equivalents	24,730,318	2,445,870	17,514,389	-	-	-	-	4,770,059
Balances with banks & financial institutions	9,855,176	1,911,448	2,133,334	2,222,960	3,587,434	-	-	-
Financial assets -Fair value through profit or loss	1,672,218	-	-	-	-	-	-	1,672,218
Loans and receivables - Amortised cost	304,969,906	23,087,923	63,380,011	73,521,630	116,064,162	25,536,543	3,379,637	-
Less-Impairment charges	5,721,596	-	-	-	-	-	-	-
Net loans and receivables	299,248,310	-	-	-	-	-	-	-
Reinsurance and insurance receivable	3,095,603	-	-	-	-	-	-	3,095,603
Financial assets - Fair value through other comprehensive income	1,085,908	-	998,616	-	-	-	-	87,292
Debt instrument - Amortised cost	10,797,081	467,271	8,035,097	634,406	1,038,544	621,763	-	-
Total	350,484,614	27,912,512	92,061,447	76,378,996	120,690,140	26,158,306	3,379,637	9,625,172
Liabilities								
Due to banks	103,139,658	1,027,895	12,518,431	21,812,207	42,030,417	25,031,428	719,280	-
Due to customers	172,219,996	9,377,574	40,765,400	58,494,066	55,809,801	7,537,332	235,823	-
Debt securities issued	5,062,517	425,391	-	4,637,126	-	-	-	-
Other financial liabilities	8,550,204	-	-	-	-	-	-	8,550,204
Insurance liabilities and reinsurance payables	7,423,937	-	-	-	-	-	-	7,423,937
Lease Liability	2,238,921	-	177,671	296,258	747,478	692,993	324,522	-
Total	298,635,233	10,830,860	53,461,502	85,239,657	98,587,696	33,261,753	1,279,625	15,974,141
Total interest sensitivity gap	51,849,381	17,081,652	38,599,945	(8,860,661)	22,102,444	(7,103,447)	2,100,012	

Notes to the Financial Statements

Group

2025	Carrying amount Rs. '000	On demand Rs. '000	Less than 3 months Rs. '000	3 to 12 months Rs. '000	1 to 3 years Rs. '000	3 to 5 years Rs. '000	Over 5 years Rs. '000	Non–interest bearing Rs. '000
Assets								
Cash and cash equivalents	19,583,402	5,070,127	10,297,888	-	-	-	-	4,215,387
Balances with banks & financial institutions	5,694,373	1,331,368	1,434,608	387,012	421,385	2,120,000	-	-
Financial assets -Fair value through profit or loss	1,290,581	-	-	-	-	-	-	1,290,581
Loans and receivables - Amortised cost	177,417,915	14,120,019	43,545,766	48,336,036	54,124,145	15,286,474	2,005,475	-
Less-Impairment charges	6,966,074	-	-	-	-	-	-	-
Net loans and receivables	170,451,841	-	-	-	-	-	-	-
Reinsurance and insurance receivable	1,698,354	-	-	-	-	-	-	1,698,354
Financial assets - Fair value through other comprehensive income	1,827,482	-	535,342	-	977,135	-	-	315,005
Debt instrument - Amortised cost	11,561,272	957,298	6,317,314	3,667,117	619,544	-	-	-
Total	212,107,305	21,478,812	62,130,918	52,390,165	56,142,209	17,406,474	2,005,475	7,519,327
Liabilities								
Due to banks	16,828,985	1,863,143	2,185,787	3,308,785	7,936,029	1,535,242	-	-
Due to customers	130,068,713	7,374,502	39,445,425	41,957,675	37,534,251	3,551,484	205,378	-
Debt securities issued	5,014,652	384,977	-	-	4,629,675	-	-	-
Other financial liabilities	8,187,438	-	-	-	-	-	-	8,187,438
Lease Liability	1,778,792	75,870	139,914	229,882	716,018	380,332	236,777	-
Insurance liabilities and reinsurance payables	5,458,788	-	-	-	-	-	-	5,458,788
Total	167,337,368	9,698,492	41,771,126	45,496,342	50,815,973	5,467,058	442,155	13,646,226
Total interest sensitivity gap	44,769,937	11,780,320	20,359,792	6,893,823	5,326,236	11,939,416	1,563,320	

57.4.2 Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Since investments in USD deposits were low, the currency risk of the Company/Group is minimal.

The tables below indicate the currencies to which the Company had significant exposures as at 31st March 2026 and the effect to the Gains/ Losses in case of a market exchange rates up/drop by 1%. The analysis calculates the effect of a reasonably possible movement of the currency rate against the LKR, with all other variables held constant, on the Statement of Profit or Loss (due to the fair value of currency sensitive non trading monetary assets and liabilities).

Impact on Statement of Profit or Loss due to Exchange Rate Shocks

		Company		Group	
	Change in currency rate in %	2026 Effect on profit before tax Rs. '000	2025 Effect on profit before tax Rs. '000	2026 Effect on profit before tax Rs. '000	2025 Effect on profit before tax Rs. '000
USD	1	-	-	8	330
USD	-1	-	-	(8)	(330)

57.4.3 Equity Price Risk

The sensitivity analysis for equity risk reflects how changes in the fair value of equity securities at the reporting date will fluctuate in response to assumed changes in equity market prices. The movements in the fair value of equity securities monitored by assessing the projected changes in the fair value of equity securities held by the portfolios in response to assumed equity price movements of +/- 1%.

	2026			2025		
1% increase/decrease in equity market prices	Effect on net asset value Rs. '000	Effect on profit before tax Rs. '000	Effect on comprehensive income Rs. '000	Effect on net asset value Rs. '000	Effect on profit before tax Rs. '000	Effect on comprehensive income Rs. '000
Company						
Financial assets - FVTPL	12,352	12,352	-	3,150	3,150	-
Financial assets - FVOCI	873	-	873	3,150	-	3,150
Group						
Financial assets - FVTPL	1,589	1,589	-	3,339	3,339	-
Financial assets - FVOCI	873	-	873	3,150	-	3,150

57.4.4 Commodity price risk

Commodity price risk refers to the uncertainty of future market value and future income scale caused by commodity price fluctuations. Given the importance of the gold loan to the group, volatility in gold prices may adversely affect Statement of Profit or Loss. Fluctuations in gold prices lead to market risk, which is the main source of credit risk associated with this product.

Following strategies are used to manages the credit and market risks arising from adverse changes in gold prices by the Group.

- LTV - The Group implements a process of revising the advance payments for each gold sovereign to reflect market value volatility to maintain an ideal loan-to-value ratio.
- Product Lifetime - As a credit risk management strategy, the Group deliver services in less time, enabling a faster recovery process.

Notes to the Financial Statements

57.5 Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss.

Operational risk of the Company are managed through a Board approved operational risk management policy control framework which consists of monitoring and responding to potential risks.

57.6 Insurance Risks

People's Insurance PLC (PI) is a subsidiary of the Company whose principle line of business is carrying out general insurance business. The following are the risks and their management arising from PI for its statutory year ended 31 March 2026.

57.6.1 Regulatory Framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the PI is satisfactorily managing affairs for policyholders' benefit. At the same time, regulators are also interested in ensuring that the PI maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

As an insurer, the operations of the PI are subject to regulatory supervision of the Insurance Board of Sri Lanka (IBSL). PI has taken necessary action to comply with and complied with applicable regulations throughout the year.

57.6.2 Nature and Extent of Risks Arising from Insurance Contracts

Objectives, Policies and Processes for Managing Risks Arising from Insurance Contracts

PI willingly assumes risks of other organisations as its prime value creation activity. This is the core of the insurance business and there is no perfect way of measuring the potential impact on insured risk. For non-life insurance business, most significant risks arise from climate changes, natural disasters and terrorist activities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. PI's risk management framework focuses on strategic risk, assumed risks and the potential risks. PI identifies and categorises risks in terms of their source, their impact on PI and preferred strategies for dealing with them.

Method used to Manage Risks

Risk Appetite and Risk Tolerance

PI has made a strategic decision to maintain a risk appetite moderately above the average of the insurance market, since it allows the best potential for creating shareholder value at an acceptable risk level. PI manages the volatility and potential downward risk through diversification.

Identification of Shock Losses

There are three areas of risk which have the potential to materially damage economic value that PI identified at present as having the greatest potential for shock losses. They are catastrophe, reserving and equity investment risk. PI manages the risk of shock losses by setting limits on the tolerance for specific risks and on the amount of capital that PI is willing to expose.

The table below sets out the concentration of non-life insurance contract liabilities by type of contract.

	31-Mar-26			31-Mar-25		
	Gross liabilities Rs. '000	Reinsurance receivable Rs. '000	Net liabilities Rs. '000	Gross liabilities Rs. '000	Reinsurance receivable Rs. '000	Net liabilities Rs. '000
Motor	**4,589,072**	**283,829**	**4,305,242**	4,505,311	770,102	3,735,209
Marine	**31,424**	**16,666**	**14,758**	58,990	42,374	16,616
Fire	**1,289,387**	**1,004,692**	**284,695**	727,937	503,947	223,990
Miscellaneous	**911,120**	**245,540**	**665,580**	1,024,896	443,236	581,660
Total	**6,821,003**	**1,550,728**	**5,270,275**	6,317,134	1,759,659	4,557,475

Claims Development Table

The following tables show the estimates of cumulative incurred claims for each quarter, together with cumulative payments to date.

Gross Non-Life Insurance Outstanding Claims Provision for 2026

	Current estimate of cumulative claims incurred																	
Accident Period	2010 Rs. '000	2011 Rs. '000	2012 Rs. '000	2013 Rs. '000	2014 Rs. '000	2015 Rs. '000	2016 Rs. '000	2017 Rs. '000	2018 Rs. '000	2019 Rs. '000	2020 Rs. '000	2021 Rs. '000	2022 Rs. '000	2023 Rs. '000	2024 Rs. '000	2025 Rs. '000	Q1 2026 Rs. '000	Total Rs. '000
2010	213,653																	213,653
2011	2,762	1,396,938																1,399,700
2012	4,224	(58,704)	2,042,934															1,988,454
2013	3,148	50,297	(167,837)	2,042,094														1,927,702
2014	1,465	1,577	28,391	(15,126)	2,040,473													2,056,780
2015	1,703	6,377	(5,165)	35,874	31,044	2,182,704												2,252,537
2016	(945)	(113)	(17,006)	(8,555)	5,397	50,267	2,635,203											2,664,248
2017	(844)	4,738	(608)	8,298	5,704	21,071	33,255	2,792,805										2,864,420
2018	(120)	11,385	51	(8,584)	4,918	(9,647)	21,099	73,912	3,165,480									3,258,495
2019	-	42,085	5,515	1,591	1,014	2,662	4,183	31,282	92,881	3,803,005								3,984,217
2020	193	10,771	2,942	1,485	705	2,602	7,258	7,573	32,132	(27,248)	2,738,130							2,776,543
2021	-	558	(1,319)	(600)	(7)	(907)	2,629	6,465	4,197	47,351	67,214	3,014,295						3,139,875
2022	(1,253)	(5,240)	(4,004)	560	8,045	(7,319)	(9,297)	(2,855)	(11,824)	(5,845)	53,369	347,744	3,517,983					3,880,064
2023	(650)	(23,893)	(10,190)	(4,891)	(14,099)	(8,967)	(21,790)	(19,128)	(15,073)	(10,124)	4,504	76,409	316,981	3,013,747				3,282,834
2024	(150)	-	7,311	4,318	820	11,724	2,640	3,847	3,470	740	(15,380)	24,124	58,364	206,422	3,012,137			3,320,387
2025	-	729	1,477	15,114	18,417	32,682	15,902	15,106	19,323	1,782	3,732	(16,966)	(34,670)	1,570	(171,249)	4,840,120	-	4,743,068
Q1 2026	-	(4,300)	(1,250)	(2,613)	(2,400)	(4,886)	(5,815)	(3,286)	1,742	(11,191)	(6,716)	(196)	4,786	4,441	14,810	52,313	880,626	916,067
Current estimated of cumulative claims incurred	223,187	1,433,206	1,881,241	2,068,965	2,100,031	2,271,987	2,685,266	2,905,721	3,292,327	3,798,469	2,844,853	3,445,410	3,863,444	3,226,179	2,855,698	4,892,433	880,626	44,669,044

	Cumulative payments to date																	
Accident Period	2010 Rs. '000	2011 Rs. '000	2012 Rs. '000	2013 Rs. '000	2014 Rs. '000	2015 Rs. '000	2016 Rs. '000	2017 Rs. '000	2018 Rs. '000	2019 Rs. '000	2020 Rs. '000	2021 Rs. '000	2022 Rs. '000	2023 Rs. '000	2024 Rs. '000	2025 Rs. '000	Q1 2026 Rs. '000	Total Rs. '000
2010	(134,902)																	(134,902)
2011	(72,227)	(893,615)																(965,842)
2012	(5,154)	(311,763)	(1,465,582)															(1,782,499)
2013	(3,495)	(57,574)	(252,384)	(1,621,312)														(1,934,765)
2014	(2,329)	(19,215)	(29,760)	(329,993)	(1,586,379)													(1,967,676)
2015	(1,718)	(16,664)	(53,691)	(28,525)	(395,617)	(1,743,315)												(2,239,530)
2016	(390)	(8,262)	(16,478)	(12,958)	(23,979)	(389,878)	(2,129,944)											(2,581,889)
2017	(2,129)	(8,627)	(10,057)	(10,447)	(13,186)	(30,768)	(468,923)	(2,267,584)										(2,811,721)
2018	-	(16,329)	(5,532)	(14,079)	(15,396)	(26,780)	(26,927)	(515,478)	(2,646,682)									(3,267,202)
2019	-	(84,791)	(9,222)	(4,101)	(13,820)	(21,259)	(15,975)	(39,809)	(551,787)	(2,956,804)								(3,697,567)
2020	(193)	(3,154)	(7,835)	(4,584)	(6,434)	(10,697)	(11,924)	(12,594)	(29,128)	(737,058)	(2,214,578)							(3,038,180)
2021	-	(58)	(2,569)	(2,428)	(5,012)	(3,402)	(8,644)	(12,075)	(10,880)	(41,866)	(534,897)	(2,397,109)						(3,018,940)
2022	(650)	(387)	(10,807)	(11,439)	(10,011)	6,738	10,175	(3,340)	1,316	(7,386)	(24,130)	(846,549)	(2,831,414)					(3,727,883)
2023	-	(4,357)	(300)	(2,194)	(1,450)	(1,832)	(3,414)	(10,694)	(9,915)	(13,410)	(17,166)	(114,455)	(824,727)	(2,396,800)				(3,400,716)
2024	-	-	(8,289)	(8,488)	(2,133)	(13,731)	(3,620)	(6,495)	(4,505)	(17,053)	(6,718)	(26,411)	(98,326)	(705,229)	(2,099,757)			(3,000,753)
2025	-	12,168	(2,000)	(9,423)	(1,467)	(5,572)	(8,707)	(10,183)	(9,277)	(2,473)	(12,812)	(9,197)	(39,400)	(53,614)	(675,364)	(2,676,232)		(3,503,554)
Q1 2026	-	-	-	-	-	(2,364)	(1,085)	(1,050)	(3,315)	(52)	(2,553)	(2,610)	(4,273)	(7,766)	(16,105)	(1,109,633)	(375,708)	(1,526,513)
Cumulative payments to date	(223,187)	(1,412,628)	(1,874,505)	(2,059,972)	(2,074,883)	(2,242,860)	(2,668,989)	(2,879,302)	(3,264,173)	(3,776,102)	(2,812,855)	(3,396,330)	(3,798,140)	(3,163,408)	(2,791,226)	(3,785,865)	(375,708)	(42,600,133)
Total Gross claims outstanding	-	20,578	6,737	8,993	25,148	29,127	16,277	26,419	28,154	22,367	31,998	49,080	65,304	62,771	64,472	1,106,569	504,918	2,068,911

Notes to the Financial Statements

Net Non-Life Insurance Outstanding Claims Provision for 2026

	Current estimate of cumulative claims incurred																	
Accident Period	2010 Rs. '000	2011 Rs. '000	2012 Rs. '000	2013 Rs. '000	2014 Rs. '000	2015 Rs. '000	2016 Rs. '000	2017 Rs. '000	2018 Rs. '000	2019 Rs. '000	2020 Rs. '000	2021 Rs. '000	2022 Rs. '000	2023 Rs. '000	2024 Rs. '000	2025 Rs. '000	Q1 2026 Rs. '000	Total Rs. '000
2010	209,132																	209,132
2011	4,621	1,224,086	-	-	-	-	-	-	-	-								1,228,707
2012	4,239	(15,515)	1,976,422	-	-	-	-	-	-	-								1,965,146
2013	3,157	51,344	(158,485)	2,034,121	-	-	-	-	-	-								1,930,137
2014	1,465	2,382	28,151	(15,127)	2,023,094	-	-	-	-	-								2,039,965
2015	1,599	6,454	(3,982)	34,203	16,076	2,100,737	-	-	-	-								2,155,087
2016	(945)	(128)	(16,949)	(10,511)	6,864	59,287	2,549,666	-	-	-								2,587,284
2017	(844)	9,001	(608)	14,290	5,742	15,721	37,716	2,692,279	-	-								2,773,296
2018	(120)	11,400	51	(11,575)	5,037	(3,500)	24,501	77,270	3,106,289	-								3,209,354
2019	-	321	5,515	1,591	1,014	2,667	4,325	37,666	79,873	3,398,413								3,531,385
2020	193	10,793	2,942	1,485	705	2,602	6,735	8,961	33,117	58,000	2,601,103							2,726,638
2021	-	58	(1,387)	428	718	2,126	4,019	7,482	8,701	50,064	121,616	2,719,396						2,913,221
2022	(2,589)	(16,234)	(37,642)	(24,812)	(10,677)	72,430	(12,733)	(3,403)	(17,256)	(9,480)	(1,385)	420,682	3,067,091					3,423,993
2023	(650)	(21,398)	(9,190)	(4,644)	(13,495)	(8,812)	(13,169)	(9,527)	(5,143)	327	13,362	81,006	246,771	2,860,159				3,115,597
2024	(150)	14,803	13,051	5,421	5,521	11,724	5,362	14,738	7,939	24,086	29,886	48,515	143,965	72,818	2,737,425			3,135,107
2025	-	729	1,477	15,114	18,417	32,682	15,902	15,106	19,323	2,768	7,593	(714)	102,849	18,573	(197,498)	3,297,272	-	3,349,593
Q1 2026	-	(4,300)	(1,250)	(2,613)	(2,400)	(4,886)	(5,815)	(3,286)	1,742	(11,260)	(7,400)	(1,124)	2,288	2,550	9,421	182,503	796,033	950,204
Current estimated of cumulative claims incurred	219,109	1,273,797	1,798,116	2,037,371	2,056,615	2,282,778	2,616,510	2,837,287	3,234,585	3,512,919	2,764,775	3,267,763	3,562,965	2,954,101	2,549,349	3,479,774	796,033	41,243,847

	Cumulative payments to date																	
Accident Period	2010 Rs. '000	2011 Rs. '000	2012 Rs. '000	2013 Rs. '000	2014 Rs. '000	2015 Rs. '000	2016 Rs. '000	2017 Rs. '000	2018 Rs. '000	2019 Rs. '000	2020 Rs. '000	2021 Rs. '000	2022 Rs. '000	2023 Rs. '000	2024 Rs. '000	2025 Rs. '000	Q1 2026 Rs. '000	Total Rs. '000
2010	(131,282)	-	-	-	-	-	-	-	-	-								(131,282)
2011	(71,904)	(881,711)	-	-	-	-	-	-	-	-								(953,615)
2012	(5,123)	(248,760)	(1,424,239)	-	-	-	-	-	-	-								(1,678,122)
2013	(3,495)	(32,280)	(226,969)	(1,593,260)	-	-	-	-	-	-								(1,856,004)
2014	(2,329)	(17,417)	(29,152)	(329,883)	(1,564,956)	-	-	-	-	-								(1,943,737)
2015	(1,614)	(16,664)	(31,860)	(27,883)	(369,486)	(1,756,890)	-	-	-	-								(2,204,397)
2016	(390)	(8,244)	(16,282)	(12,833)	(23,866)	(387,579)	(2,075,965)	-	-	-								(2,525,159)
2017	(2,129)	(8,627)	(10,057)	(10,432)	(13,132)	(30,608)	(446,918)	(2,209,836)	-	-								(2,731,738)
2018	-	(16,329)	(5,532)	(11,079)	(15,396)	(26,799)	(25,385)	(492,761)	(2,619,040)	-								(3,212,322)
2019	-	(13,201)	(9,222)	(4,101)	(13,820)	(21,259)	(15,969)	(32,630)	(521,977)	(2,902,120)								(3,534,299)
2020	(193)	(3,154)	(7,835)	(4,584)	(6,434)	(10,697)	(11,371)	(12,311)	(15,045)	(487,549)	(2,149,086)							(2,708,260)
2021	-	(58)	(2,569)	(2,428)	(5,012)	(3,402)	(8,644)	(12,075)	(10,872)	(37,663)	(505,153)	(2,331,752)						(2,919,629)
2022	(650)	(387)	(10,807)	(11,439)	(10,011)	6,738	10,190	(3,340)	1,316	(3,707)	(23,120)	(774,441)	(2,666,268)					(3,485,927)
2023	-	(4,357)	(300)	(2,194)	(1,450)	(1,832)	(3,414)	(10,694)	(9,915)	(13,410)	(15,402)	(94,330)	(774,098)	(2,309,670)				(3,241,066)
2024	-	-	(8,289)	(8,488)	(2,133)	(13,731)	(3,620)	(6,495)	(4,505)	(17,053)	(6,599)	(24,512)	(63,360)	(651,816)	(1,926,428)			(2,737,029)
2025	-	12,168	(2,000)	(9,423)	(1,467)	(5,572)	(8,707)	(10,183)	(9,277)	(2,459)	(10,283)	(9,096)	(37,343)	(49,150)	(588,426)	(2,525,494)	-	(3,256,712)
Q1 2026	-	-	-	-	-	(2,364)	(1,085)	(1,050)	(3,315)	(52)	(2,037)	(2,600)	(4,252)	(7,731)	(12,774)	(989,725)	(372,528)	(1,399,513)
Cumulative payments to date	(219,109)	(1,239,021)	(1,785,112)	(2,028,028)	(2,027,162)	(2,253,996)	(2,590,889)	(2,791,377)	(3,192,632)	(3,464,014)	(2,711,681)	(3,236,730)	(3,545,321)	(3,018,367)	(2,527,628)	(3,515,219)	(372,528)	(40,518,811)
Total net claims outstanding	-	34,776	13,004	9,344	29,453	28,782	25,621	45,911	41,953	48,905	53,095	31,032	17,644	(64,267)	21,720	(35,444)	423,505	725,035

Table 1: Impact on claim liability to changes in key variables

Variable	Change in variable	75% claim liabilities Change in 75% claim liabilities Rs. '000	Change in 75% claim liabilities Rs. '000
Original		1,313,094	-
Claim handling expenses (CHE)	10%	1,318,961	5,867
Claim handling expenses (CHE)	-10%	1,307,227	(5,867)
Accident year-2025 ultimate loss ratio (ULR)	10%	1,612,449	299,355
Accident year-2025 ultimate loss ratio (ULR)	-10%	1,612,449	(299,355)
Provision for adverse deviation (PRAD)	100%	1,443,255	130,161
Provision for adverse deviation (PRAD)	50%	1,248,014	(65,080)

Table 2: Impact on premium liability to changes in key variables

Variable	Change in variable	URR at 75% confidence level Rs. '000	Premium liabilities (PL) Rs. '000	Change in premium liabilities Rs. '000
Original		3,851,684	3,851,684	-
Unexpired risk reserves (URR)	10%	4,142,945	4,142,945	291,262
Unexpired risk reserves (URR)	-10%	3,536,595	3,851,684	-
Claim handling expenses (CHE)	10%	3,935,970	3,935,970	84,287
Claim handling expenses (CHE)	-10%	3,767,397	3,767,397	(84,287)
Provision for adverse deviation (PRAD)	100%	3,567,609	4,329,012	477,328
Provision for adverse deviation (PRAD)	50%	3,613,020	3,613,020	(238,664)

58. Events After The Reporting Period

Events after the reporting period are those events, favourable and unfavourable, that occur between the reporting date and the date on which the Financial Statements are authorised for issue. Events occurring after the reporting date up to the date of authorisation of the Financial Statements have been reviewed. Except for the proposed final dividend disclosed in Note 58.1, there were no material events requiring adjustment to or additional disclosure in these Financial Statements.

58.1 Final Dividend

Subsequent to the reporting date, the Board of Directors of the Company recommended the payment of a final dividend of Rs. 0.70 per share in the form of scrip dividend for the year ended 31 March 2026. This final dividend is yet to be approved at the Annual General Meeting. In accordance with the Sri Lanka Accounting Standard – LKAS 10 (Events After the Reporting Period), this proposed final dividend has not been recognised as a liability as at 31 March 2026.



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Thriving Through Interdependence

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Sustainable Value Creation for Investors

At People's Leasing & Finance PLC, we view our investors as integral participants within a living network of value creation. Much like a mycelium network where interconnected nodes share resources and information to sustain collective growth our approach to investor relations is founded on strong, transparent, and continuous connections.

Investor confidence is built not only through financial returns, but through the strength of these connections underpinned by trust, timely communication, and consistent performance. Accordingly, the Company remains committed to delivering sustainable returns while maintaining robust governance, prudent risk management, and disciplined strategic execution.

By aligning our business strategies with evolving market conditions and stakeholder expectations, we ensure that value flows efficiently across our ecosystem, supporting long-term value creation for our shareholders.

Strengthening Investor Engagement

We view investor engagement as a continuous and strategic priority, not merely a regulatory requirement. The Company actively maintains open communication channels to ensure that investor concerns, expectations, and feedback are addressed effectively.

Through structured interactions and transparent disclosures, we foster a relationship built on mutual trust, accountability, and responsiveness. Feedback received from shareholders and analysts plays a key role in refining our communication approach and enhancing overall investor satisfaction.

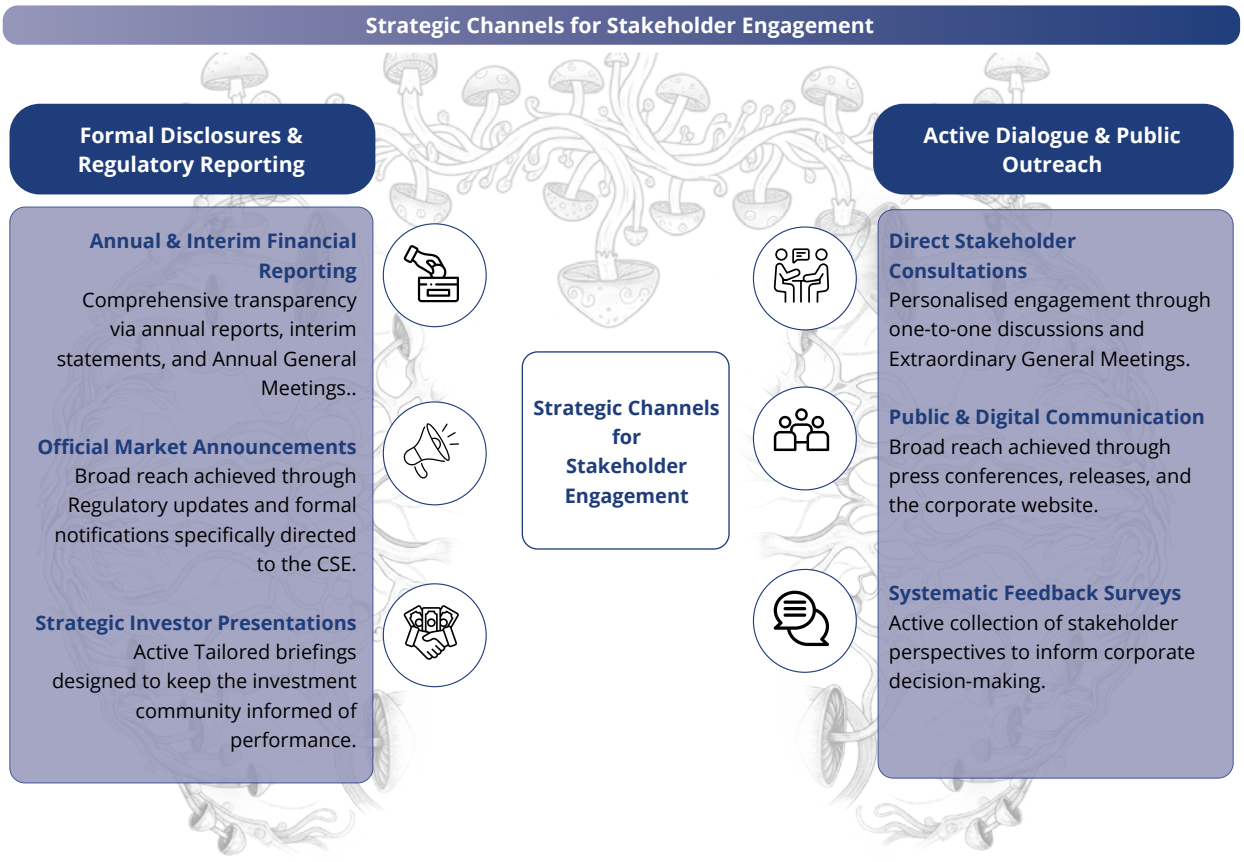
Multi-Channel Investor Communication

At People's Leasing & Finance PLC, we recognise the growing importance of digital platforms in enhancing investor accessibility and engagement. Our dedicated Investor Relations portal, accessible through the Company's corporate website, serves as a dynamic and user-friendly platform for stakeholders.

This platform provides convenient access to both PDF and interactive versions of the Annual Report, together with timely updates on financial performance, corporate disclosures, governance practices, and key strategic developments. By ensuring the availability of accurate and up-to-date information, we empower investors to make informed decisions with confidence.

We continuously invest in improving our digital communication channels to align with evolving stakeholder expectations and technological advancements. Our focus remains on delivering a seamless, transparent, and responsive digital experience.

Through these initiatives, we reaffirm our commitment to maintaining high standards of investor relations, ensuring that all stakeholders remain well-informed, actively engaged, and confident in our journey towards sustainable value creation.



To ensure accessibility and inclusivity, we engage with investors through multiple platforms:

Engagement Mechanism	Frequency of Engagement
Interim Financial Statements	Quarterly
Interim Paper Publication	Semi-annually
Annual General Meetings (AGMs)	Annually
Annual Reports	Annually
Colombo Stock Exchange (CSE) disclosures	As required
Update on Investors	As required
Press Releases	As required

These channels enable us to provide timely updates on financial performance, strategic initiatives, and corporate developments, ensuring transparency at all times.

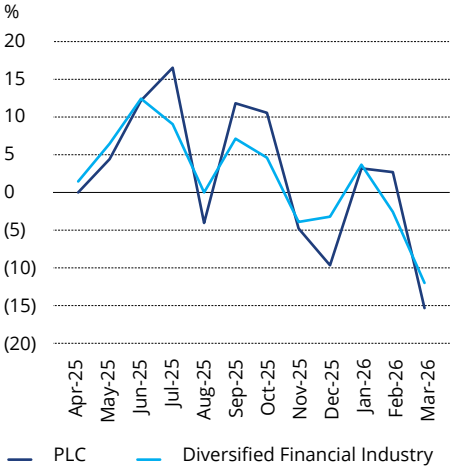
Share Price Performance and Market Positioning

People's Leasing & Finance PLC's consistent financial performance, prudent governance practices, and proactive engagement with key stakeholders have positioned its shares as a reliable and attractive investment opportunity within Sri Lanka's diversified financial sector.

Despite market volatility during the financial year, the Company's share continued to demonstrate resilience.

The performance of the Company's share price in comparison with broader industry indices reflects sustained market confidence and reinforces the Company's commitment to enhancing shareholder value.

Share Price Performance and Market Positioning



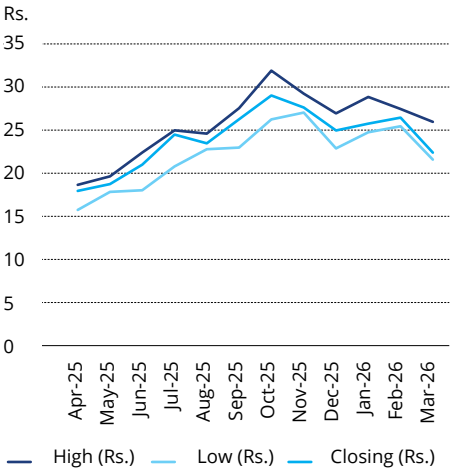
Share Price Movement

The share price performance of People's Leasing & Finance PLC demonstrated a notable upward trajectory during the financial year 2025/26, reflecting improved investor sentiment and strengthening sector fundamentals within the share market.

The Company's share price increased significantly from Rs. 17.90 in April 2025 to a peak of Rs. 32.00 in October 2025, representing a strong appreciation driven by heightened market activity, positive earnings expectations, and increased investor participation. This upward trend was broadly aligned with the movement of the All Share Price Index (ASPI), which also recorded a steady increase during the same period, indicating favourable overall market conditions.

However, towards the latter part of the financial year, the share price experienced a degree of correction, closing at approximately Rs. 22.40 by March 2026. This moderation reflects broader market adjustments, including profit-taking behaviour, sectoral rebalancing, and short-term volatility observed across the diversified financial sector.

Share Price Movement



Despite this correction, the Company's share performance over the year remained substantially above its opening levels, highlighting its resilience and underlying investor confidence.

	2026		2025	
	Number	Rs.	Number	Rs.
Balance as at 1 April 2025	**2,154,375,750**	**19,230,478,846**	2,154,375,750	19,230,478,846
Scrip Dividend	**55,491,496**	**1,281,853**	-	-
Balance as at 31 March 2026	**2,209,867,246**	**20,512,332,846**	2,154,375,750	19,230,478,846

Sustainable Value Creation for Investors

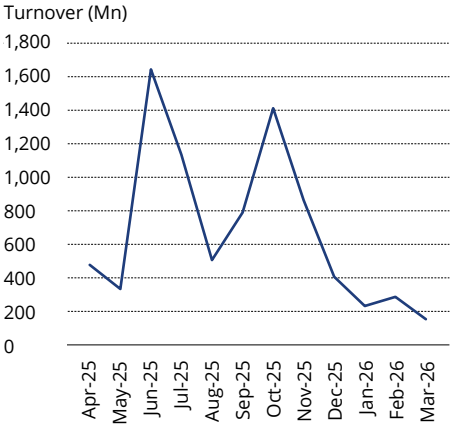
Trading Activity and Market Liquidity

During the financial year 2025/26, the shares of People's Leasing & Finance PLC recorded active trading volumes, reflecting sustained investor interest and improved market liquidity.

The Company experienced several periods of heightened trading activity, particularly during phases of upward price momentum, indicating strong participation from both retail and institutional investors. This increased turnover highlights the growing attractiveness of the Company's shares within the diversified financial sector.

The highest turnover was recorded in June 2025 at Rs.1650.62 million and the lowest turnover, amounting to Rs.147.46 million, was documented in March 2026. Consistent trading volumes throughout the year contributed to maintaining an efficient and liquid market for the Company's shares, enabling investors to transact with ease and confidence. This liquidity is a key factor in enhancing overall investor perception and marketability of the stock.

Share Trading Turnover



Sector and Market Comparison

The performance of the Company's share price was broadly in line with the Diversified Financials sector index, which also recorded an upward trend during the early and mid-parts of the year before experiencing a slight decline towards the year-end.

Similarly, the ASPI showed strong growth momentum up to early 2026, followed by a moderate pullback in March 2026. This indicates that the observed price correction in the Company's shares was not company-specific, but rather reflective of overall market movements.

Shareholder Value Creation

Demonstrating its continued commitment to delivering sustainable returns, People's Leasing & Finance PLC maintained a balanced approach towards shareholder value creation during the financial year 2025/26.

The Company declared a gross dividend of Rs. 1.40 per share, reflecting its strong earnings performance and prudent capital management strategy (This includes the initial script dividend of Rs. 0.70 per share, which is subjected to shareholders approval at the AGM). This consistent dividend policy underscores the Company's focus on providing stable income to shareholders while retaining sufficient capital to support future growth initiatives.

In addition to dividend returns, shareholders benefited from capital appreciation during the year, driven by the upward movement in the Company's share price. The combination of dividend income and price appreciation highlights the Company's ability to deliver consistent total shareholder returns.

Value delivered to shareholders in 2025/26	2025/26	2024/25
Earnings per share-Group (Rs.)	**2.30**	1.67
Dividend per share(Rs.)	**1.40**	1.40
Dividend Payout(%)	**60.12**	83.70
Dividend Yield(%)	**6.25**	7.82
Dividend Cover(times)	**1.66**	1.19
Net Asset value per share(Rs.)	**21.51**	19.69
Price earning(Times)	**9.74**	10.72
Price Book value(times)	**1.04**	0.91

Shareholder Base and Public Float

As at 31 March 2026, the shareholder base of People's Leasing & Finance PLC remained stable and well-diversified, comprising a broad mix of retail and institutional investors.

The Company maintained a public float of approximately 24.98%, represented by 551.98 million shares held by over 11,291 shareholders, ensuring adequate market liquidity and active investor participation.

The market capitalisation attributable to the public float recorded a steady increase during the year, supported by improved share price performance and positive investor sentiment.

The Company remains fully compliant with the listing requirements of the Colombo Stock Exchange relating to minimum public holding, reinforcing transparency and good governance practices.

Analysis of the Ordinary Shareholders

Distribution of Ordinary Shareholders	31-Mar-26				31-Mar-25			
	No. of Shareholders	Shareholder %	No. of shares	share %	No. of Shareholders	Shareholder %	No. of shares	share %
Less than or equal to 1000	**4,423**	**39.15**	**1,164,424**	**0.05**	3,495	35.32	949,577	0.04
1,001 - 10,000	**5,118**	**45.30**	**16,165,469**	**0.73**	4,737	47.87	15,023,334	0.70
10,001 - 100,000	**1,448**	**12.82**	**42,297,515**	**1.91**	1,349	13.63	39,122,630	1.82
100,001 - 1,000,000	**250**	**2.21**	**66,558,274**	**3.01**	256	2.59	73,216,533	3.40
Over 1,000,000	**60**	**0.53**	**2,083,681,564**	**94.29**	59	0.60	2,026,063,676	94.04
Total	**11,299**	**100**	**2,209,867,246**	**100**	9,896	100	2,154,375,750	100

Composition of Ordinary Shareholders

Composition of Ordinary Shareholders	31-Mar-26				31-Mar-25			
	No. of Shareholders	Shareholder %	No. of shares	share %	No. of Shareholders	Shareholder %	No. of shares	share %
Resident - Individuals	10,915	96.60	162,662,321	7.36	9,556	96.56	138,293,983	6.42
Resident - Institutions	343	3.04	2,042,170,305	92.41	303	3.06	1,995,479,862	92.62
Non-resident - Individuals	40	0.35	5,024,071	0.23	34	0.34	4,631,843	0.21
Non-resident -Institutions	1	0.01	10,549	0.00	3	0.03	15,970,062	0.74
Total	11,299	100	2,209,867,246	100	9,896	100	2,154,375,750	100

Twenty Largest Shareholders

No.	Composition of Ordinary Shareholders	31-Mar-26			31-Mar-25	
		No. of shares	%	Description	No. of shares	%
1.	Peoples Bank	1,657,400,425	75.00	No Change	1,615,781,805	75.00
2.	Employee's Provident Fund	119,943,071	5.43	No Change	116,931,207	5.43
3.	National Savings Bank	61,081,787	2.76	No Change	59,547,976	2.76
4.	Mr. D.P. Pieris	20,556,182	0.93	New Entrant	N/A	N/A
5.	Deutsche Bank AG as Trustee to Assetline Income Plus Growth Fund	20,515,151	0.93	New Entrant	N/A	N/A
6.	Bank of Ceylon No. 1 Account	16,020,970	0.72	1 Position Up	15,618,671	0.72
7.	Perera and Sons Bakers Pvt Limited	16,000,000	0.72	1 Position Down	16,000,000	0.74
8.	Deutsche Bank AG Trustee to Lynear Wealth Dynamic Opportunities Fund	14,272,565	0.65	5 Positions Up	6,422,894	0.3
9.	Union Assurance PLC-Universal Life Fund	13,869,075	0.63	2 Positions Up	3,967,187	0.18
10.	Invenco Capital Private Limited	11,459,394	0.52	No Change	9,652,798	0.45
11.	Mrs. E.M. Pieris	9,734,439	0.44	New Entrant	N/A	N/A
12.	Sri Lanka Insurance Corporation General Limited	8,808,497	0.4	No Change	7,226,844	0.34
13.	DFCC Bank PLC	8,074,843	0.37	New Entrant	N/A	N/A
14.	Seylan Bank PLC./Sarath Kumara Wijekoon	7,478,649	0.34	New Entrant	N/A	N/A
15.	Sri Lanka Insurance Corporation Life Ltd	6,493,208	0.29	New Entrant	N/A	N/A
16.	Sampath Bank PLC/Senthilverl Holdings (Pvt) Ltd	5,711,480	0.26	New Entrant	N/A	N/A
17.	Bank of Ceylon A/C Ceybank Unit Trust	5,420,277	0.25	New Entrant	N/A	N/A
18.	Lynear Wealth Management/Mr. Hanif Yusoof	4,650,196	0.21	New Entrant	N/A	N/A
19.	Assetline Finance PLC/S.k.wijekoon	4,403,074	0.2	New Entrant	N/A	N/A
20.	Mr. K.D.H. Perera	4,399,361	0.2	New Entrant	N/A	N/A
	Subtotal	2,016,292,644	91.24		1,954,058,095	
	Other Shareholders	193,574,602	8.76		200,317,655	
	Total	2,209,867,246	100.00		2,154,375,750	100.00

Sustainable Value Creation for Investors

Solvancy and Debt Capital

	2025/26	2024/25	Change %
Debt to equity ratio excluding deposits	**1.99**	0.39	1.60
Tier 1 capital/ core capital ratio %	**15.25**	22.94	(7.69)
Total capital ratio/Total risk weighted capital ratio %	**18.88**	22.68	(3.80)
Interest Cover(Times)	**1.44**	1.48	(2.70)
Current Ratio(Times)	**1.28**	1.28	-

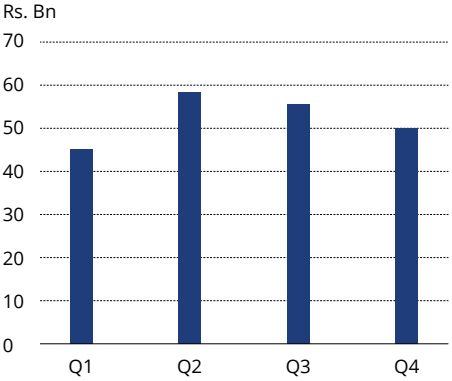
Profile of Ordinary Shareholders

	2025/26	Q4	Q3	Q2	Q1	2024/25
Share price (Rs.) Highest	**32.00**	28.90	32.00	27.60	22.40	20.50
Lowest	**15.70**	21.60	22.90	20.80	15.70	10.50
Closing	**22.40**	22.40	25.00	26.30	21.00	17.90
Number of transactions	**41,234.00**	5,988.00	11,916.00	14,804.00	8,526.00	29,399.00
Number of shares traded (million)	**354.69**	25.83	94.64	102.36	131.86	325.90
PLC Turnover (Rs million)	**8,225.40**	657.33	2,684.27	2,429.72	2,454.09	4,732.05
PLC turnover to total market turnover (%) Number of days traded	**0.45**	0.10	1.12	0.36	1.03	0.68
Number of days traded	**241.00**	59.00	61.00	63.00	58.00	239.00
Average daily turnover (Rs million)	**34.13**	11.14	44.00	38.57	42.31	19.80
Market capitalisation - CSE (MC) (Rs billion)	**7,522.00**	7,522.00	8,068.62	7,752.26	6,437.95	5,606.37
Market capitalisation - PLC(MC)(Rs billion)	**49.50**	49.50	55.25	58.12	45.24	38.56
PLC MC to CSE MC (%)	**0.66**	0.66	0.68	0.75	0.70	0.69
Market turnover- Rs million	**1,816,598.49**	657,522.76	239,201.57	680,672.59	239,201.57	690,220.42

Market Capitalisation

The company's market capitalisation as at the 31 March 2026 surmounted to a value of Rs. 49.50 billion, a 28.37% increment from the Rs. 38.56 billion recorded on31 March 2025.

Market Capitalisation



Compliance And Governance

People's Leasing & Finance PLC continues to uphold the highest standards of corporate governance and regulatory compliance, ensuring adherence to the listing rules of the Colombo Stock Exchange.

The Company remains compliant with the minimum public holding requirements and other regulatory obligations, reinforcing investor confidence through transparency, accountability, and sound governance practices.

For further details on the Company's governance framework and practices, please refer to the Corporate Governance section on pages 215 to 283 of this Annual Report.

Directors' and CEO's Shareholding (As at 31 March 2026)

Name	Position	Appointed Date / Resigned date	No of shares
Prof. S.M.A.K. Samarakoon	Chairman	Appointed 31 December 2024	-
Mr. K.C.J.C. Fonseka	Director		67,836
Mr. P.D. Samarasinghe	Director		-
Mr. K.J.D.G. Perera	Director	Appointed 23 January 2025	-
Mr. P.G.U. Gallage	Director	Appointed 31 January 2025	-
Mr. P.G.A.C. Perera	Director	Appointed 10 February 2025	-
Mr. S. Sadarshan	Director	Appointed 10 February 2025	-
Ms. K.S.R.S. Loku Kaluge	Director	Appointed 17 February 2025	-
Mr. M.J. Thilakarathne	Director	Appointed 11 March 2025	-
Mr. I.N. Manawadu	Director		-
Mr. K.S. Bandaranayake	CEO	Appointed 06 August 2024	241,729
Total			309,565

Directors' and CEO's Shareholding (As at 31 March 2025)

Name	Position	Appointed Date / Resigned date	No of shares
Prof. S M A K Samarakoon	Chairman	Appointed 31 December 2024	-
Mr. P D Samarasinghe	Director		-
Mr. K C J C Fonseka	Director		66,133
Mr. K J D G Perera	Director	Appointed 23 January 2025	-
Ms. P G U Gallage	Director	Appointed 31 January 2025	-
Mr. S. Sudarshan	Director	Appointed 10 February 2025	-
Mr. R B R Emerson	Director	Appointed 10 February 2025	-
Mr. P G A C Perera	Director	Appointed 10 February 2025	-
MS. K.S.R.S. Loku Kaluge	Director	Appointed 17 February 2025	-
Mr. M J Thilakarathne	Director	Appointed 11 March 2025	-
Mr. K S Bandaranayake	CEO/GM	Appointed 06 August 2024	235,659
Total			301,792

Debenture Market Information

As at 31 March 2026

Type	Type C	Type D
Tenure (Years)	5 years	5 years
Issue Date	21-Aug	21-Aug
Maturity Date	26-Aug	26-Aug
Interest Rate	Fixed	Zero Coupon
Coupon Rate (%)	9	-
Effective Annual Yield (%)	9	9
Interest Rate Comparable Government Security (%)	6.93	6.93
Frequency of Interest Payable	Annual	Maturity
Rating	A+	A+
Amount (Rs. Mn)	4,272.36	365
ISIN No.	LK0399D24821	LK0399D24854
Highest	99.9784	Not traded
Lowest	99.9334	Not traded
Closing	99.9334	Not traded
Current Yield (%)	9	9
Yield to Maturity (%)	9.19	9

Sustainable Value Creation for Investors

As at 31 March 2025

Type	Type C	Type D
Tenure (Years)	5 years	5 years
Issue Date	21-Aug	21-Aug
Maturity Date	26-Aug	26-Aug
Interest Rate	Fixed	Zero Coupon
Coupon Rate (%)	9	-
Effective Annual Yield (%)	9	9
Interest Rate Comparable Government Security (%)	6.93	6.93
Frequency of Interest Payable	Annual	Maturity
Rating	A+	A+
Amount (Rs. Mn)	4,272.36	365
ISIN No.	LK0399D24821	LK0399D24854
Highest	Not traded	Not traded
Lowest	Not traded	Not traded
Closing	Not traded	Not traded
Current Yield (%)	9	9
Yield to Maturity (%)	9	9

Outlook For Investors

Looking ahead, the Company remains optimistic about its ability to sustain growth and enhance shareholder value amidst evolving market conditions.

With improving macroeconomic stability, declining interest rate pressures, and strengthening investor sentiment, the outlook for the Colombo Stock Exchange is expected to remain positive.

People's Leasing & Finance PLC is well-positioned to capitalise on emerging opportunities through:

- Continued focus on operational efficiency
- Strategic portfolio expansion
- Digital transformation initiatives
- Strengthened risk management practices

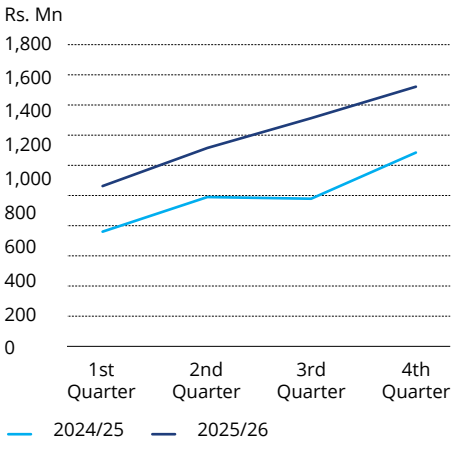
The Company remains committed to delivering long-term sustainable value, maintaining investor confidence, and enhancing its position as a reliable and attractive investment within Sri Lanka's financial services sector.

Quarterly Analysis

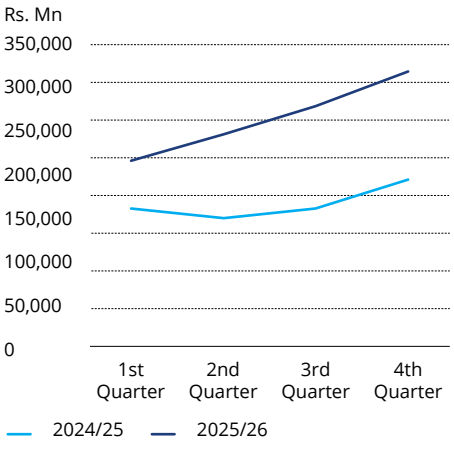
Income Statement

Company										
Rs.Million	1st Quarter Apr-Jun		2nd Quarter July-Sep		3rd Quarter Oct-Dec		4th Quarter Jan-Mar		Total	
	2025	2024	2025	2024	2025	2024	2026	2025	2025/26	2024/25
Interest income	**8,043**	6,383	**9,574**	6,293	**11,127**	6,378	**12,380**	7,035	**41,124**	26,088
Less: Interest expense	**3,687**	3,375	**4,355**	2,883	**5,270**	2,724	**6,039**	3,035	**19,351**	12,017
Net interest income	**4,356**	3,008	**5,219**	3,410	**5,857**	3,654	**6,341**	4,000	**21,773**	14,071
Fee and commission income	**502**	364	**678**	451	**665**	464	**733**	478	**2,578**	1,757
Net gains/(losses) on financial assets - FVTPL	**56**	57	**4**	33	**3**	86	**(6)**	(30)	**57**	146
Other operating income	**1**	79	**6**	136	**5**	2	**217**	219	**229**	437
Total operating income	**4,915**	3,508	**5,907**	4,030	**6,530**	4,206	**7,285**	4,667	**24,637**	16,411
Less: Impairment charges and other losses for loans and receivables	**109**	51	**313**	9	**92**	(4)	**(101)**	(459)	**413**	(403)
Net operating income	**4,806**	3,457	**5,594**	4,021	**6,438**	4,210	**7,385**	5,126	**24,223**	16,814
Less: Expenses										
Personnel expenses	**1,533**	1,041	**1,740**	1,098	**1,926**	1,244	**2,175**	1,481	**7,374**	4,865
Depreciation and amortisation	**181**	166	**181**	166	**198**	168	**207**	183	**767**	683
Other operating expenses	**980**	768	**1,081**	870	**1,164**	901	**1,237**	932	**4,462**	3,471
Total operating expenses	**2,694**	1,975	**3,002**	2,134	**3,288**	2,313	**3,619**	2,596	**12,603**	9,019
Operating profit before tax on financial services	**2,112**	1,482	**2,592**	1,887	**3,150**	1,897	**3,766**	2,530	**11,620**	7,795
Less: Taxes on financial services	**590**	411	**697**	473	**823**	504	**952**	619	**3,062**	2,007
Profit before income tax expense	**1,522**	1,071	**1,895**	1,414	**2,327**	1,393	**2,814**	1,911	**8,558**	5,788
Less: Income tax	**575**	396	**712**	523	**962**	515	**1,228**	750	**3,477**	2,185
Profit for the period	**947**	675	**1,183**	891	**1,365**	878	**1,586**	1,161	**5,081**	3,603

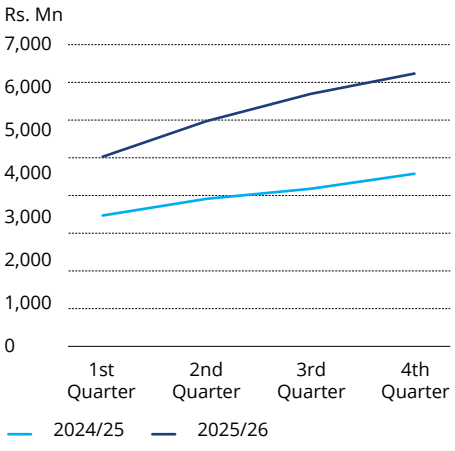
Profit After Tax



Total Assets



Net Interest Income



Quarterly Analysis

Statement of Financial Position

Rs.Million	Company							
	1st Quarter Apr-Jun		2nd Quarter July-Sep		3rd Quarter Oct-Dec		4th Quarter Jan-Mar	
	2025	2024	2025	2024	2025	2024	2026	2025
Assets								
Cash and cash equivalents	**12,186**	13,518	**8,500**	7,106	**7,489**	7,326	**23,022**	18,697
Balances with banks and financial institutions	**3,170**	9,396	**3,310**	5,123	**3,450**	3,159	**3,587**	3,032
Financial assets -Fair value through profit or loss	**190**	2,397	**164**	260	**144**	329	**123**	276
Loans and receivables - Amortised cost	**180,015**	106,751	**215,757**	113,889	**249,283**	130,565	**275,738**	157,092
Financial assets - Fair value through other comprehensive income	**1,401**	1,137	**1,452**	1,151	**1,243**	1,299	**1,086**	1,292
Debt Instrument - Amortised cost	**8,265**	18,331	**8,251**	11,182	**8,274**	8,229	**7,338**	5,161
Investments in subsidiaries	**3,832**	3,519	**3,832**	3,519	**3,832**	3,519	**3,883**	3,832
Investment property	**302**	295	**302**	295	**302**	295	**294**	302
Other assets	**1,025**	999	**1,250**	1,180	**1,373**	1,276	**1,402**	1,041
Property, plant and equipment	**1,774**	1,343	**1,901**	1,335	**2,108**	1,718	**2,124**	1,788
Right-of-use assets	**1,792**	1,236	**1,880**	1,674	**1,786**	1,599	**2,114**	1,872
Deferred tax assets	**7**	806	**-**	809	**133**	771	**420**	59
Intangible assets	**59**	38	**74**	36	**96**	33	**93**	35
Current tax receivables	**-**	-	**-**	-	**-**	-	**-**	53
Total assets	**214,018**	159,766	**246,673**	147,559	**279,513**	160,118	**321,226**	194,532
Liabilities								
Due to banks	**20,115**	3,606	**38,045**	1,997	**60,363**	5,688	**89,734**	11,437
Due to customers	**135,150**	95,623	**146,799**	91,357	**155,816**	96,834	**165,449**	124,530
Debt securities issued	**5,124**	11,260	**4,849**	4,802	**4,955**	4,909	**5,063**	5,015
Other financial liabilities	**4,995**	4,218	**6,918**	3,157	**6,442**	5,357	**6,020**	6,424
Lease liabilities	**2,180**	1,537	**2,217**	2,012	**2,121**	1,934	**2,433**	2,236
Current tax liabilities	**511**	614	**659**	532	**1,213**	493	**2,048**	-
Other liabilities	**1,422**	1,111	**1,572**	1,001	**1,590**	1,207	**1,775**	1,478
Retirement Benefit Obligation	**1,040**	775	**1,082**	794	**1,128**	822	**1,178**	1,001
Deferred tax liabilities	**-**	-	**21**	-	**-**	-	**-**	-
Total liabilities	**170,537**	118,744	**202,162**	105,652	**233,628**	117,244	**273,699**	152,121
Equity								
Stated capital	**19,230**	19,230	**19,230**	19,230	**20,512**	19,230	**20,512**	19,230
Statutory reserve fund	**3,148**	2,968	**3,148**	2,968	**3,148**	2,968	**3,402**	3,148
Retained earnings	**21,154**	18,774	**20,793**	19,225	**22,244**	20,045	**23,575**	19,976
Other reserves	**(51)**	50	**1,340**	484	**(19)**	631	**37**	57
Total equity	**43,481**	41,022	**44,511**	41,907	**45,885**	42,874	**47,527**	42,411
Total liabilities and equity	**214,018**	159,766	**246,673**	147,559	**279,513**	160,118	**321,226**	194,532

Ten Year Summary

	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Financial Capital										
Operating result										
Income (Rs. million)	**43,987**	28,428	31,037	32,018	26,741	27,104	33,599	32,736	28,603	23,859
Interest income (Rs. million)	**41,124**	26,088	28,853	30,197	23,882	24,983	31,459	30,836	26,705	22,041
Interest expenses (Rs. million)	**19,351**	12,017	17,201	18,207	10,832	13,064	15,787	15,646	14,500	11,830
Net interest income (Rs. million)	**21,773**	14,071	11,652	11,990	13,049	11,919	15,672	15,190	12,204	10,212
Non-interest income (Rs. million)	**2,864**	2,340	2,183	1,822	2,860	2,120	2,140	1,899	1,898	1,818
Impairment and other losses (Rs. million)	**413**	(403)	(1,156)	568	777	1,143	4,752	1,955	1,430	216
Other operating expenses [Note 1] (Rs. million)	**15,665**	11,026	9,616	8,901	8,482	7,024	8,509	8,549	6,903	6,338
Profit before tax (PBT) (Rs. million)	**8,558**	5,788	5,376	4,342	6,650	5,873	4,552	6,585	5,770	5,476
Income tax expense (Rs. million)	**3,477**	2,185	1,835	1,324	1,991	1,840	1,609	2,169	1,460	1,467
Profit after tax (PAT) (Rs. million)	**5,081**	3,603	3,540	3,018	4,659	4,033	2,943	4,416	4,309	4,009
Return on assets (ROA) (%)	**3.32**	3.27	3.25	2.47	3.85	3.49	2.64	3.95	3.71	3.99
Cost to income (%)	**51.16**	54.96	55.61	52.64	43.74	42.03	36.53	37.81	39.73	45.01
Net Interest Margin (NIM) (%)	**8.94**	8.64	7.69	7.35	8.10	7.58	9.68	9.70	8.38	7.89
Total Assets to Equity Ratio (Times)	**6.76**	4.59	3.82	4.3	4.66	4.79	5.68	6.03	5.94	6.09
Price to Book Value (PBV) (Times)	**1.04**	0.91	0.57	0.41	0.39	0.59	0.66	0.74	0.92	1.00
Financial position										
Cash, balances with banks & reverse repo (Rs. million)	**26,610**	21,728	24,016	35,685	9,787	8,102	10,372	6,699	8,783	7,681
Loans & receivables (Rs. million)	**275,738**	157,092	103,650	114,278	151,274	141,388	147,748	151,708	140,165	134,055
Investments in subsidiaries (Rs. million)	**3,883**	3,832	3,455	3,292	3,214	3,214	3,214	3,214	3,214	2,075
Investments in government treasury bills and bonds (Rs. million)	**7,338**	5,161	18,372	10,904	9,827	6,994	4,107	8,003	4,890	2,968
Total assets (Rs. million)	**321,226**	194,531	159,852	171,073	180,765	164,546	171,660	172,541	160,694	150,457
Borrowings (Rs. million)	**94,796**	16,451	13,296	24,431	28,994	20,265	26,417	48,549	55,705	74,258
Deposits from customers [Note 2] (Rs. million)	**165,449**	124,530	97,438	100,935	103,368	101,503	106,701	88,369	69,763	44,723
Total equity (Rs. million)	**47,527**	42,412	41,826	39,792	38,818	34,341	30,247	28,603	27,030	24,697
Total liabilities and shareholders' funds (Rs. million)	**321,226**	194,531	159,852	171,073	180,765	164,546	171,660	172,541	160,694	150,457
Financial cash Inflows /(Outflows)										
Operating activities (Rs. million)	**(69,811)**	9,044	18,011	9,126	(3,602)	4,264	31,615	15,944	27,691	(998)
Investing activities (Rs. million)	**284**	705	37	(221)	(382)	60	(106)	302	(802)	(159)
Financing activities (Rs. million)	**75,083**	(1,706)	14,619	(7,712)	6,596	(9,477)	(27,310)	(16,452)	(28,716)	2,926
Net cash flows (Rs. million)	**5,556**	8,043	3,428	1,193	2,612	(5,153)	4,198	(206)	(1,827)	1,769
Human Capital										
Employees (Numbers)	**3,251**	2,679	2,052	2,114	2,245	2,343	2,401	2,329	2,085	2,085
PBT per employee (Rs.million)	**2.63**	2.45	2.58	1.99	2.90	2.48	1.92	2.98	2.77	2.79
Total assets per Employee (Rs. million)	**99**	73	78	80.92	80.52	70.23	71.50	74.08	77.07	72.16
Employees' salaries & benefits (Rs. million)	**7,374**	4,865	4,248	4,489	3,738	3,465	3,701	3,438	2,974	2,556
Natural Capital										
Investment in Environmental Conservation (Rs. million)	**0.52**	0.37	1.98	1.01	1.87	2.77	3.32	1.94	2.19	3.37
Carbon footprint (Tones of CO_2 equivalent) [Note 3]	**5,819**	5,664	3,974	4,493	4,382	3,811	5,836	5,338	6,046	6,236

Ten Year Summary

	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Social and Relationship Capital										
Shareholders (Number)	**11,299**	9,896	9,983	10,770	10,926	10,027	8,644	8,961	8,801	9,176
Number of ordinary shares (Nos. million)	**2,210**	2,154	2,154	2,042	1,887	1,705	1,628	1,580	1,580	1,580
Earnings per share (EPS) (Rs.)	**2.30**	1.67	1.64	1.48	2.47	2.37	1.73	2.80	2.73	2.54
Net assets per share (NAPS) (Rs.)	**21.51**	19.69	19.41	19.49	20.57	20.15	18.58	18.10	17.11	15.63
Market price per share (Rs.) [Note 5]										
Highest	**32.00**	18.70	13.00	9.30	13.80	15.40	18.30	17.30	19.20	20.10
Lowest	**15.70**	16.20	7.00	4.90	8.00	9.10	12.00	12.90	15.50	15.30
Closing	**22.40**	17.90	11.00	7.90	8.10	11.80	12.20	13.40	15.80	15.60
Market capitalization (Rs. million)	**49,501**	38,563	23,698	16,131	15,286	20,114	19,858	21,170	24,962	24,646
Price Earnings ratio (PE) (Times)	**9.74**	10.70	6.69	5.34	3.28	4.99	6.67	4.79	5.79	6.14
Dividend per share (DPS) (Rs.) [Note 6]	**1.40**	1.40	1.40	0.50	1.25	0.60	1.20	1.25	1.25	1.25
Dividend paid (Rs. million) [Note 6]	**3,055**	3,016	2,859	944	2,180	977	1,929	1,975	1,975	1,975
Dividend yield (%) [Note 6]	**6.25**	7.82	12.73	6.33	15.43	5.08	9.84	9.33	7.91	8.01
Dividend cover (times) [Note 6]	**1.66**	1.19	1.24	3.20	2.14	4.13	1.53	2.24	2.18	2.03
Dividend payout (%) [Note 6]	**60.12**	83.70	80.74	31.28	46.79	24.22	65.57	44.72	45.83	49.26
Return on equity (ROE) (%)	**11.30**	8.56	8.68	7.68	12.74	12.49	10.00	15.88	16.66	16.89
Return on capital employed (ROCE) (%)	**11.36**	10.60	14.21	13.41	10.68	11.86	12.37	13.98	13.69	12.04
Debt to equity (Excluding deposits) (Times)	**1.99**	0.39	0.32	0.61	0.75	0.59	0.87	1.70	2.06	3.01
Debt to equity with contingent liabilities and commitments (Times)	**2.57**	0.84	0.66	0.76	0.92	0.91	1.05	1.97	2.34	3.25
Current ratio (Times)	**1.28**	1.28	1.04	1.17	0.79	0.76	0.83	0.82	0.80	0.84
Interest cover (Times)	**1.44**	1.48	1.31	1.24	1.61	1.45	1.29	1.42	1.40	1.46
Taxes paid to governments (Rs. million)	**4,728**	3,740	3,845	6,003	2,792	4,203	5,712	2,942	2,109	2,828
Taxes collected on behalf of government (Rs. million)	**2,559**	2,309	1,854	479	322	294	1,137	1,434	1,151	1,048
Investment on community outreach CSR (Rs. million)	**12.71**	0.71	0.71	5.57	27.53	17.60	55.53	120.29	101.53	187.64
Capital adequacy ratios										
Tier 1 Capital / Core capital ratio [Note 4]	**15.25**	22.94	30.00	25.76	18.77	17.72	15.12	14.36	18.38	17.56
Required minimum Tier 1 Capital/Core capital ratio (%) [Note 4]	**10.00**	10.00	10.00	10.00	8.00	7.00	7.00	6.00	5.00	5.00
Total Capital Ratio / Total risk weighted capital ratio (%) [Note 4]	**18.88**	22.68	29.70	26.61	19.68	18.58	15.99	15.20	16.46	16.37
Required minimum total capital ratio/ Total risk weighted capital ratio (%) [Note 4]	**14.00**	14.00	14.00	14.00	12.00	11.00	11.00	10.00	10.00	10.00
Manufactured and Intellectual Capital										
Branches (Number)	**112**	110	109	111	111	104	103	103	103	103
Credit ratings & key accolades										
Fitch Ratings Lanka	**A(lka)**	A(lka)	A-(lka)	A+ (lka)	A+ (lka)	A+ (lka)	A- (lka)	AA-(lka)	AA-(lka)	AA-(lka)
Business Today - Top 40 Listed Corporate Entities [Note 5]	**36th Position**	36th Position	31th Position	29th Position	27th Position	18th Position	13th Position	13th Position	15th Position	14th Position

(1) Figures include total operating expenses and Tax on financial services (excluding impairment charges for loans and receivables and other losses).
(2) After receiving the finance license in 2012, the company started accepting fixed & savings deposits.
(3) The Company initiated to evaluation of carbon emission from 2014.
(4) Central Bank of Sri Lanka introduced Finance Business Act Directions No 3 of 2018 Capital Adequacy Requirements with effect from 01 July 2018.
(5) Expand in to Business Today -Top 40 Listed Corporate Entities.
(6) This includes the proposed final scrip dividend of Rs. 0.70 per share which is subjected to Shareholders approval at the AGM.

Statement of Profit or Loss in US $

For the year ended 31st March	Company 2026 US $ '000	Company 2025 US $ '000	Group 2026 US $ '000	Group 2025 US $ '000
Income	**145,965**	95,935	**176,434**	121,207
Interest income	**136,462**	88,040	**151,787**	99,641
Less: Interest expenses	**64,211**	40,553	**68,923**	44,093
Net interest income	**72,251**	47,487	**82,864**	55,548
Net earned premiums	**-**	-	**15,581**	15,437
Fee and commission income	**8,555**	5,928	**7,001**	4,261
Net trading income	**189**	493	**418**	616
Other operating income	**759**	1,474	**1,647**	1,252
Total operating income	**81,754**	55,382	**107,511**	77,114
Less: Impairment charges for loans and receivables and other losses	**1,372**	(1,360)	**1,856**	(1,294)
Impairment charges for investment in associate	**-**	-	**-**	-
Impairment charges for goodwill	**-**	-	**-**	-
Net operating income	**80,382**	56,742	**105,655**	78,408
Less:				
Personnel expenses	**24,470**	16,417	**31,247**	21,761
Depreciation of property, plant and equipment	**2,545**	2,305	**2,673**	2,154
Amortisation of intangible assets	**-**	-	**-**	-
Benefits, claims and underwriting expenditure	**-**	-	**10,022**	9,914
Other operating expenses	**14,808**	11,716	**18,118**	14,249
Total operating expenses	**41,823**	30,438	**62,060**	48,078
Operating profit before taxes on financial services	**38,559**	26,304	**43,595**	30,330
Less : Tax on financial services	**10,159**	6,773	**10,803**	7,115
Operating profit after taxes on financial services	**28,400**	19,531	**32,792**	23,215
Share of profit/(loss) of an associate (net of tax)	**-**	-	**-**	-
Profit before income tax expense	**28,400**	19,531	**32,792**	23,215
Less : Income tax expense	**11,539**	7,374	**13,148**	9,412
Profit for the year	**16,861**	12,157	**19,644**	13,803

Exchange rate of US$ was Rs 311.76 as at 31st March 2026 (Rs 296.32 as at 31st March 2025).

The Statement of Profit or Loss is solely for the convenience of Stakeholders (shareholders, investors, bankers and other users of Financial Statements) and do not form part of the Financial Statements.

Statement of Financial Position in US $

As at 31st March	Company 2026 US $ '000	Company 2025 US $ '000	Group 2026 US $ '000	Group 2025 US $ '000
Assets				
Cash and cash equivalents	**73,845**	63,096	**79,323**	66,089
Balances with banks & financial institutions	**11,507**	10,231	**31,611**	19,217
Financial assets -Fair value through profit or loss/ Held-for-trading	**394**	930	**5,364**	4,355
Loans and receivables	**884,438**	530,144	**959,848**	575,229
Insurance and reinsurance receivables	**-**	-	**9,929**	5,731
Financial assets - Fair Value other comprehensive income/ Available-for-sale	**3,483**	4,361	**3,483**	6,167
Debt Instrument at amortised cost/Held to maturity	**23,538**	17,418	**34,632**	39,016
Investments in subsidiaries	**12,455**	12,932	**-**	-
Other assets	**4,498**	3,512	**4,444**	3,596
Investment property	**942**	1,019	**4,384**	4,641
Property, plant and equipment	**6,812**	6,033	**14,829**	14,450
Right of use assets	**6,782**	6,318	**6,608**	5,242
Deferred tax assets	**1,346**	200	**1,379**	90
Goodwill and intangible assets	**299**	117	**739**	582
Leasehold property	**-**	177	**-**	-
Total assets	**1,030,339**	656,488	**1,156,573**	744,405
Liabilities				
Due to banks	**287,824**	38,595	**330,824**	56,793
Due to customers	**530,682**	420,254	**552,401**	438,947
Debt securities issued	**16,238**	16,923	**16,238**	16,923
Other financial liabilities	**19,308**	21,649	**27,425**	27,630
Insurance liabilities and reinsurance payable	**-**	-	**23,812**	18,422
Lease Liabilities	**7,805**	7,546	**7,181**	6,003
Current tax liabilities	**6,569**	-	**7,808**	1,102
Deferred tax liabilities	**-**	-	**-**	-
Other liabilities	**5,691**	5,019	**6,673**	5,862
Retirement Benefit Obligation	**3,778**	3,376	**4,403**	3,901
Total liabilities	**877,895**	513,362	**976,765**	575,583
Equity				
Capital	**65,794**	64,898	**65,794**	64,898
Statutory reserve fund	**10,912**	10,624	**11,595**	11,224
Retained earnings	**75,618**	67,416	**91,980**	82,448
Other reserves	**120**	191	**2,189**	2,136
Total shareholders' equity	**152,444**	143,129	**171,558**	160,706
Non -controlling interest	**-**	-	**8,250**	8,117
Total equity	**152,444**	143,129	**179,808**	168,823
Total liabilities and equity	**1,030,339**	656,491	**1,156,573**	744,406
Contingent liabilities and commitments	**88,415**	64,297	**89,251**	64,967

Exchange rate of US$ was Rs 311.76 as at 31st March 2026 (Rs 296.32 as at 31st March 2025).

The above Statement of Financial Position is solely for the convenience of Stakeholders (shareholders, investors, bankers and other users of Financial Statements) and do not form part of the Financial Statements.

Horizontal Analysis

Statement of Financial Position as at 31 March 2026	Current Year (Rs. 000)	Percentage Change (%)				Base Year (Rs. 000)
	2026	2026	2025	2024	2023	2022
Assets						
Cash and cash equivalents	23,022,483	**393.11**	300.46	108.36	25.19	4,668,830
Balances with banks & financial institutions	3,587,434	**-29.90**	-40.77	179.18	483.05	5,117,866
Financial assets -Fair value through profit or loss	122,850	**388.66**	996.06	5229.62	711.36	25,140
Loans and receivables - Amortised cost	275,738,413	**82.28**	3.85	-31.48	-24.46	151,274,454
Financial assets - Fair value through other comprehensive income	1,085,908	**-18.55**	-3.09	-13.10	-29.15	1,333,278
Debt instrument - Amortised cost	7,338,310	**-25.33**	-47.48	86.95	10.95	9,827,221
Investments in subsidiaries	3,883,151	**20.83**	19.24	7.51	2.42	3,213,788
Investment property	293,682	**100.00**	100.00	100.00	100.00	-
Other assets	1,402,328	**87.19**	38.91	431.51	37.51	749,154
Property, plant and equipment	2,123,686	**50.21**	26.46	-3.71	4.76	1,413,776
Right of use assets	2,114,429	**7.20**	-5.08	-31.01	-18.07	1,972,380
Deferred tax assets	419,768	**-63.39**	-94.83	-28.58	16.46	1,146,726
Goodwill and intangible assets	93,373	**325.10**	58.07	86.71	-12.62	21,965
Current tax receivables	-	**-**	100.00	-	-	-
Total assets	321,225,815	**77.70**	7.62	-11.57	-5.36	180,764,578
Liabilities						
Due to banks	89,733,741	**663.73**	-2.66	-80.74	-34.25	11,749,332
Due to customers	165,448,875	**60.06**	20.47	-5.74	-2.35	103,367,904
Debt securities issued	5,062,517	**-70.64**	-70.92	-36.02	-3.12	17,244,313
Other financial liabilities	6,019,507	**65.53**	76.41	-12.31	-59.92	3,636,528
Operating lease liabilities	2,433,478	**18.18**	8.60	-20.52	-14.83	2,059,050
Current tax liabilities	2,048,092	**10.61**	-100.00	-84.04	-45.25	1,851,676
Other liabilities	1,775,013	**29.65**	8.57	1.77	-25.73	1,369,054
Retirement Benefit Obligation	1,177,714	**76.20**	49.72	16.48	0.79	668,411
Total Liabilities	273,698,937	**92.82**	7.17	-16.85	-7.51	141,946,268
Equity						
Stated Capital	20,512,332	**20.15**	12.64	12.64	5.53	17,071,961
Statutory reserve fund	3,402,019	**28.87**	19.24	12.42	5.72	2,639,946
Retained earnings	23,575,094	**21.01**	2.54	2.07	0.39	19,481,611
Other reserves	37,433	**-109.98**	115.08	31.50	-52.22	(375,208)
Total equity attributable to equity holders of the Company	47,526,878	**22.43**	9.26	7.75	2.51	38,818,310
Total equity	47,526,878	**22.43**	9.26	7.75	2.51	38,818,310
Total liabilities and equity	321,225,815	**77.70**	7.62	-11.57	-5.36	180,764,578

Statement of Profit or Loss for the year ended 31 March 2026	Current Year (Rs. 000)	Percentage Change (%)				Base Year (Rs. 000)
	2026	2026	2025	2024	2023	2022
Gross income	43,987,280	**64.49**	6.31	16.06	19.73	26,741,380
Interest Income	41,123,706	**72.20**	9.24	20.82	26.44	23,881,526
Interest Expenses	19,350,594	**78.64**	10.93	58.79	68.08	10,832,186
Net Interest Income	21,773,112	**66.85**	7.83	-10.70	-8.12	13,049,340
Other Operating Income	2,863,574	**0.13**	-18.19	-23.66	-36.30	2,859,854
Total Operating Income	24,636,686	**54.86**	3.15	-13.03	-13.19	15,909,194
Impairment Charges	413,416	**-46.80**	-151.90	-248.74	-26.84	777,036
Total Operating Expenses	12,603,351	**84.34**	31.91	12.55	6.33	6,836,954
Operating profit before taxes on financial services	11,619,919	**40.08**	-6.03	-12.04	-27.99	8,295,204
Tax on financial services	3,061,559	**86.10**	21.99	16.77	-0.83	1,645,111
Profit before income tax expense	8,558,360	**28.70**	-12.96	-19.16	-34.71	6,650,093
Income Tax Expense	3,477,280	**74.64**	9.74	-7.82	-33.50	1,991,084
Profit for the Year	5,081,080	**9.06**	-22.66	-24.01	-35.23	4,659,009

Vertical Analysis

Statement of Financial Position as at 31 March 2026	Percentage (%)				
	2026	2025	2024	2023	2022
Assets					
Cash and cash equivalents	**7.17**	9.61	6.09	3.42	2.58
Balances with banks & financial institutions	**1.12**	1.56	8.94	17.44	2.83
Financial assets -Fair value through profit or loss	**0.04**	0.14	0.84	0.12	0.01
Loans and receivables - Amortised cost	**85.84**	80.75	64.84	66.80	83.69
Financial assets - Fair value through other comprehensive income	**0.34**	0.66	0.72	0.55	0.74
Debt instrument - Amortised cost	**2.28**	2.65	11.49	6.37	5.44
Investments in subsidiaries	**1.21**	1.97	2.16	1.92	1.78
Investment property	**0.09**	0.16	0.18	0.17	0.00
Other assets	**0.44**	0.53	2.49	0.60	0.41
Property, plant and equipment	**0.66**	0.92	0.85	0.87	0.78
Right of use assets	**0.66**	0.96	0.85	0.94	1.09
Deferred tax assets	**0.13**	0.03	0.51	0.78	0.63
Goodwill and intangible assets	**0.03**	0.02	0.03	0.01	0.01
Current tax receivables	**0.00**	0.03	0.00	0.00	0.00
Total assets	**100.00**	100.00	100.00	100.00	100.00
Liabilities					
Due to banks	**27.93**	5.88	1.42	4.52	6.50
Due to customers	**51.51**	64.02	60.95	59.00	57.18
Debt securities issued	**1.58**	2.58	6.90	9.77	9.54
Other financial liabilities	**1.87**	3.30	1.99	0.85	2.01
Operating lease liabilities	**0.76**	1.15	1.02	1.03	1.14
Current tax liabilities	**0.64**	0.00	0.18	0.59	1.02
Other liabilities	**0.55**	0.76	0.87	0.59	0.76
Retirement Benefit Obligation	**0.37**	0.51	0.49	0.39	0.37
Deferred tax liabilities	**0.00**	0.00	0.00	0.00	0.00
Total Liabilities	**85.20**	78.20	73.83	76.74	78.53
Equity					
Stated Capital	**6.39**	9.89	12.03	10.53	9.44
Statutory reserve fund	**1.06**	1.62	1.86	1.63	1.46
Retained earnings	**7.34**	10.27	12.44	11.43	10.78
Other reserves	**0.01**	0.03	-0.16	-0.33	-0.21
Total equity attributable to equity holders of the Company	**14.80**	21.80	26.17	23.26	21.47
Total equity	**14.80**	21.80	26.17	23.26	21.47
Total liabilities and equity	**100.00**	100.00	100.00	100.00	100.00

Statement of Profit or Loss for the year ended 31 March 2026	Percentage (%)				
	2026	2025	2024	2023	2022
Gross income	**100.00**	100.00	100.00	100.00	100.00
Interest Income	**93.49**	91.77	92.97	94.31	89.31
Interest Expenses	**43.99**	42.27	55.42	56.86	40.51
Net Interest Income	**49.50**	49.50	37.54	37.45	48.80
Other Operating Income	**6.51**	8.23	7.03	5.69	10.69
Total Operating Income	**56.01**	57.73	44.58	43.14	59.49
Impairment Charges	**0.94**	-1.42	-3.72	1.78	2.91
Total Operating Expenses	**28.65**	31.73	24.79	22.70	25.57
Operating profit before taxes on financial services	**26.42**	27.42	23.51	18.66	31.02
Tax on financial services	**6.96**	7.06	6.19	5.10	6.15
Profit before income tax expense	**19.46**	20.36	17.32	13.56	24.87
Income Tax Expense	**7.91**	7.69	5.91	4.14	7.45
Profit for the Year	**11.55**	12.68	11.41	9.42	17.42

Governance Checklist

Statement of the Extent of Compliance Under Section 9 of the Listing Rules of CSE on Corporate Governance

Rule Number	Requirement and the Extent of Compliance
9.2	Policies
9.2.1	Complied. The Company has established, maintained and disclosed on its website "http://www.plc.lk" the following Board approved policies in compliance with Rule 9.2.1 of the CSE Listing Rules: • Policy on Matters Relating to the Board of Directors, • Policy on Board Sub Committees, • Policy on Corporate Governance, Nominations and Re-election, • Policy on Remuneration, • Policy on Internal Code of Business Conduct and Ethics including trading in listed securities, • Policy on Risk Management and Internal Controls, • Policy on Relations with Shareholders and Investors, • Policy on Environmental, Social and Governance Sustainability, • Policy on Control and Management of Company Assets and Shareholder Investments, • Policy on Corporate Disclosures, • Policy on Whistle-blowing • Policy on Anti-Bribery and Corruption. The existence and implementation of these policies have been disclosed on the Company's website.
9.2.2	Complied. No waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions were granted during the year under review.
9.2.3	Listed entities shall disclosed in its Annual Report:
(i)	The Company has disclosed in the Annual Report the list of policies maintained in conformity with Rule 9.2.1 together with references to the Company website "http://www.plc.lk" where such policies are published.
(ii)	Complied. The Company reviews policies annually or whenever required due to changes introduced by the CBSL or CSE and updates the Company website accordingly with the latest approved versions.
9.3	Board Committees
9.3.1	Complied. The Company has established and maintained the mandatory Board Committees namely Board Nominations and Governance Committee, Board Human Resources and Remuneration Committee, Board Audit Committee, Board Related Party Transactions Review Committee and Board Integrated Risk Management Committee in compliance with the CSE Listing Rules and Finance Business Act Direction No. 05 of 2021. In addition, the Company has established Board Credit Committee, Board Investment Committee, Board Information Technology Committee and Board Sustainability Committee to strengthen governance practices.
9.3.2	Complied. The composition, responsibilities and scope of all Board Committees are disclosed in the respective Board Sub Committee Reports published in the Annual Report (Page 262 to 282).
9.3.3	Complied. The Chairperson of the Board does not serve as the Chairperson of the Board Committees referred to under Rule 9.3.1.
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders
9.4.1	Complied. The Company maintains records of all resolutions considered at Annual General Meetings and Extraordinary General Meetings including proxy appointments, votes in favour, votes against and abstained votes. Digital records relating to virtual meetings are also maintained.

Governance Checklist

Rule Number	Requirement and the Extent of Compliance
9.4.2	Complied. The Company has a Board approved Communication Policy in compliance with the Finance Business Act Direction No. 5 of 2021 issued by the CBSL and a Board approved Policy on Relations with Shareholders and Investors, which has been uploaded to the Company's website in compliance with Corporate Governance Rule No. 9 issued by the CSE.The Company Secretary serves as the contact person for all communications with the CSE. The contact details of the Company Secretary are published on the CSE website under "Company's profile" section, as well as on the Company's official website, Shareholders/Investors to communicate. The Company Secretary brings such concerns to the notice of the Board. Furthermore, the Policy on Relations with Shareholders and Investors is available on the company's official website "http://www.plc.lk". The 30th AGM is scheduled to be held on 30 June, 2026, as per the guidelines issued by the CSE. (Notice of Meeting is published on page 516 of the Annual Report).
(a)	Complied. The Company has implemented a Board approved Communication Policy and Policy on Relations with Shareholders and Investors in compliance with the CSE Listing Rules and Finance Business Act Direction No. 05 of 2021 and disclosed the same on the Company website.
(b)	Complied. The Company Secretary acts as the contact person for communications with shareholders and investors and the contact details are disclosed on the CSE website and the Company website.
(c)	Complied. The Policy on Relations with Shareholders and Investors includes a process to communicate major shareholder concerns to the Board through the Company Secretary and the policy is available on the Company website.
(d)	Complied. The Company conducts shareholder meetings in accordance with the guidelines issued by the CSE for virtual and hybrid meetings and the Notice of Meeting is published in the Annual Report (Page 516).
9.5	Policy on matters relating to the Board of Directors
9.5.1	Complied. The Board Governance Charter and the Policy for Selection, Appointment, Nomination, Re-election and Continuation of Directors provide for Board composition, segregation of roles of Chairperson and CEO, Board balance and performance evaluations of the Board and CEO.
(a & b)	Complied. The roles of Chairperson and CEO are separated and not applicable in this context.
(c)	Complied. The Board Nominations and Governance Committee considers skills, experience, competency, gender, industry knowledge and diversity requirements when recommending Board appointments.
(d)	Complied. The Articles of Association of the Company stipulate the maximum number of Directors that may be appointed to the Board.
(e)	Complied. The Company conducts Board meetings in compliance with the requirements of Finance Business Act Direction No. 05 of 2021 and Board attendance details are disclosed in the Annual Report (Page 244).
(f)	Complied. Directors regularly disclose share dealings and related party interests and annual disclosures and these are obtained to ensure compliance with the Companies Act, Finance Business Act and CSE Listing Rules.
(g)	Complied. The Company complies with regulatory requirements relating to Board and Sub Committee attendance, voting and participation. Attendance details are disclosed in the Annual Report (Page 244).
(h)	Complied. Directors are required to comply with the Share Trading Policy and Board Code of Conduct and Ethics when trading in securities of the Company and related listed entities.
(i)	Complied. The Company complies with the Finance Business Act Direction No. 05 of 2021 relating to the maximum number of directorships held by Directors.
(j)	Complied. Directors are permitted to participate at Board and Committee meetings through audio visual means and such participation is considered for quorum purposes.
9.5.2	Complied. The Company has confirmed compliance with the Board Governance Charter and related Board policies in the Annual Report and published the Board Charter on the Company website.
9.6	Chairperson and CEO
9.6.1	Complied. The Chairperson serves as a Non-Executive Independent Director and the roles of Chairperson and CEO are held by separate individuals.
9.6.2	No instance of non-compliance with Rule 9.6.1 arose during the financial year.
9.6.3	The Requirement for a Senior Independent Director.
(a)	Complied. The Company did not have a requirement to appoint a Senior Independent Director during the financial year as the Chairperson and CEO were separate individuals and were not Close Family Members or Related Parties. Accordingly, no market announcement was required under this Rule.

Rule Number	Requirement and the Extent of Compliance
(b, c, d, e)	Not Applicable. The requirement relating to meetings and disclosures of the Senior Independent Director was not applicable during the financial year as no SID appointment was required.
9.6.4	Complied. No requirement arose for the appointment of a Senior Independent Director during the financial year.
9.7	Fitness of Directors and CEOs
9.7.1	Complied. The Company has taken necessary steps to ensure that all Directors and the CEO are fit and proper persons at all times in accordance with the CSE Listing Rules. Signed declarations confirming compliance with fit and proper criteria were obtained from the Board of Directors and the CEO and reviewed by the Board Nominations and Governance Committee.
9.7.2	Complied. The Board Nominations and Governance Committee assesses whether proposed Directors satisfy the fit and proper criteria relating to integrity, competence, experience and financial soundness before recommending appointments to the Board or shareholders.
9.7.3	Complied. The Company applies the prescribed fit and proper assessment criteria covering honesty, integrity, reputation, competence, capability and financial soundness of Directors and the CEO. The Company ensures that Directors and the CEO are not disqualified under any regulatory or legal provisions and possess the required qualifications, experience and competencies to perform their duties effectively.
9.7.4	Complied. Annual written declarations were obtained from all Directors and the CEO confirming that they continuously satisfied the fit and proper assessment criteria during the financial year and as at the date of declaration.
9.7.5	Complied. The Annual Report includes a statement confirming that the Directors and CEO satisfy the fit and proper assessment criteria stipulated in the CSE Listing Rules and confirms that no instances of non-compliance were identified during the financial year.
9.8	Board Composition
9.8.1	Complied. The Company maintains a Board comprising more than the minimum required number of Directors in accordance with the CSE Listing Rules, including Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
9.8.2	Complied. The Company complies with the requirement relating to the minimum number of Independent Directors on the Board and the composition of the Board is disclosed in the Annual Report (Page 216 to 223).
9.8.3 & 9.8.4	Complied. The Company assesses the independence of Directors against the criteria prescribed in the CSE Listing Rules, including employment relationships, business relationships, family relationships, significant shareholding, tenure and other potential conflicts affecting independence.
9.8.5	Complied. Independent Directors submit annual declarations confirming their independence or non-independence in the prescribed format and the Board annually determines and discloses the independent status of Directors in the Annual Report. Any changes in independence status are disclosed as required.
9.9	No Alternate Directors were appointed to the Board during the financial year.
9.10	Disclosures relating to Directors
9.10.1	Complied. The Board Governance Charter specifies the maximum number of directorships that may be held by a Director in line with regulatory requirements and the Company monitors compliance with such limits.
9.10.2	Complied. The Company makes immediate market announcements upon the appointment of new Directors including details relating to the Director's profile, capacity of directorship and confirmation that the appointment was reviewed by the Board Nominations and Governance Committee.
9.10.3	Complied. Immediate market announcements are made regarding changes to the composition of Board Committees including the effective date and capacity of appointment.
9.10.4	Complied. Relevant details relating to Directors including profiles, directorships and Committee memberships are disclosed in the Annual Report (Page 216 to 223).
9.11	Nominations and Governance Committee
9.11.1	Complied. The Company has established a Board Nominations and Governance Committee in compliance with the requirements of the CSE Listing Rules.
9.11.2	Complied. The Company has implemented Board approved procedures for the selection, appointment, nomination, re-election, evaluation and continuation of Directors through the Board Nominations and Governance Committee.
9.11.3	Complied. The Board Nominations and Governance Committee operates under a written Terms of Reference clearly defining its scope, authority, duties and quorum requirements, which are reviewed periodically.

Governance Checklist

Rule Number	Requirement and the Extent of Compliance
9.11.4	Complied. The Committee comprises Board members with a majority of Independent Non-Executive Directors and is chaired by an Independent Director in compliance with regulatory requirements.
9.11.5	Complied. The Board Nominations and Governance Committee carries out functions relating to Board appointments, succession planning, governance matters, evaluation of Directors and assessment of fitness and propriety.
9.11.6	Complied. The composition, functions and activities of the Board Nominations and Governance Committee are disclosed in the Committee Report in the Annual Report (Page 269 to 270).
9.12	Remuneration Committee
9.12.1	Complied. The Company has established a Board approved Remuneration Policy covering both cash and non-cash benefits applicable to Directors and employees.
9.12.2	Complied. The Company has established and maintained a Board Human Resources and Remuneration Committee in compliance with the CSE Listing Rules.
9.12.3	Complied. The Company has established a formal and transparent procedure for determining remuneration. As there are no Executive Directors on the Board, no Director is involved in determining his or her own remuneration.
9.12.4	Complied. The remuneration of Non-Executive Directors is governed by the Board Remuneration Policy and is based on non-discriminatory practices and prevailing market rates to ensure independence is not impaired.
9.12.5	Complied. The Board Human Resources and Remuneration Committee operates under a written Terms of Reference defining its scope, authority, responsibilities and quorum requirements.
9.12.6 (1)	Complied. The Board Human Resources and Remuneration Committee comprises a minimum of three members with the majority being Independent Non-Executive Directors and is chaired by an Independent Director. The Committee consists solely of Non-Executive Directors.
(2)	Complied. During the financial year ended 31 March 2025, the Chairperson of the committee was an Independent Director in line with the Rule 9 of the CSE. However, as per the Finance Business Act Direction No. 5 of 2021, the independence status of the Chairman changed. In response the Board took immediate action to address and remediate the situation. Refer Committee Report on pages 265 and 266.
9.12.7	Complied. The Board Human Resources and Remuneration Committee recommends remuneration and benefits relating to the CEO and senior management and is empowered to obtain external professional advice where necessary to assess remuneration structures and market practices.
9.12.8	Complied. The composition, responsibilities and activities of the Board Human Resources and Remuneration Committee are disclosed in the Committee Report in the Annual Report (Pages 265 and 266).
9.13	Audit Committee
9.13.1	Complied. The Company has separately constituted the Board Audit Committee and the Board Integrated Risk Management Committee to independently oversee audit and risk management functions.
9.13.2	Complied. The Board Audit Committee operates under a formally approved Terms of Reference defining its scope, authority and duties, which are reviewed periodically to ensure alignment with regulatory and governance requirements.
9.13.3	Complied. The Board Audit Committee comprises Non-Executive Directors including Independent Directors, ensuring an appropriate balance of independence and oversight.
9.13.4 (1)	Complied. The Board Audit Committee oversees financial reporting, regulatory compliance, internal controls, risk management, internal and external audit functions and related party transactions. The Committee reviews quarterly and annual financial statements prior to Board approval and monitors the effectiveness and independence of audit functions.
(i & ii)	Addressed in Section 9.1 of the Board Audit Committee's Terms of Reference, which pertains to "Financial Reporting". However, National Audit Act No. 19 of 2018 requires the Auditor General to carry out the audit himself or by any person authorised by the Auditor General.
(iii)	National Audit Act No. 19 of 2018 requires the Auditor General to carry out the audit himself or by any person Authorized by the Auditor General. BAC does not possess authority over the appointment or removal of the external Auditor.
(iv)	The Committee assisted the Board of Directors in Discharging its responsibility for the preparation of the quarterly and annual Financial Statements to reflect a true and fair view of the affairs of the Company.

Rule Number	Requirement and the Extent of Compliance
(v to ix)	The Internal Audit function is mandated to execute a risk-based audit programme, aligned with the approved Audit Plan, to independently evaluate the adequacy, effectiveness, and sustainability of the Entity's risk management, governance, and internal control frameworks. This includes assessing the design and operating effectiveness of key controls across core business processes, financial reporting, regulatory compliance, and information systems. In discharging its responsibilities, Internal Audit adopts a systematic and disciplined approach, incorporating data-driven methodologies and continuous monitoring techniques to enhance audit coverage and provide timely assurance over emerging risks. Significant audit findings, control weaknesses, and instances of non-compliance identified during the course of audits are reported to the Board Audit Committee (BAC) on a regular basis. The BAC provides oversight to ensure that management undertakes timely and appropriate corrective actions, with progress tracked through structured follow-up mechanisms until satisfactory resolution is achieved.
(x)	The Board Audit Committee (BAC) maintains comprehensive oversight of the scope, effectiveness, and outcomes of both internal and external audit functions, while ensuring the independence, performance, and objectivity of the auditors. During the financial year, the Committee engaged with the external auditors on three occasions. The initial meeting was convened to review and agree on the audit plan, scope, and proposed audit methodology for the annual audit. This was followed by a subsequent meeting to deliberate on the audit findings and outcomes. A further meeting was held to discuss the contents of the Management Letter, including key observations and recommendations. In addition, the BAC conducted two separate confidential meetings with the external auditors, without the presence of Executive Directors, senior management, or staff. These sessions facilitated open and transparent dialogue, enabling the external auditors to communicate any significant matters, concerns, or reservations directly to the Committee. The BAC also reviews and approves the Internal Audit Plan, ensuring that it adopts a risk-based approach and provides adequate coverage of key risk areas. The Committee continuously monitors the progress of audit execution against the approved plan through periodic updates submitted by the Internal Audit function. Further, the BAC evaluates the effectiveness of the internal audit function by reviewing audit findings, assessing the adequacy of audit scope, and ensuring that significant observations are appropriately addressed. The Committee also oversees the timely implementation of agreed corrective actions, thereby strengthening the overall control environment. Through these measures, the BAC ensures that both internal and external audit processes remain robust, independent, and effective in providing assurance over the Entity's governance, risk management, and internal control frameworks.
(xi)	The Board Audit Committee (BAC) is responsible for establishing and implementing the policy governing the engagement of external auditors for the provision of non-audit services, ensuring alignment with applicable ethical standards and regulatory requirements. During the financial year, the Committee reviewed the non-audit services rendered by the external auditors to confirm that such services do not fall within restricted categories and do not impair the independence, objectivity, or professional judgment of the auditors, who are appointed to assist the Auditor General. This review was conducted with due consideration to relevant ethical guidelines on the provision of non-audit services. The BAC also reviewed and updated the Policy on the Engagement of External Auditors for Non-Audit Services to ensure its continued relevance in light of evolving regulatory expectations and operational requirements. Further, the Committee reports to the Board on matters arising from these reviews, highlighting any areas requiring improvement and making appropriate recommendations to strengthen governance, safeguard auditor independence, and enhance overall oversight.
(xii & xiii)	In terms of Section 55 of the National Audit Act No. 19 of 2018, the Company falls under the definition of "Auditee Entity" of the Auditor General and shall carry Out the audits by the Auditor General. Therefore, the Committee has no role to play in the appointment of External auditors.
9.13.5	Complied. The Audit Committee Report included in the Annual Report (Pages) discloses the composition of the Committee, internal control and risk management arrangements, financial reporting oversight, audit independence and activities carried out during the year.
9.14	RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
9.14.1	Complied. The Company has established a Board Related Party Transactions Review Committee in compliance with the requirements of the CSE Listing Rules and CBSL Directions.

Governance Checklist

Rule Number	Requirement and the Extent of Compliance
9.14.2	Complied. The Committee comprises of five members with the majority being Independent Non-Executive Directors and is chaired by an Independent Director.
9.14.3	Complied. The Committee reviews and monitors Related Party Transactions to ensure compliance with applicable laws, regulations and Company policies and to prevent conflicts of interest.
9.14.4	Complied. The Committee meets regularly, maintains proper minutes and ensures prior review and recommendation of Related Party Transactions before Board approval where required. Directors with material interests abstain from participation and voting on such matters.
9.14.5	Complied. All Related Party Transactions are reviewed by the Committee in accordance with the approved policy and regulatory requirements prior to entering into such transactions.
9.14.6	No instances requiring shareholder approval for Related Party Transactions arose during the financial year.
9.14.7	Complied. No disclosure events requiring immediate announcement arose during the financial year.
9.14.8	Complied. Related Party Transactions and related disclosures are included in the Notes to the Financial Statements and the Annual Report (Pages 420).
9.14.9	Complied. The Company maintains a policy governing acquisition and disposal of assets involving related parties and obtains prior approval from the Board Related Party Transactions Review Committee.
9.14.10	Complied. The Company complies with the requirements applicable to excepted Related Party Transactions under the CSE Listing Rules.
9.17	Additional disclosures
9.17 (1)	Complied. Directors declare material interests in contracts involving the Company and abstain from voting on matters in which they are materially interested.
(2)	Complied. The Board has conducted reviews of financial, operational and compliance controls and risk management systems and obtained reasonable assurance regarding their effectiveness.
(3)	Complied. Directors have confirmed compliance with applicable laws, regulations and Listing Rules through declarations made under the Board Code of Conduct and Ethics.
(4)	Complied. Relevant disclosures relating to regulatory compliance, internal controls and any material non-compliance matters are included in the Directors' Statement on Internal Control over Financial Reporting.

The Finance Business Act directions No.05 of 2021 on Corporate Governance issued by the Central Bank of Sri Lanka for Licensed Finance Companies

Direction Reference	Corporate Governance Principle and Status of Compliance
1	Board's overall Responsibilities
	Complied. The Board has assumed overall responsibility and accountability for the operations of the Company by setting the strategic direction, establishing the governance framework and corporate culture, and ensuring compliance with applicable regulatory requirements. The Board continuously monitors the Company's performance against approved strategic objectives and corporate targets during the financial year 2025/26.
1.2	Business Strategy and Governance Framework
1.2.a	Complied. The Board approved the Company's Strategic Plan at the Board Meeting held on 27 March 2025 and continues to oversee the implementation of the approved Corporate Strategic Plan 2021–2026 and annual budgets through periodic performance reviews conducted during the financial year 2025/26.
1.2.b	Complied. The Board has approved and implemented a governance framework aligned with the regulatory and statutory requirements of the Finance Business Act No. 42 of 2011, Companies Act No. 07 of 2007, Leasing Act No. 56 of 2000, and the applicable CSE Listing Rules.
1.2.c	Complied. The effectiveness of the governance framework, including policies, proceedings, and Terms of Reference (TORs) of Board Sub-Committees and Management Committees, was periodically reviewed and updated during the financial year 2025/26, with amendments approved by the Board where necessary.
1.2.d	Complied. The Board has separately appointed the Chairman and Chief Executive Officer and clearly defined their respective roles and responsibilities in the approved Corporate Governance Charter to ensure an appropriate balance of authority and responsibility.
1.3	Corporate Culture and Values
1.3.a	Complied. The Board has established a sound corporate culture reinforcing ethical, prudent, and professional behavior through the implementation of the Board-approved Code of Conduct, which is applicable to all employees and Directors during the financial year 2025/26.
1.3.b	Complied. The Board continues to establish and promote corporate culture and values through the implementation of the Code of Conduct, conflict of interest management practices, and governance declarations signed by Directors confirming adherence to good governance and ethical business conduct during 2025/26.
1.3.c	Complied. Environmental, Social, and Governance (ESG) considerations and sustainable development goals were incorporated into the approved Corporate Strategic Plan 2021–2026, and the Company established a Sustainable Finance Unit to support sustainable finance initiatives.
1.3.d	Complied. The Board approved and implemented a stakeholder communication framework, including the revised Corporate Communication Policy, which was updated in line with Rule 9 on Corporate Governance issued by the Colombo Stock Exchange (CSE) during the financial year 2025/26.
1.4	Risk Appetite, Risk Management, and Internal Controls
1.4.a	The Board has established and periodically reviews the Risk Appetite Statement (RAS) in line with the Company's business strategy and governance framework, and a Board-approved RAS is currently in place.
1.4.b	Appropriate systems and controls are in place to identify, mitigate, and prudently manage risks, with risk indicators relating to Credit Risk, Market Risk, Operational Risk, and other residual risks being regularly reviewed at BIRMC meetings and necessary mitigating actions recommended.
1.4.c	The Board is responsible for ensuring that the Company maintains adequate and effective internal control systems and management information systems, which are periodically reviewed for their adequacy and effectiveness. Detailed monitoring and review of internal controls are carried out by the Board Audit Committee and BIRMC on behalf of the Board, with regular reporting of their findings to the Board.
1.4.d	The Board has approved a comprehensive Business Continuity and Disaster Recovery Plan (BCP) to ensure stability, financial strength, and continuity of critical operations and services under unforeseen circumstances. The BCP is regularly reviewed by the BIRMC, and updates on its status are provided at meetings.
1.5	Board Commitment and Competency
1.5.a	Complied. Board members devoted sufficient time and attention to matters relating to the affairs of the Company during the financial year 2025/26, and all deliberations and decisions were formally documented in Board meeting minutes.
1.5.b	Complied. The Board comprised Non-Executive Directors possessing academic and professional qualifications and industry expertise, including four (04) Independent Directors, during the financial year 2025/26.

Governance Checklist

Direction Reference	Corporate Governance Principle and Status of Compliance
1.5.c	Complied. Directors were encouraged to participate in training programs, seminars, and professional development sessions during 2025/26, with relevant programs communicated by the Company Secretary and external professionals engaged for knowledge-sharing sessions where necessary.
1.5.d	Complied. The Board carried out a comprehensive self-assessment evaluation for the financial year ended 31 March 2026, covering individual Directors, the Board as a whole, and Board Committees. The evaluation findings were presented to the BNGC and the Board in May 2026.
1.5.e	Complied. In accordance with the Corporate Governance Charter, the Board collectively obtained external professional advice during the financial year 2025/26 to support the effective discharge of its duties and responsibilities.
1.6	Oversight of Senior management
1.6.a	Complied. The Board identified and designated Key Responsible Persons (KRPs), including Heads of Departments, in line with the requirements of Finance Business Act Direction No. 06 of 2021 issued by the Central Bank of Sri Lanka (CBSL).
1.6.b	Complied. The Board approved the key responsibilities, delegated authority limits, job descriptions, and KPIs of KRPs and senior management during the financial year 2025/26.
1.6.c	Complied. The Board ensured that KRPs and senior management possessed the required qualifications, skills, and experience through fit and proper assessments conducted in accordance with Finance Business Act Direction No. 06 of 2021 and the Company's approved recruitment procedures during 2025/26.
1.6.d	Complied. The affairs of the Company were regularly reviewed and monitored by Management Committees, Board Sub-Committees, and the Board during the financial year 2025/26, with KRPs making periodic presentations to the Board on matters under their purview.
1.6.e	Complied. A Board-approved succession plan for KRPs and senior management was maintained during 2025/26, including the identification of second and third-tier successors and implementation of leadership development initiatives.
1.6.f	Complied. The Board regularly met with senior management throughout the financial year 2025/26 to review policies, establish communication channels, and monitor progress towards strategic objectives through Board and Board Sub-Committee meetings.
1.7	Adherence to the Existing Legal Framework
1.7.a	Complied. The Company operated within an approved legal and regulatory framework during the financial year 2025/26, including compliance with the Finance Business Act No. 42 of 2011, applicable CBSL Directions, CSE Rules, and other statutory requirements, ensuring that operations were conducted in the best interests of shareholders, depositors, and other stakeholders.
1.7.b	Complied. The Board ensured adherence to the regulatory environment and compliance with applicable laws, regulations, directions, and ethical standards. Regular updates on changes to relevant legislation, corporate governance requirements, and sector developments affecting the Group's operations, including economic, social, and environmental matters, were provided to the Board Committees and the Board. In addition, summaries of regulatory requirements and relevant prudential ratios were periodically submitted to the Board to monitor the Company's compliance position.
1.7.c	Complied. The Board acted with due care, prudence, and integrity in discharging its duties and remained aware of potential civil and criminal liabilities arising from failure to discharge responsibilities diligently. The Company maintained a Directors' and Officers' Liability Insurance cover obtained from a reputed insurance company in Sri Lanka to indemnify past, present, and future liabilities of Directors and Officers.
2	Governance Framework
2.1	Complied. The Board developed and implemented a Board-approved Governance Framework covering the roles and responsibilities of the Board, matters reserved for the Board, delegation of authority, Board composition and independence, nomination and appointment of Directors and senior management, conflict of interest management, access to information and independent advice, Board capacity building, Board performance evaluation, roles of the Chairperson, CEO, Company Secretary, Board Subcommittees, and limits on related party transactions. The Governance Framework is further elaborated in the Corporate Governance Report.
3	Compositions of the Board
3.1	Complied. The composition of the Board ensured an appropriate balance of skills, experience, qualifications, and knowledge relevant to the size, complexity, and risk profile of the Company. Appointments to the Board were recommended by the Board Nominations and Governance Committee based on expertise, skills, and industry experience.

Direction Reference	Corporate Governance Principle and Status of Compliance
3.2	Complied. As at 31 March 2026, the Board comprised 10 Directors, which remained within the statutory requirement of a minimum of seven and maximum of thirteen Directors. Out of the total Board composition, four Directors were determined as Independent Directors.
3.3	Complied. The total period of service of Non-Executive Directors did not exceed the regulatory limit of nine years, except where permitted under applicable regulatory provisions
3.4	Complied. None of the Non-Executive Directors of the Company exceeded nine years of service as at 31 March 2026, and therefore no approvals under the relevant regulatory provisions were required.
3.5	Executive Directors
3.5.a	Complied. The Company did not have any Executive Directors and accordingly complied with the regulatory requirement relating to Executive Director appointments.
3.5.b	Complied. No circumstance arose where a shareholder holding more than 10% voting rights was appointed as an Executive Director or Senior Management personnel of the Company.
3.5.c	Complied. No circumstance requiring the designation of the CEO as an Executive Director or Managing Director arose, as the Company did not have Executive Directors.
3.5.d	Complied. No circumstance requiring functional reporting lines for Executive Directors arose, as the Company did not have Executive Directors.
3.5.e	Complied. No circumstance arose involving Executive Directors holding executive directorships or senior management positions in other entities, as the Company did not have Executive Directors.
3.5.f	Complied. No such circumstance transpired, as the Company did not maintain Executive Directors.
3.6	Non-Executive Directors
3.6.a	Complied. The Non-Executive Directors of the Company possessed credible track records, professional qualifications, and extensive experience to provide independent judgment on matters relating to strategy, performance, resources, and standards of business conduct.
3.6.b	Complied. No Non-Executive Director functioned as the Chief Executive Officer, Managing Director, or Executive Director of the Company.
3.7	Independent Directors
3.7.a	Complied. As at 31 March 2026, the Board comprised four Independent Non-Executive Directors, thereby complying with the regulatory requirement that at least one-third of the Board or a minimum of three Directors be Independent Directors.
3.7.b	Complied. All Independent Non-Executive Directors possessed professional qualifications, proven track records, and sufficient experience in their respective fields. Profiles of the Independent Directors are disclosed in the Annual Report.
3.7.c	A Non-Executive Director shall not be considered independent if such:
3.7.c.i	Complied. No Independent Director held direct or indirect shareholding exceeding the regulatory thresholds specified under the applicable CBSL Directions.
3.7.c ii	Complied. No Independent Director or relative had material business transactions with the Company exceeding the regulatory thresholds.
3.7.c.iii	Complied. No Independent Director had been employed by the Company or its affiliates, or served as a Director of affiliates, during the one-year period immediately preceding appointment.
3.7.c.iv	Complied. No Independent Director acted as an advisor, consultant, or principal consultant to the Company or its affiliates during the one-year period immediately preceding appointment.
3.7.c.v	Complied. No Independent Director had relatives serving as Directors or senior management of the Company, or holding shares exceeding the specified thresholds.
3.7.c.vi	Complied. No Independent Director represented shareholders, debtors, creditors, or similar stakeholders of the Company in a manner affecting independence.
3.7.c.vii	Complied. No Independent Director had employment, directorships, or shareholdings in entities that created conflicts with other Directors of the Company.
3.7.c.viii	Complied. No Independent Director had directorships, employment, or shareholdings in entities engaging in material transactions with the Company beyond the prescribed regulatory thresholds.
3.7.d	Complied. The Board and the Board Nominations and Governance Committee assessed whether any circumstances or relationships existed that could impair or appear to impair the independence of Directors.

Governance Checklist

Direction Reference	Corporate Governance Principle and Status of Compliance
3.7.e	Complied. Declarations confirming the independence or non-independence status of Directors were obtained and maintained under the custody of the Company Secretary in accordance with regulatory requirements.
3.8	No Alternate Director appointments were made.
3.9	No circumstances requiring the application of cooling-off period provisions arose during the reporting period.
3.10	Common Directorships
3.10	Complied. No Director or Senior Management personnel of the Company was nominated, elected, or appointed as a Director of another finance company outside the permitted circumstances.
3.11	Complied. Based on declarations obtained from Directors, none of the Directors held office as a Director or equivalent position in more than 20 companies/societies/bodies, including subsidiaries and associates of the Company.
4	Assessment of Fit and Proper Criteria
4.1	Complied. The Board Corporate Governance Charter and the Policy for Selection, Appointment, Nomination, Re-election, and Continuation of Directors ensured that all Directors appointed satisfied the fit and proper criteria stipulated under the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Directions. Approval from the Director of the Department of Supervision of Non-Bank Financial Institutions of the CBSL was obtained for one new appointment made during the year.
4.2	Complied. None of the Directors of the Company were above the age of 70 years as at 31 March 2026.
4.3	Complied. No situations arose during the year 2025/26 requiring the continuation of a Director exceeding 70 years of age up to a maximum of 75 years in terms of the provisions specified under Direction 4.3.
4.3.a	Not Applicable
4.3.b	Not Applicable
4.3.c	Not Applicable
4.3.d	Not Applicable
5	Appointment and Resignation of Directors and Senior Management
5.1	Complied. Appointments, resignations, and removals of Directors and Key Responsible Persons were carried out in accordance with the provisions of the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Directions. The Board Sub-Committees and the Board complied with Finance Business Act Direction No. 05 of 2021 on Corporate Governance and Direction No. 06 of 2021 on the Assessment of Fitness and Propriety in relation to appointments, resignations, and removals.
6	The Chair and the Chief Executive Officer
6.1	Complied. A clear division of responsibilities between the Chairperson and the CEO was maintained, and the roles of the Chairperson and the CEO were separated and not performed by the same individual.
6.2	Complied. The Chairperson functioned as an Independent Non-Executive Director of the Company.
6.3	Not Applicable. The Chairperson functioned as an Independent Non-Executive Director and therefore appointment of a Senior Director was not required.
6.4	Responsibilities of the Chairperson
6.4.a	Complied. The Corporate Governance Charter sets out the responsibilities of the Chairperson, including providing leadership to the Board and ensuring its effective functioning.
6.4.b	Complied. The Chairperson maintained an appropriate balance of power between Executive and Non-Executive functions of the Board.
6.4.c	Complied. Board works effectively and discharges its responsibilities.
6.4.d	This is not applicable, as there are no executive directors serving on the Board.
6.4.e	Complied. All key issues are discussed by the Board in a timely manner
6.4.f	Complied. The Company has duly implement decisions/directions of the regulator
6.4.g	Complied. The preparation of Board agendas and maintenance of Board minutes were delegated to the Company Secretary, who carried out such functions in consultation with the Chairman.
6.4.h	Complied. The Chairperson did not engage in direct supervision of senior management or day-to-day operational activities of the Company.

Direction Reference	Corporate Governance Principle and Status of Compliance
6.4.i	Complied. A Board approved communication policy was maintained to ensure effective communication with all stakeholders including depositors, creditors, shareholders, and borrowers.
6.4.j	Complied. The Chairman carried out annual assessments of the performance and contribution of the Board members and the CEO.
6.5	Complied. The CEO functioned as the apex executive responsible for the day-to-day management and operations of the Company in accordance with the responsibilities delegated by the Board.
6.5.a	Complied. The CEO implemented the strategic objectives, policies, and risk strategies approved by the Board and managed the day-to-day operations of the Company within approved risk parameters. The role of the CEO/GM is detailed in the Corporate Governance Charter of the Company.
6.5.b	Establishing a management structure that promotes accountability, and transparency throughout the FC's operations, and preserves the effectiveness and independence of control functions;
6.5.c	Promoting, together with the Board, a sound corporate culture within the FC which reinforces ethical, prudent, and professional behaviour.
6.5.d	Complied. A proper compliance culture was maintained within the Company, and accountability for accurate submission of information to the regulator was ensured.
6.5.e	Complied. The regulatory and supervisory compliance framework of the Company was strengthened through ongoing monitoring and compliance oversight mechanisms.
6.5.f	Complied. Supervisory concerns and instances of non-compliance with regulatory requirements or internal policies were addressed in a timely and appropriate manner.
6.5.g	Complied. The CEO devoted full professional time to the service of the Company and complied with the requirements relating to external directorships in accordance with Direction 3.10.
7	Meetings of the Board
7.1	Complied. Board meetings were generally held at monthly intervals unless business exigencies required shorter intervals. The Board met 21 times during the financial year 2025/26, and obtaining Board consent through circulation of papers was kept to a minimum.
7.2	Complied. All Directors were provided equal opportunity to include proposals relating to business promotion and risk management in the agenda for regular Board meetings.
7.3	Complied. Notices for scheduled Board meetings were issued in accordance with the stipulated notice period requirements.
7.4	Complied. Directors devoted sufficient time to prepare for and attend Board meetings, and deliberations and views expressed by Directors were properly recorded in the minutes.
7.5	Complied. Board meetings were conducted in compliance with quorum requirements, including the requirement relating to Independent Directors.
7.6	Complied. The Chairperson held meetings with Non-Executive Directors without the presence of Executive Directors, as required.
7.7	Complied. Directors disclosed their interests where applicable and abstained from participating and voting on matters in which they had an interest. A Board-approved Conflict of Interest Policy was maintained for Directors.
7.8	Complied. No Director failed to meet the attendance requirements stipulated under the Direction during the reporting year.
7.9	Complied. Participation of Directors at scheduled and ad hoc Board meetings was facilitated either in person or through electronic means, and such participation was appropriately recorded in the minutes.
8	Company Secretary
8.1.a	Complied. The Board appointed a Company Secretary who functioned as senior management and was responsible for handling secretarial services to the Board and shareholder meetings in compliance with statutory and regulatory requirements.
8.1.b	Complied. The Company Secretary possessed the qualifications prescribed under Section 222 of the Companies Act No. 07 of 2007 and functioned as an employee of the Company.
8.2	Complied. All Directors had access to the advice and services of the Company Secretary to ensure compliance with Board procedures, laws, directions, rules, and regulations.
8.3	Complied. The Company Secretary prepared Board agendas in consultation with the Chairman in accordance with delegated responsibilities.

Governance Checklist

Direction Reference	Corporate Governance Principle and Status of Compliance
8.4	Complied. The Company Secretary maintained minutes of Board meetings together with supporting submissions in an orderly manner for a minimum period of 10 years.
8.5	Complied. The Company Secretary maintained Board minutes in accordance with the procedures laid down in the Articles of Association of the Company.
8.6	Complied. Minutes of Board meetings were recorded in sufficient detail to capture deliberations, matters considered, dissenting views, compliance confirmations, risk management discussions, and Board decisions in accordance with the Direction.
8.7	Complied. Minutes of Board meetings were made available for inspection by Directors in accordance with the procedure specified in the Corporate Governance Charter.
9	Delegation of Functions by the Board
9.1	Complied. The Board approved a Delegation of Authority (DA) framework and delegated authority to Board Sub-Committees and Management Committees with clearly defined mandates while preserving overall accountability. Applicable DA limits and related policies were disseminated through the Corporate Intranet.
9.2	Complied. The Company maintained five mandatory Board Sub-Committees and additional Non-Regulatory and voluntary Board Sub-Committees to support governance and oversight functions.
9.3	Complied. Senior management level Sub-Committees were established to support decision-making processes and provide recommendations to Board Sub-Committees.
9.4	Complied. Delegation of authority by the Board did not hinder or reduce the Board's ability to effectively discharge its responsibilities.
9.5	Complied. The Delegation of Authority framework was periodically reviewed by the Board to ensure continued appropriateness considering the Company's operational requirements and size.
10	Board Sub-Committees
10.1	Complied. In line with the Corporate Governance Direction issued by the CBSL and the amended Corporate Governance requirements of the CSE, the Company maintained a Board Sub-Committee framework with five mandatory Board appointed Committees directly reporting to the Board, namely the Board Audit Committee (BAC), Board Integrated Risk Management Committee (BIRMC), Board Human Resources & Remuneration Committee (BHRRC), Board Related Party Transactions Review Committee (BRPTRC), and Board Nominations and Governance Committee (BNGC). In addition, the Company maintained Non-Regulatory Committees including the Board Investment Committee (BIC) and Board Credit Committee (BCC), together with voluntary Committees such as the Board Sustainability Committee and Board Recoveries Voluntary Committee for enhanced governance and operational oversight. Each Committee was supported by a designated secretary responsible for arranging meetings, maintaining records, and carrying out secretarial functions under the supervision of the respective Committee Chairpersons.
10.1.a	Complied. Meetings of the Board Audit Committee (BAC) and Board Integrated Risk Management Committee (BIRMC) are held at least once in two months, while other Board Committees meet at least annually. During the period, 09 BAC meetings and 09 BIRMC meetings were conducted, thereby complying with the minimum meeting frequency requirement.
10.1.b	Complied. Each Board Sub-Committee has a formally approved written Terms of Reference clearly defining its authority, duties, and responsibilities.
10.1.c	Complied. The performance, duties, and functions of all Board Sub-Committees are disclosed in the Annual Report, ensuring transparency and accountability to stakeholders.
10.1.d	Complied. Each Board Sub-Committee has a designated Secretary responsible for arranging meetings, maintaining minutes, records, and carrying out secretarial functions under the supervision of the respective Committee Chairperson. The Company Secretary serves as Secretary to several Committees, while the Head of Internal Audit and Head of Risk function as Secretaries to BAC and BIRMC respectively.
10.1.e	Complied. All Board Sub-Committees consist of at least three Board members with the required skills, knowledge, and experience relevant to the responsibilities of each Committee.
10.1.f	Complied. The Board considers periodic rotation of members and Chairpersons of Board Sub-Committees to avoid undue concentration of authority and to promote new perspectives. Accordingly, the Sub-Committees are regularly reconstituted and membership is rotated to strengthen governance and bring in improved practices.

Direction Reference	Corporate Governance Principle and Status of Compliance
10.2	Board Audit Committee (BAC) The Compliance status is not mentioned in this section.
10.2.a	Complied. The Board Audit Committee is chaired by Dr. Isuru Manawadu, an independent director appointed with effect from 23rd September 2025 following the reconstitution of the Committee. He possesses the required qualifications and experience in accountancy and audit, being a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a member of the ACCA (UK). He also holds a Ph.D. in Accounting from the University of Malaya and serves as a Senior Lecturer in the Department of Accounting, University of Sri Jayewardenepura, with extensive expertise in accounting, audit-related disciplines, and research areas including financial reporting quality, forensic accounting, and sustainability reporting.
10.2.b	Complied. The Board Audit Committee (BAC) comprises Non-Executive Directors, with the majority being Independent Directors possessing the necessary qualifications and experience relevant to the Committee's scope, in compliance with the Corporate Governance Rules of the Colombo Stock Exchange (CSE). The BAC was reconstituted with effect from 11th February 2025, and subsequently reconstituted again on 23rd September 2025 following a reassessment of independence. As at the latest reconstitution, the Committee is chaired by Dr. I. N. Manawadu, Independent Non-Executive Director, with members Mr. S. Sudarshan, Independent Non-Executive Director, and Mr. K. C. J. C. Fonseka, Non-Independent Non-Executive Director.
10.2.c	Complied. The Chief Internal Auditor (CIA) serves as the Secretary to the Board Audit Committee (BAC), in line with the requirement that the Committee Secretary shall preferably be the CIA.
10.2.d	External Audit Function
i.	The BAC's responsibility to make recommendations regarding the appointment, tenure, audit fee, resignation, or dismissal of the External Auditor is not applicable, as the Auditor General, in terms of the National Audit Act No. 19 of 2018, is responsible for the audit of the Company or may delegate the assignment to an authorised auditor. Accordingly, Ernst & Young, Chartered Accountants, has been appointed by the Auditor General to assist in the audit, and the audit fee for the year ended 31 March 2026 has been determined. In this context, the BAC does not have a role in the external auditor appointment process, but continues to review and deliberate on the application of relevant accounting principles and standards at its meetings.
ii.	The Company's External Auditor is the Auditor General, appointed under the Constitution of the Democratic Socialist Republic of Sri Lanka; therefore, the provisions relating to audit partner rotation and limits on consecutive engagement of an external audit firm are not applicable.
iii.	The Company's External Auditor is the Auditor General, appointed under the Constitution of the Democratic Socialist Republic of Sri Lanka; therefore, the requirement relating to audit partner independence and restrictions on holding positions such as substantial shareholder, director, senior management, or employee of any Finance Company is not applicable.
iv.	The Committee reviews and monitors the independence and objectivity of the External Auditor, as well as the effectiveness of the audit process, in accordance with applicable standards and best practices; however, since the External Auditor is the Auditor General appointed under the Constitution of the Democratic Socialist Republic of Sri Lanka, the engagement is governed by statutory provisions and related oversight mechanisms.
v.	The restriction on an audit partner being assigned non-audit services during the same financial year is not directly applicable, as the Company's External Auditor is the Auditor General appointed under the Constitution of the Democratic Socialist Republic of Sri Lanka. However, the Board Audit Committee has established a Board-approved policy governing the engagement of external audit firms for permissible non-audit services, including those engaged by the Auditor General to support the audit. The policy ensures that any such engagements do not impair the independence or objectivity of the audit process.
vi.	The scope and extent of the audit are determined by the Auditor General. However, the Committee met with the External Auditors for this purpose at its meeting held on 3rd February 2026.
vii.	Complied. The Board Audit Committee reviews the financial information of the Company to ensure the integrity of its Financial Statements, including those presented in the Annual Report, Accounts, and Periodical Reports, together with the significant financial reporting judgments contained therein. In discharging this responsibility, the Committee reviews the Company's Annual and Quarterly Financial Statements prior to submission to the Board for approval, with particular focus on major judgmental areas, consistency of accounting policies and practices, significant adjustments arising from the audit, the going concern assumption, and compliance with relevant accounting standards and applicable legal and regulatory requirements.
viii.	Complied. The Board Audit Committee meets with the External Auditors to discuss issues, concerns, and reservations arising from both interim and final audits, as well as any other matters the auditors may wish to raise, including matters that require discussion in the absence of senior management where necessary. Such discussions are conducted at least twice annually, including during the review of the audit plan and upon completion of the audit.

Governance Checklist

Direction Reference	Corporate Governance Principle and Status of Compliance
ix.	Due to non-compliance relating to the composition of the Board Audit Committee (BAC), meetings of the Committee were not convened during the period from June to September 2025. In the interim, the External Auditors presented the Management Letter to the Board of Directors at its meeting held in September 2025, where the observations and Management's responses were reviewed and deliberated in detail. Appropriate actions and timelines were agreed for the resolution of outstanding matters.
10.2.e	Complied. The Board has overall responsibility for ensuring that the Company maintains an adequate system of internal controls and for reviewing its effectiveness. The Board Audit Committee (BAC) and the Board Integrated Risk Management Committee (BIRMC), on behalf of the Board, undertake detailed monitoring and review of internal controls and report their observations to the Board. At each BAC meeting, the Internal Audit function submits audit reports, which include an assessment of the effectiveness of the internal control system for each review, reflected through the assigned audit ratings. However, a comprehensive, company-wide internal control assessment is conducted annually and submitted to the BAC. The assessment for FY 2024/25 was submitted to the BAC in May 2025. For FY 2025/26, upon completion of the financial year, the overall review of the effectiveness of the internal control system will be submitted to the BAC in the first quarter of FY 2026/27.
10.2.f	Complied. The BAC ensures this through regular monitoring of audit findings and follow-up actions reported by the Internal Audit Department. Audit reports presented at BAC meetings include identified internal control weaknesses, instances of non-compliance, and other observations, along with agreed management action plans and timelines. The Committee reviews the status of corrective actions on a periodic basis and engages with Senior Management where delays or gaps are noted, thereby ensuring that appropriate remedial measures are implemented in a timely manner.
10.2.g	Complied. The Board Audit Committee reviews the financial information of the Company to ensure the integrity of its Financial Statements, including those presented in the Annual Report, Accounts, and Periodical Reports, together with the significant financial reporting judgments contained therein. In discharging this responsibility, the Committee reviews the Company's Annual and Quarterly Financial Statements prior to submission to the Board for approval, with particular focus on major judgmental areas, consistency of accounting policies and practices, significant adjustments arising from the audit, the going concern assumption, and compliance with relevant accounting standards and applicable legal and regulatory requirements.
i.	Complied. The Committee has established an independent Internal Audit function in compliance with the applicable regulatory requirements. The Internal Audit function operates with sufficient independence and objectivity and reports functionally to the Board Audit Committee. The Internal Audit Department provides continuous and independent assurance to the Committee on the adequacy and effectiveness of the Company's internal control framework, risk management processes, and governance systems through its risk-based audit approach. The Committee also reviews and approves the Internal Audit Charter, audit plans, and resource adequacy to ensure the function remains effective and aligned with regulatory expectations.
ii.	Complied. The Internal Audit function operates under a clearly defined mandate, as set out in the approved Internal Audit Charter, and is functionally accountable to the Board Audit Committee (BAC). The function maintains its independence from audited activities to ensure objectivity and impartiality in its assessments. The Internal Audit Department is staffed with personnel possessing the necessary expertise and experience, and is vested with adequate authority to access all relevant records, systems, and personnel within the Company. This enables the function to carry out its assignments effectively, objectively, and in accordance with professional standards.
iii.	The BAC shall take the following steps with regard to the Internal Audit Function of the Company:

Direction Reference	Corporate Governance Principle and Status of Compliance
(i)	Complied. The Board Audit Committee reviews the adequacy of the scope, functions, skills, and resources of the Internal Audit Department on a periodic basis, including through the approval of the annual risk-based audit plan and the review of biannual progress updates against the approved plan. The Committee also assesses whether the Internal Audit function is appropriately staffed with competent and experienced personnel and is supported by the necessary tools and systems to discharge its responsibilities effectively. For FY 2025/26, the Internal Audit Plan was approved by the BAC at its meeting held in March 2025, and a progress update was submitted to the Committee at its November meeting covering progress up to October 2025. The Committee further ensures that the Internal Audit Department has sufficient authority, including unrestricted access to records, systems, and personnel, to carry out its responsibilities effectively and in accordance with approved mandates and professional standards.
(ii)	Complied. The Board Audit Committee reviews the internal audit programme at least once in each financial year to ensure its adequacy, relevance, and alignment with the Company's risk profile and regulatory requirements, including the scope of audit coverage, key focus areas, audit methodologies, and the risk-based approach adopted by the Internal Audit Department. For FY 2025/26, the Committee reviewed the Internal Audit Manual at its meeting held in February 2026, with enhancements introduced to align with regulatory expectations and best practices, and the revised Manual was subsequently approved by the Board at its meeting held in March 2026. In addition, the Committee reviews the results of the internal audit process at each meeting, including key audit findings, risk ratings, and recommendations, and ensures that appropriate and timely corrective actions are implemented by Management through ongoing monitoring of follow-up reports and engagement with Management where required.
(iii)	Complied. The Board Audit Committee (BAC) assesses the performance of the Head of Internal Audit on an annual basis. For FY 2025/26, the Committee conducted the performance appraisal of the Head of Internal Audit, evaluating his/her effectiveness in achieving the objectives set out in the Internal Audit Charter, the execution of the approved Annual Internal Audit Plan, and the overall contribution to the Company's governance, risk management, and internal control framework.
(iv)	Complied. According to the organizational structure of People's Leasing & Finance PLC, the Head of Internal Audit reports directly to the Board Audit Committee (BAC), ensuring functional independence of the Internal Audit function. The Internal Audit activities are performed with impartiality, proficiency, and due professional care, thereby maintaining the integrity, objectivity, and effectiveness of the internal audit process.
(v)	Complied. The Board Audit Committee ensures that the Internal Audit Function carries out periodic reviews of the Compliance Function and regulatory reporting to regulatory bodies. In this regard, the Committee reviews the compliance-related audit coverage and findings reported by the Internal Audit Function, thereby ensuring adequate oversight of compliance effectiveness and regulatory reporting processes.
(vi)	Complied. The Board Audit Committee examines the major findings arising from internal investigations and reviews Management's responses thereto. Regular updates on the status of such investigations are submitted to the Committee, enabling it to monitor progress and ensure that appropriate and timely corrective actions are taken by Management.
10.2.h	Complied. The Board Audit Committee reviews, on a quarterly basis, the progress of implementation of recommendations arising from the Central Bank of Sri Lanka (CBSL) on-site examination reports, and monitors the timely execution of the agreed action plans to ensure that corrective measures are effectively implemented.
10.2.i	Meetings of the Committee
i.	Complied. The Board Audit Committee meets in accordance with the requirements specified in Direction 10.1, with due notice provided of the matters to be discussed. The Committee's proceedings, including key discussions and conclusions reached in the discharge of its duties and responsibilities, are formally recorded and maintained. The minutes of each BAC meeting are duly prepared and submitted to the Board for its information.
ii.	Complied. Other Board members, the Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Compliance Officer(CCO), and any other members of senior management or employees may attend meetings upon invitation of the Committee when matters under their respective purview are being discussed.

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Direction Reference	Corporate Governance Principle and Status of Compliance
iii.	Complied. The Board Audit Committee meets with the external auditors at least twice annually in the absence of other directors, senior management, and employees, to facilitate independent and candid discussions. These meetings enable direct engagement with the external auditors on significant audit matters, key observations, and issues arising from the audit process. During FY 2025/26, two such confidential meetings were held with the external auditors in May 2025 and February 2026. The minutes of these meetings were duly recorded and submitted to the Board for its information.
10.3	Board Integrated Risk Management Committee (BIRMC)
10.3.a	Complied. The Board Integrated Risk Management Committee (BIRMC) is chaired by an Independent Non-Executive Director. The Committee comprises three Non-Executive Directors, including the Chairman, all of whom possess sufficient knowledge and experience in banking, finance, and risk management practices. The Chief Executive Officer/General Manager (CEO/GM), Chief Risk Officer (CRO), Chief Compliance Officer (CCO), relevant senior management personnel, and key representatives from subsidiaries attend meetings upon invitation. The Committee works closely with senior management and makes decisions on behalf of the Board within the framework of the Board-approved Terms of Reference (TOR) of the Committee.
10.3.b	Complied. The Head of Risk functions as the Secretary to the Board Integrated Risk Management Committee (BIRMC), in line with the preference that the Chief Risk Officer (CRO) or Head of Risk serves as the Committee Secretary.
10.3.c	Complied. The Board Integrated Risk Management Committee (BIRMC) assesses credit, market, liquidity, operational, strategic, compliance, and technology risks at least once in every two months through appropriate risk indicators and management information. Risk assessments are conducted on both a Company and, where applicable, Group basis. The Committee reviews the Company's and subsidiaries' risk dashboard and risk indicator reports, and where risk levels exceed established tolerance limits, it takes prompt corrective actions and makes recommendations to the Board on risk strategies and the risk appetite.
10.3.d	Complied. The Company's risk appetite is developed through a Risk Tolerance Limit Statement, which articulates the individual and aggregate levels and types of risk that the Company is willing to accept or avoid in order to achieve its strategic business objectives. The Risk Appetite and tolerance limits are monitored through the Risk Dashboard and include quantitative measures relating to earnings, capital, and liquidity, as well as qualitative measures addressing reputation, compliance, money laundering, and other conduct-related risks, which are regularly discussed at Committee meetings. A dedicated Chief Compliance Officer at senior management level provides assurance to the Board through the BIRMC on statutory, regulatory, and other compliance-related matters, and Group-level compliance risk matters are also considered within the Committee's deliberations.
10.3.e	Complied. All risk policies, including the Risk Appetite Statement (RAS), are reviewed by the Board Integrated Risk Management Committee (BIRMC) at least annually to ensure their continued relevance, adequacy, and alignment with the Company's strategic objectives and risk profile.
10.3.f	Complied. The Board Integrated Risk Management Committee (BIRMC) reviews the adequacy and effectiveness of senior management-level committees, including the Assets and Liabilities Committee (ALCO), Management Credit Committee (MCC), Executive Integrated Risk Management Committee (EIRMC), IT Steering Committee (ITSC), and Information Security Committee (ISC), in addressing specific risk areas and managing risks within the quantitative and qualitative limits set by the Board. ALCO monitors liquidity and market risk in line with BIRMC-approved risk tolerance levels, while MCC oversees credit evaluation, approval processes, and credit administration. EIRMC provides integrated oversight of enterprise-wide risk management, and ITSC and ISC address IT governance, cybersecurity, technology risk, outsourcing, and related information security matters. The BIRMC assesses the effectiveness of these committees through annual self-assessments against their respective Terms of Reference and reviews their meeting minutes on a quarterly basis to ensure that risks are being managed appropriately within established risk parameters.
10.3.g	Complied. The Board Integrated Risk Management Committee (BIRMC) assesses all aspects of risk management, including the adequacy of the Business Continuity and Disaster Recovery Plans (BCP/DRP). The BCP is reviewed by the Committee, and its status and updates are regularly presented and discussed at BIRMC meetings to ensure operational resilience and continuity preparedness.
10.3.h	Complied. The Board Integrated Risk Management Committee (BIRMC) annually assesses the performance of the Head of Compliance and the Head of Risk (CRO), ensuring their effectiveness in discharging compliance and risk management responsibilities in line with regulatory expectations and the Company's governance framework.

Direction Reference	Corporate Governance Principle and Status of Compliance
10.3.i	Compliance function
10.3.i.i	Complied. The Board Integrated Risk Management Committee (BIRMC) has established an independent Compliance Function with a clearly defined mandate to assess, monitor, and report on the Company's compliance with applicable laws, regulations, regulatory directions, rules, guidelines, and internally approved policies governing its operations. The function operates with unrestricted access to information, personnel, and records, ensuring effective oversight across the organization and maintaining objectivity and independence in the discharge of its responsibilities. It thereby strengthens the Company's ability to identify, assess, and mitigate compliance risks in a timely and effective manner.
10.3.i.ii	Complied. In accordance with regulatory requirements applicable to institutions with an asset base exceeding Rs. 20 billion, the Company has appointed a dedicated Compliance Officer at Senior Management level with the requisite experience, competence, and professional standing. The Compliance Officer operates with full independence from day-to-day management and is not assigned any operational, revenue-generating, or financial management responsibilities, thereby ensuring strict adherence to the principle of no dual-hatting. A direct reporting line is maintained to the BIRMC, ensuring clear escalation, transparency, and accountability at the highest level of governance. This structure reinforces the independence and objectivity of the Compliance Function in discharging its oversight responsibilities.
10.3.i.iii	Not applicable, as the Company's asset base exceeds Rs. 20 billion; accordingly, the requirement is not applicable.
10.3.i.iv	Complied. The Company is fully compliant with the prescribed responsibilities of the Compliance Officer. These responsibilities are discharged through structured processes, robust governance mechanisms, and a strong compliance culture, ensuring effective oversight of regulatory and statutory obligations across the organization.
(i)	Complied. The Company has developed and implemented comprehensive Board-approved compliance policies and procedures designed to proactively identify, prevent, and minimise the risk of breaches of regulatory requirements. These policies are subject to periodic review and enhancement to ensure continued alignment with evolving regulatory expectations and industry best practices, and collectively form the core framework of the Company's compliance system, supporting effective regulatory adherence across all operations.
(ii)	Complied. The Company ensures that compliance policies and procedures are clearly communicated to all levels of the organisation through formal dissemination channels, internal communication platforms, and continuous awareness initiatives. The Board-approved Compliance Policy is readily accessible via the Company intranet, ensuring transparency, accessibility, and organisation-wide accountability. Through these mechanisms, the Company actively fosters a strong compliance culture, embedding adherence to regulatory and ethical standards into day-to-day operations across all levels.
(iii)	Complied. The Compliance Function undertakes structured, risk-based, and periodic reviews at appropriate frequencies to assess compliance with applicable regulatory requirements and internal compliance standards. Findings are systematically documented, reported, and escalated where necessary, with timely corrective actions and follow-ups to ensure closure. These reviews function as continuous monitoring mechanisms that enable early identification of compliance vulnerabilities and strengthen the overall control environment of the Company.
(iv)	Complied. The Company maintains a robust framework to identify, analyse, and implement all new legal and regulatory developments applicable to its business operations, ensuring full compliance with evolving requirements. This includes the timely dissemination of regulatory updates, structured impact assessments, and coordinated engagement with relevant stakeholders to facilitate effective integration into business processes. This proactive and adaptive approach ensures that the Company remains aligned with the evolving regulatory landscape and maintains regulatory resilience.
(v)	Complied. The Compliance Function is proactively involved at the early stages of product development, process design, and system implementation to ensure that all initiatives comply with applicable regulatory requirements, internal policies, and ethical standards. A Board-approved New Product Policy governs this process, ensuring that compliance considerations are embedded at the inception stage rather than applied retrospectively. This approach reflects a preventive compliance framework that enables risks to be identified and mitigated at source.
(vi)	Complied. The Compliance Function maintains a structured mechanism to identify, assess, and escalate serious or persistent compliance issues. Through periodic compliance reviews and monitoring activities, identified issues are communicated to Management, and appropriate remedial actions are agreed with defined timelines for resolution. The implementation of corrective actions is closely monitored to ensure timely closure and to prevent recurrence, thereby strengthening the overall integrity of the control environment.

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Direction Reference	Corporate Governance Principle and Status of Compliance
(vii)	Complied. The Company maintains a professional, transparent, and constructive relationship with regulators, supported by timely, accurate, and proactive communication. All regulatory interactions are conducted with the highest standards of integrity and accountability, fostering mutual trust and a clear understanding of regulatory expectations. This engagement reflects a mature and responsible compliance posture and reinforces the Company's standing as a well-governed financial institution.
10.3.j	Risk management function
10.3.j.i	Complied. The Board Integrated Risk Management Committee (BIRMC) has established an independent Risk Management function responsible for overseeing and managing risk-taking activities across the Company. The function operates with adequate independence and authority to identify, assess, monitor, and mitigate key risks across all business operations.
10.3.j.ii	Complied. A separate Risk Management Department has been established within the Company, headed by the Chief Risk Officer (CRO) at Corporate Management level. The CRO, who is considered part of Senior Management, is responsible for carrying out the risk management function and reports periodically to the Board Integrated Risk Management Committee (BIRMC), ensuring effective oversight of the Company's risk profile and governance framework.
10.3.j.iii	Complied. The Chief Risk Officer (CRO) is responsible for implementing Board-approved risk management policies and processes, including the Risk Appetite Statement (RAS), to ensure a robust and effective risk management framework that supports the Company's strategic objectives and stakeholder expectations. The Company has established risk management policies, including the RAS, which are aligned with its overall strategic objectives and are operationally embedded across the business.
10.3.j.iv	Complied. The Board Integrated Risk Management Committee (BIRMC) ensures that the Chief Risk Officer (CRO) is responsible for developing and implementing a Board-approved integrated risk management framework covering all key risk areas, including identification of potential risks and frauds, sources of such risks, and structured mechanisms for identifying, assessing, monitoring, and reporting risks. The framework incorporates quantitative and qualitative analysis, including stress testing, and defines appropriate control and mitigation measures, along with clearly assigned responsibilities to relevant officers and committees. In this regard, the Risk and Control Department operates in an integrated manner within the Company. A stress testing policy is in place, with results presented to the BIRMC on a bi-monthly basis. The Risk Register, which captures identified potential risks, is regularly reviewed at Committee level, supported by operational risk assessments conducted to identify emerging risks. The Company also maintains Board-approved Credit Risk Management and Operational Risk Management Frameworks, which collectively form part of the overall risk governance structure.
10.3.j.v	Complied. The Chief Risk Officer (CRO) participates in key decision-making processes, including capital and liquidity planning and new product or service development, and provides recommendations on risk management to support informed strategic decisions. The CRO is actively involved in the Company's strategic planning process, ensuring that risk considerations are appropriately integrated into capital allocation, liquidity management, and product development initiatives.
10.3.j.vi	Complied. The Chief Risk Officer (CRO) maintains an updated Risk Register, which is submitted to the Board Integrated Risk Management Committee (BIRMC) on a quarterly basis for review and monitoring of the Company's key risk exposures.
10.3.j.vii	Complied. The Board Integrated Risk Management Committee (BIRMC) submits a risk assessment report to the Board subsequent to the BIRMC meeting, seeking the Board's views, concurrence, and/or specific directions on the identified risk matters and recommended actions.
10.4	Complied. The Board Nomination and Governance Committee is constituted and functions in line with the Corporate Governance Direction, ensuring a structured and transparent process for the selection, appointment, and evaluation of Directors and Senior Management, and supporting succession planning and Board composition requirements.
10.4.a	Complied. The Committee is comprised of three Non-Executive Directors, with the majority being Independent Directors, and is chaired by an Independent Director. The Committee also ensures appropriate oversight of Board composition and governance matters.
10.4.b	Complied. The Company Secretary serves as the Secretary to the Board Nomination and Governance Committee, ensuring proper documentation and coordination of meetings.
10.4.c	Complied. A formal and transparent procedure is in place for the selection and appointment of Directors and Senior Management. Appointments of Key Responsible Persons are carried out based on the recommendation of the Board Nomination and Governance Committee in accordance with the approved recruitment and selection policies.
10.4.d	Complied. The Committee ensures that all Directors and Key Responsible Persons are fit and proper in accordance with the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction, and compliance is continuously maintained.

Direction Reference	Corporate Governance Principle and Status of Compliance
10.4.e	Complied. The selection process includes evaluation of candidates' knowledge, skills, experience, independence, objectivity, integrity, and ability to devote sufficient time to Board responsibilities.
10.4.f	Complied. The Committee ensures that Board composition is balanced and not dominated by any individual or group in a manner that could be detrimental to stakeholders or the Company.
10.4.g	Complied. The Committee establishes criteria for appointment to the positions of CEO and Senior Management, including qualifications, experience, and key competencies required for effective performance.
10.4.h	Complied. Upon appointment of a new Director, relevant disclosures including profile, expertise, directorships, Committee memberships, and independence status are made available in the Annual Report.
10.4.i	Complied. The Committee considers and recommends re-election of Directors based on performance, contribution, and alignment with strategic requirements of the Company.
10.4.j	Complied. The Committee identifies required expertise, succession planning needs, and ensures availability of suitable candidates to meet the Company's strategic and governance requirements.
10.4.k	Complied. Members of the Board Nominations and Governance Committee do not participate in decisions relating to their own appointment or re-appointment, and the Chairperson does not chair meetings when considering succession matters.
10.5	Complied. The Board Human Resources and Remuneration Committee functions in accordance with approved governance requirements to oversee remuneration policies, performance evaluation, and human resource governance matters of the Company.
10.5.a	Complied. The Committee is chaired by a Non-Executive Director and consists of a majority of Non-Executive Directors, ensuring independence in decision-making.
10.5.b	Complied. The Company Secretary serves as the Secretary to the Committee, ensuring proper coordination and documentation of meetings.
10.5.c	Complied. The Committee determines remuneration policies for Executive Directors and Senior Management, including salary structures, allowances, and benefits, as well as fees for Non-Executive Directors.
10.5.d	Complied. A formal and transparent remuneration policy framework is in place, ensuring fair, equitable, and market-aligned compensation practices consistent with governance standards.
10.5.e	Complied. The remuneration policy is reviewed periodically and recommended by the Committee for Board approval, ensuring alignment with regulatory and organizational requirements.
10.5.f	Complied. The remuneration structure is aligned with the Company's business strategy, objectives, long-term interests, values, and cost structure, and includes measures to prevent conflicts of interest and excessive risk-taking.
10.5.g	Complied. The Committee evaluates the performance of Senior Management (excluding specified control functions) against approved targets and determines performance-based remuneration and benefits accordingly.
10.5.h	Complied. Senior Management members abstain from participating in discussions and decisions relating to their own remuneration and performance assessments.
11	Internal Controls
11.1	Complied. The Company has adopted a well-established internal control system comprising an appropriate organisational structure, segregation of duties, clear management reporting lines, and adequate operating procedures to mitigate operational risks. The Board Audit Committee supports the Board in assessing the adequacy and integrity of the internal control system, management information system, and financial reporting processes. This assessment is further strengthened through the work of the Internal Audit Department, which conducts independent audits of internal controls over financial reporting and MIS. In addition, the Board reviews the adequacy and integrity of MIS through key management information reports submitted by Internal Audit. External Auditors also provide assurance on the Directors' Statement on Internal Controls over Financial Reporting included in the Annual Report, with their opinion submitted to the Board.

Governance Checklist

Direction Reference	Corporate Governance Principle and Status of Compliance
11.2	Complied. The Company maintains a robust internal control system designed to promote effective and efficient operations, ensure the reliability and integrity of financial and management information, and safeguard assets. The framework is structured to minimise operational risks arising from irregularities, fraud, and errors, while supporting the effective identification, assessment, and management of risks across the organisation. The internal control system is embedded within the Company's governance framework and is aligned with approved policies, procedures, and delegated authority structures, thereby ensuring compliance with applicable laws, regulations, regulatory directions, and internal policies. The effectiveness of the system is continuously monitored through the oversight of the Board, the Board Audit Committee (BAC), and the Board Integrated Risk Management Committee (BIRMC), supported by the three lines of defense model, where Risk Management, Compliance, and the Chief Information Security Officer (CISO) function as the second line of defense providing ongoing monitoring and challenge, and the Internal Audit function serves as the third line of defense by providing independent assurance through risk-based audits and periodic evaluations.
11.3	The Company promotes a strong internal control culture by assigning responsibility for internal controls to all employees as part of their accountability in achieving business objectives. Employees are required to comply with established policies, procedures, and control mechanisms relevant to their respective roles. This responsibility is reinforced through clearly defined roles and responsibilities, regular training and awareness programmes, and performance management processes, ensuring that internal control obligations are understood and embedded in day-to-day operations across the organisation.
12	Related Party Transactions
12.1	Complied. The Company has established a Board-approved Related Party Transactions framework and Policy in line with regulatory requirements, ensuring proper governance, transparency, and oversight of related party transactions.
12.1.a	Complied. A Board Related Party Transactions Review Committee (BRPTRC) has been established, chaired by an Independent Director and comprising Non-Executive Directors, to oversee related party transactions in accordance with the Direction.
12.1.b	Complied. All related party transactions are subject to prior review and recommendation by the RPTRC, in accordance with the approved policy framework.
12.1.c	Complied. The Company identifies and monitors related party transactions including lending, deposits, services, and information flows to ensure compliance with regulatory definitions and to prevent conflicts of interest.
12.2	Complied. The Company maintains a structured approach to identifying related parties, including Directors, Senior Management, major shareholders, subsidiaries, affiliates, and related persons, and ensures periodic review of the related party register to prevent conflicts of interest.
12.3	Complied. The Company ensures that no related party is granted preferential treatment in any business transaction. All transactions are conducted on an arm's length basis in accordance with approved policies and regulatory requirements.
13	Group Governance
13.1	Complied. The Company, as a Holding Company, maintains oversight over its subsidiaries in line with the Subsidiary Policy of People's Bank. It ensures that all subsidiaries, including overseas operations such as Bangladesh, operate with independent compliance to applicable legal, regulatory, and governance requirements. The Company also ensures alignment with the respective jurisdictional regulatory frameworks applicable to each subsidiary.
13.2	Complied. The Company maintains records of any breaches of the Code of Conduct and addresses such breaches through established disciplinary procedures, ensuring that actions taken are proportionate to the severity of the incident and uphold organizational integrity.
14	CORPORATE CULTURE
14.1	Complied. The Company has adopted a Board-approved Code of Conduct and Ethics applicable to Directors, Senior Management, and employees, covering areas including confidentiality, conflicts of interest, integrity of reporting, protection and proper use of Company assets, fair treatment of customers, compliance with laws and regulations, and ethical conduct. The Code promotes responsible behavior, accountability, and adherence to governance standards across the organization.
14.2	Complied. The Company maintains records of any breaches of the Code of Conduct and addresses such breaches through established disciplinary procedures, ensuring that actions taken are proportionate to the severity of the incident and uphold organizational integrity.
14.3	Complied. A Board-approved Whistle Blowing Policy is in place to enable employees to report unethical, illegal, or improper conduct without fear of reprisal. The Board Audit Committee reviews the policy periodically, and the mechanism ensures objective investigation and resolution of reported concerns.

Direction Reference	Corporate Governance Principle and Status of Compliance
15	Conflicts of Interest
15.1.a	Complied. Directors are required to abstain from voting on any matter in which they or their relatives or related concerns have a material interest, and such directors are not counted for quorum purposes for the relevant agenda item. A Board approved Related Party Transactions and Conflict of Interest Policy is in place to ensure transparency and prevent undue influence.
15.1.b	Complied. The Company has implemented a formal policy framework through the Code of Conduct and Ethics, Related Party Transactions Manual, and Share Trading Policy to manage conflicts of interest. These frameworks define potential conflict situations, require disclosure and avoidance of conflicts where possible, and establish procedures for review, approval, monitoring, and enforcement of compliance.
16	Disclosure
16.1	Complied. Annual audited financial statements and periodic financial statements are prepared and published in accordance with the formats prescribed by regulatory and supervisory authorities and applicable accounting standards. Such statements are also published in Sinhala, Tamil, and English newspapers. The Board further ensures that all required disclosures are included in the Annual Report of the Company.
ii.	Complied. Disclosures relating to the Chairperson, CEO, and Board members including qualifications, profiles, independence status, expertise, directorships, Committee memberships, and meeting attendance are included in the Annual Report (Page 215 to 282). Declarations were obtained from Directors confirming that there were no undisclosed business relationships among Board members.
iii.	Complied. A formal annual Board performance evaluation process is in place, whereby each Director undertakes a self-assessment and the records are maintained by the Company Secretary. Summaries of the assessments are submitted to the Board for review and discussion.
iv.	Complied. A remuneration framework linked to performance, strategic objectives, and financial benchmarks is in place. The remuneration structure for Directors and Senior Management aligns with the Company's business strategy, long-term interests, governance standards, and risk management objectives while preventing excessive risk-taking and conflicts of interest. Aggregate remuneration disclosures are included in the Annual Report (Page 421).
v.	Complied. Related Party Transaction disclosures are made in the Annual Report (Page 420 to 426) , including relationships among Directors, the Chairperson and CEO, and aggregate related party exposures. Declarations were obtained from Directors confirming that no undisclosed business relationships existed among Board members.
vi.	Complied. Details of Board appointed Committees, including composition, chairpersons, membership, and attendance at meetings, are disclosed through Board Sub-Committee Reports and Directors' Attendance and Committee Membership tables in the Annual Report (Page 334 to 382).
vii.	Complied. The Group structure and governance framework are disclosed in the Annual Report (Page 235). The Company operates as a fully owned subsidiary of People's Bank while independently fulfilling its own legal and governance obligations.
viii.	Complied. The Directors' Report included in the Annual Report (Page 254 to 261) contains declarations confirming compliance with laws and regulations, disclosure of related party transactions, fair treatment of stakeholders, going concern status, and adequacy of internal controls over material risks.
ix.	Complied. The Annual Report (Page 305 to 306) includes a Statement of Internal Control confirming that the financial reporting system provides reasonable assurance on reliability of financial reporting and compliance with accounting principles and regulatory requirements. External auditor assurance on the effectiveness of internal controls and compliance reporting is also obtained.
x.	Complied. The Corporate Governance Report ((Page 215 to 282) discloses the manner and extent of compliance with the Corporate Governance Direction and includes an independent assurance report obtained from the external auditors on compliance with Finance Business Act Direction No. 05 of 2021 on Corporate Governance.
xi.	Complied. A Board approved Code of Conduct applicable to Directors, Senior Management, and employees is in place. The Chairperson has confirmed that the Company has not reported violations of the provisions of the Code of Conduct.
xii.	Complied. The Annual Report (Page 42 - 44 and 112 - 214) includes Management Discussion and Analysis and the CEO's Review covering industry developments, opportunities, threats, risks, sustainability initiatives, and future prospects of the Company.
xiii.	Complied. A Board approved Communication Policy is in place covering communication with shareholders and all stakeholders including depositors, creditors, borrowers, and shareholders. The Company Secretary acts as the contact point for shareholder communication through Annual Reports, quarterly reports, notices, and other official communications.

Governance Checklist

Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2023

Requirements of the Code have been discussed in the Corporate Governance Report. We have provided here the relevant references to the report

Code Reference	Requirement	Complied	Reference within the Report	Page Reference
A.	Directors			
A.1.	An effective Board should direct, lead and control the Company	✓		
A.1.1	Regular Board meetings, provide information to the Board on a structured and regular basis	✓	Meetings and Attendance	244
A.1.2	Roles and Responsibilities of the Board	✓	Governance Framework	235
A.1.3	Act in accordance with laws of the Country Seek Independent professional advice	✓	Corporate Governance	235
A.1.4	Access to advise and services of the Company Secretary	✓	Company Secretary	239
A.1.5	Independent judgment	✓	Board Composition	239
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	✓	Meetings and Attendance	244
A.1.7	Calls for resolutions by at least 1/3rd of Directors	✓	Did not arise during the year	
A.1.8	Board induction and Training	✓	Corporate Governance	242
A.2	Chairman and C E O	✓	Clear Roles and Responsibilities	239
A.3	Chairman's role in preserving good corporate governance	✓	Clear Roles and Responsibilities	239
A.4	Availability of financial acumen	✓	Board Composition/ Board Profile	216 - 223
A.5	Board Balance	✓	Board Composition	216 - 223
A.5.1	The Board should include sufficient number of NEDs	✓	Board Composition	216 - 223
A.5.2	If the Board includes only 3 NEDs, they should be independent	✓	During the financial year ended 31 March 2026	216 - 223
A.5.3	Independence of Directors	✓	Director Independence during the financial year ended 31 March 2026	216 - 223
A.5.4	Annual declaration of independence by Directors	✓	Director Independence	240
A.5.5	Annual determination of independence of NEDs	✓	Director Independence	240
A.5.6	Alternate Directors	N/A	N/A	N/A
A.5.7	Senior Independent Directors	✓	The chairman is an Independent director	N/A
A.5.8	SID Annual meeting with NEDs	N/A	N/A	N/A
A.5.9	Meeting of Non Executive Directors	✓	Two meetings were held for the financial year ended 31 March 2026	
A.5.10	Recording of dissent in minutes	✓	Concerns of Directors has been duly recorded in the Board minutes	
A.6	Supply of Information	✓	Supply of Information	234
A.7	Appointments to the Board	✓	Board Refreshment	241
A.7.1	Establishing a Nomination Committee, Chairman and Terms of Reference	✓	Report of the Board Nominations and Governance Committee	269 - 270
A.7.2	Annual assessment of Board composition	✓	Board Refreshment/ Board Appraisal	243

Code Reference	Requirement	Complied	Reference within the Report	Page Reference
A.7.3	Succession plan for CEO/KMPs	✓	The Company is in the Process of formulating a succession plan for the CEO. Succession plan is in place for KMP's	
A.7.4	Disclosures on appointment of new directors	✓	Annual Report of the Board of Directors on the Affairs of the Company	254 - 261
A.7.5	Composition of Nomination Committee	✓	Refer Report of the Board Nominations & Governance Committee	269 - 270
A.8	Directors to submit themselves for re-election/ re-appointment	✓	Annual Report of the Board of Directors on the Affairs of the Company	254 - 261
A.9	Appraisal of Board and Sub-Committee Performances	✓	Board and Sub-Committee Appraisal	262 - 282
A.10	Annual Report to disclose specified information regarding Directors	✓	Board Profiles	216 - 223
		✓	Meetings and Attendance	244
		✓	Directorships in Other Companies	216 - 223
		✓	Membership in Sub-Committees	216 - 223
A.11	Appraisal of the CEO	✓	Annual Report of the Board of Directors on the Affairs of the Company	254 - 261
B	Directors Remuneration			
B.1	Establish process for developing policy on executive and director remuneration.	✓	Remuneration Policy There were no Executive Directors on the Board of the Company during the year 2025/26 and therefore, the necessity to apply this rule did not arise.	
B.2	Level and Make Up of Remuneration	✓	Responsible and Fair Remuneration	
B.3	Disclosures related to remuneration in Annual Report	✓		
	Remuneration Policy statement	✓	Report of the Board Human Resources and Remuneration Committee	265 - 266
	Aggregate Board remuneration paid	✓	Responsible and Fair Remuneration	265 - 266
C	Relations with Shareholders			
C.1.	Constructive use of the AGM and Other General Meetings	✓	Constructive use of the Annual General Meeting (AGM)	248
C.2.	Communication with shareholders	✓	Communication Policy of the Company	249
C.3	Disclosure of major and material transactions	✓	During the year, there were no major or material transactions as defined by Section 185 of the Companies Act No. 07 of 2007 which materially affect the net asset base of Company.	

Governance Checklist

Code Reference	Requirement	Complied	Reference within the Report	Page Reference
D	Accountability and Audit			
D. 1	Present a balanced and understandable assessment of the Company's financial position, performance and prospects	✓	Independent Auditors Report	308-312
D1.1	Balanced Annual Report	✓	Independent Auditors Report	308-312
D.1.2	Balanced and understandable communication	✓	Relations with Shareholders	456 - 462
D.1.3	CEO/ CFO declaration	✓	Chief Executive Officer's and Acting Chief Financial Officer's Responsibility Statement	307
D.1.4	Directors Report declarations	✓	Annual Report of the Board of Directors on the Affairs of the Company	254 - 261
D.1.5	Financial reporting -statement on board responsibilities,	✓	Directors' Responsibility for Financial Reporting	302 - 303
	Statement on internal control	✓	Directors' Statement on Internal Control	305 - 306
D.1.6	Management Discussion and Analysis	✓	Capital reports	112 - 214
D.1.7	Net Assets < 50%	✓	In the unlikely event of the net assets of the Group falling below 50% of Shareholders Funds the Board will summon an Extraordinary General Meeting (EGM) to notify the shareholders of the position and to explain the remedial action being taken.	415
D.1.8	Related Party Transactions	✓	Directors' Interest in Contracts with the Group	420 - 426
D.2.	Risk Management and Internal control Process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets	✓	Risk Management and Internal control	283 - 298
		✓	Report of the Board Audit Committee	262 - 264
		✓	Directors' Statement on Internal Controls	305 - 306
		✓	Risk Management Report	283 - 298
D.3.	Audit Committee	✓	Report of the Board Audit Committee	262 - 264
D.4	Risk Management Committee	✓	Report of the Board Integrated Risk Management Committee	271 - 274
D.5	Related Party Transactions Review Committee	✓	Report of the Related Party Transactions Review Committee	267 - 268
D.6	Code of Business Conduct and Ethics	✓	Code of Conduct and Ethics	215 - 283

Code Reference	Requirement	Complied	Reference within the Report	Page Reference
D.7	Corporate Governance Disclosures	✓	Corporate Governance Report	215 - 283
E/F.	Institutional and other investors			
	Institutional and other investors,	✓	Reported in the section "Sustainable Value Creation for Investors"	256 - 262
G.	Internet of Things and Cyber security	✓	Information Technology and Cyber Security	247
H.	Principles of Sustainability Reporting	✓	Reported under "Embedding Sustainability into our Core"	248
I.	Maintenance of Policies	✓	Corporate Governance Report	215 - 283

Independent Assurance Report

Deloitte.

Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

Tel: +94 11 771 9700,
+94 11 771 9838
Fax: +94 11 230 7237
www.deloitte.com

INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF PEOPLE'S LEASING & FINANCE PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE GRI AND THE INTEGRATED REPORTING <IR> FRAMEWORK IN THE INTERGRATED ANNUAL REPORT – 2025/26

Scope

We have been engaged by the management of People's Leasing & Finance PLC ("the Company") to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the GRI (Global Reporting Initiative) and the Integrated Reporting <IR> Framework ("Information") in its Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Management's Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the GRI and the Integrated Reporting <IR> framework. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies Sri Lanka Standards on Quality Management (SLSQM) 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the GRI and the Integrated Reporting <IR> framework. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("SLSAE 3000") issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and were included,

- Comparing the content of the Report against the GRI and the Integrated Reporting <IR> framework.
- Inquiring relevant organization's personnel to understand the process for collection, analysis, aggregation, and presentation of data.
- Cross checking the non-financial data / information presented in the Report with the supporting documents and schedules maintained by the Company.
- Checking the calculations performed by the organization on a sample basis through recalculation.

Additional procedures will be performed as considered necessary, based on the assessed risk and complexity of the relevant disclosures.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 March 2026, is not presented, in all material respects, with reference to the GRI and the Integrated Reporting <IR> Framework.

Disclosures covered by our Limited Assurance engagement
The selected Sustainability Related Disclosures pertaining to sustainability standards (Notwithstanding the <IR> Framework) covered by our Limited assurance engagement are:

Sustainability Related Disclosures	People's Leasing & Finance PLC's sections	Page Number
GRI Standards	GRI Content Index	498 to 503

Other Matter

Our assurance is not extending to the prospective/comparative information, or any other information presented in the Report other than based on the GRI and the Integrated Reporting <IR> framework. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report including forward-looking statements and growth-related projections.

Deloitte Partners.

Deloitte Partners Sri Lanka
Chartered Accountants
Colombo
4th June 2026

GRI Content Index

Statement of use	People's Leasing & Finance PLC has reported in accordance with the GRI Standards for the period 1 April 2025 to 31 March 2026
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General disclosures	2-1 Organizational details	509			
	2-2 Entities included in the organization's sustainability reporting	14			
	2-3 Reporting period, frequency and contact point	14-15			
	2-4 Restatements of information	18			
	2-5 External assurance	18			
	2-6 Activities, value chain and other business relationships	48-49			
	2-7 Employees	177			
	2-8 Workers who are not employees	187			
	2-9 Governance structure and composition	77, 216-217, 235, 239			
	2-10 Nomination and selection of the highest governance body	241,269			
	2-11 Chair of the highest governance body	39-41			
	2-12 Role of the highest governance body in overseeing the management of impacts	72, 85, 236, 237			
	2-13 Delegation of responsibility for managing impacts	72,237			
	2-14 Role of the highest governance body in sustainability reporting	72,248			
	2-15 Conflicts of interest	240,267			
	2-16 Communication of critical concerns	246			
	2-17 Collective knowledge of the highest governance body	242			
	2-18 Evaluation of the performance of the highest governance body	242			
	2-19 Remuneration policies	242,265			
	2-20 Process to determine remuneration	242,265			
	2-21 Annual total compensation ratio	-	2-21	Confidentiality constraints	Due to the confidentiality constraints data cannot be disclosed
	2-22 Statement on sustainable development strategy	43			
	2-23 Policy commitments	72,246			
	2-24 Embedding policy commitments	72,246			
	2-25 Processes to remediate negative impacts	195			
	2-26 Mechanisms for seeking advice and raising concerns	186, 195, 246			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-27 Compliance with laws and regulations	245,246			
	2-28 Membership associations	510			
	2-29 Approach to stakeholder engagement	54-67			
	2-30 Collective bargaining agreements	186			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	16			
	3-2 List of material topics	16			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	68-71			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	37			
	201-2 – Financial implications and other risks and opportunities due to climate change		201-2	Information unavailable/ incomplete	There were Financial implications and other risks and opportunities due to climate change within our business environment. But the data cannot quantify not quantify.
	201-3 Defined benefit plan obligations and other retirement plans	327			
	201-4 Financial assistance received from government		201-4	Not Applicable	The Company has not received any financial assistance from the government.
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	181-182			
	202-2 Proportion of senior management hired from the local community	178			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	198			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	246			

GRI Content Index

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	205-2 Communication and training about anti-corruption policies and procedures	246			
	205-3 Confirmed incidents of corruption and actions taken	246			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 207: Tax 2019	207-1 Approach to tax	327,405			
	207-2 Tax governance, control, and risk management	327,405			
	207-3 Stakeholder engagement and management of concerns related to tax	62			
	207-4 Country-by-country reporting		Country specific tax data	Legal prohibitions	Country-specific tax data is currently unavailable due to legal restrictions. We are working to comply with these requirements
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	202			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	208			
	302-2 Energy consumption outside of the organization	208			
	302-3 Energy intensity	208			
	302-4 Reduction of energy consumption	208			
	302-5 Reductions in energy requirments of products and services	208			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	210			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	210			
	303-2 Management of water discharge-related impacts	210			
	303-3 Water withdrawal	210			
	303-4 Water discharge	210			
	303-5 Water consumption	210			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	208			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	208-209			
	305-2 Energy indirect (Scope 2) GHG emissions	208-209			
	305-3 Other indirect (Scope 3) GHG emissions	208-209			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	305-4 GHG emissions intensity	208-209			
	305-5 Reduction of GHG emissions	208-209			
	305-6 Emissions of ozone-depleting substances (ODS)	208-209			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	208-209			
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	202			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	210-211			
	306-2 Management of significant waste-related impacts	210-211			
	306-3 Waste generated	210-211			
	306-4 Waste diverted from disposal	210-211			
	306-5 Waste directed to disposal	210-211			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	202			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	198			
	308-2 Negative environmental impacts in the supply chain and actions taken	198			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	178-179			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	181-182			
	401-3 Parental leave	181			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	185-186			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	185-186			
	403-3 Occupational health services	185-186			
	403-4 Worker participation, consultation, and communication on occupational health and safety	185-186			
	403-5 Worker training on occupational health and safety	185-186			
	403-6 Promotion of worker health	185-186			

GRI Content Index

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	185-186			
	403-8 Workers covered by an occupational health and safety management system	185-186			
	403-9 Work-related injuries	185-186			
	403-10 Work-related ill health	185-186			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	184			
	404-2 Programs for upgrading employee skills and transition assistance programs	185			
	404-3 Percentage of employees receiving regular performance and career development reviews	182-183			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	177			
	405-2 Ratio of basic salary and remuneration of women to men	182			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	179			
Freedom of association and collective bargaining					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	186			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	198			
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	198			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Security practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	198			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	199-201			
	413-2 Operations with significant actual and potential negative impacts on local communities	199			
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	198,199			
	414-2 Negative social impacts in the supply chain and actions taken	199			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	195			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	196			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	195			
	417-2 Incidents of non-compliance concerning product and service information and labeling	196			
	417-3 Incidents of non-compliance concerning marketing communications	196			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	190			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	196			

Abbreviation

ACA	Associate Chartered Accountant
ACMA	Associate Chartered Management Accountant
AFL	Alliance Finance Ltd
AGM	Annual General Meeting/Assistant General Manager
AIB	Associate of Institute of Bankers
ALCO	Assets and Liability Management Committee
ATM	Automated Teller Machine
AWPLR	Average Weighted Prime Lending Rate
BAC	Board Audit Committee
BCC	Board Credit Committee
BCP	Business Continuity Plan
BHRRC	Board HR & Remuneration Committee
BIC	Board Investment Committee
BIRMC	Board Integrated Risk Management Committee
BNGC	Board Nomination and Governance Committee
BSC	Board Sustainability Committee
CA	Chartered Accountants
CBSL	Central Bank of Sri Lanka
CDM	Cash Deposit Machine
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFT	Countering the Financing of Terrorism
CGMA	Chartered Global Management Accountant
CIA	Chief Internal Auditor
CIM	Chartered Institute of Marketing
CIMA	Chartered Institute of Management Accountants
CIO	Chief Information Officer
CM	Chief Manager
CMA	Certified Management Accountant
COO	Chief Operating Officer
CRIB	Credit Information Bureau of Sri Lanka
CRO	Chief Risk Officer
CRRO	Climate Related Risk and Opportunities
CSE	Colombo Stock Exchange
CSR	Corporate Social Responsibility
CVO	Chief Value Officer
DGM	Deputy General Manager
EAD	Exposure as Default
ECL	Expected Credit Loss
EGM	Extraordinary General Meeting
EIRMC	Executive Integrated Risk Management Committee
EOSD	European Organisation for Sustainability Development
EPF	Employees' Provident Fund
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
ESQR	European Society for Quality Research
ETF	Employees' Trust Fund
EV	Electric Vehicle
FC	Finance Company
FCA	Fellow Chartered Accountant
FCMA	Fellow Chartered Management Accountant
FD	Fixed Deposit
FVTPL	Fair Value Through Profit or Loss
FY	Financial Year
GDP	Gross Domestic Product
GHG	Green House Gases
GM	General Manager
GRI	Global Reporting Initiative
GWP	Gross Written Premium
HHI	Herfindahl Hirschman Index
HR	Human Resources
HRIS	Human Resource Information System
IBSL	Institute of Bankers of Sri Lanka
ICT	Information and Communications Technology
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
IPO	Initial Public Offering
IR	Integrated Reporting
ISINNo.	International Securities Identification Number
ISO	International Organisation for Standardisation/ Information Security Officer
IT	Information Technology
ITSC	Information Technology Steering Committee/ IT Steering Committee
KMP	Key Management Personnel
KPI	Key Performance Indicators
KRP	Key Responsible Personal
KYC	Know Your Customer
LGD	Loss Given Default
LTV	Loan to Value Ratio
MBA	Master of Business Administration
MCC	Management Credit Committee
MSME	Micro, Small, and Medium Enterprise
NASDAQ	National Association of Securities Dealers Automated Quotation
NBFI	Non-Bank Financial Institution
NIBM	National Institute of Business Management
NII	Net Interest Income

NIM	Net Interest Margin
NP	Non Performing
NPL	Non-Performing Loan
OCI	Other Comprehensive Income
PAT	Profit After Tax
PBT	Profit Before Tax
PD	Probability of Default
PI	People's Insurance PLC
PIM	Postgraduate Institute of Management
PLFML	People's Leasing Fleet Management Limited
PLHPL	People's Leasing Havelock Properties Limited
PLPDL	People's Leasing Property Development Limited
PML	People's Micro-commerce Ltd.
PPE	Property Plant and Equipment
QR	Quick Response
RAS	Risk Appetite Statement
RCD	Risk and Control Department
REMCO	Remuneration Committee
RMV	Department of Motor Traffic
ROA	Return On Assets
ROCE	Return On Capital Employed
ROE	Return On Equity
RPT	Related Party Transactions
RPTRC	Related Party Transactions Review Committee
SASB	Sustainability Accounting Standards Board
SDGM	Senior Deputy General Manager
SDGs	Sustainable Development Goals
SFU	Sustainable Finance Unit
SLFRS/ LKAS	Sri Lanka Financial Reporting Standards/Sri Lanka Accounting Standards
SLIBFI	Sri Lanka Islamic Banking &Finance Institutions
SLICM	Sri Lanka Institute of Credit Management
SLIPS	Sri Lanka Interbank Payment
SME	Small and Medium Enterprises
SRRO	Sustainability Related Risk and Opportunities
SSC	Sustainability Steering Committee
SSCI	Sustainability Standards and Certification Initiative
SSCL	Social Security Contribution Levy
TAGS	Transparency, Accountability, Governance and Sustainability
TOR	Terms of Reference
UNGC	United Nations Global Compact
VAT	Value Added Tax

Glossary

A

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting Financial Statements.

Accrual Basis

Recognising the effects of transactions and other events as and when they occur without waiting for receipt or payment of cash or its equivalent.

Allowance for Impairment

A provision held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Asset and Liability Committee (ALCO)

The committee that is responsible for managing assets and liabilities of the Company.

Average Weighted Deposit Rate (AWDR)

The Central Bank determines AWDR on a monthly basis using the weighted average of all commercial banks' outstanding interest-bearing deposits and the related interest rates.

C

Capital Adequacy Ratio

The relationship between capital and risk-weighted assets as prescribed by the Central Bank of Sri Lanka.

Cash Equivalents

Short-term, highly liquid investments those are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flows

Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Collective Impairment

Impairment assessment on a collective basis for homogeneous groups of loans and receivables that are not considered individually significant and to cover losses which have been incurred but have not yet been identified at the reporting date.

Commercial Paper

An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities, which are debt, is usually issued at a discount, reflecting prevailing interest rates.

Commitments

Credit facilities approved but not utilised by the customers as at the reporting date.

Consolidated Financial Statements

Financial Statements of a holding (Parent) company and its subsidiaries based on their combined assets, liabilities and operating results.

Contingencies

A condition or situation existing on the reporting date where the outcome will be confirmed only by occurrence or non-occurrence of one or more future events.

Cost Method

A method of accounting where by the investment is recorded at cost. The Income Statement reflects income from the investment only to the extent that the investor receives distributions from accumulated net profiles of the investee rising subsequent to the date of acquisition

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of entity, the supervision of executive actions and accountability to owners and others.

Corporate Sustainability

Business approach that creates long-term consumer and employee value by creating a 'green' strategy aimed toward the natural environment and taking into consideration every dimension of how a business operates in the social, cultural and economic environment

Cost to Income Ratio

Total operating expenses as a percentage of total operating income.

Credit Ratings

An evaluation of a corporate's ability to repay its obligations or the likelihood of not defaulting, carried out by an independent rating agency.

Credit Risk

Credit risk is the potential that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms and conditions.

Customer Deposits

Money deposited by account holders. Such funds are recorded as liabilities.

D

Deferred Taxation

Sum set aside for tax in the Financial Statements that may become payable/ receivable in a financial year other than the current financial year.

Depreciation

The systematic allocation of the depreciable amount of property, plant and equipment over its useful life.

Derecognition

The removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

Discount Rate

A rate used to place a current value on future cash flows. It is needed to reflect the fact that money has a time value.

Dividend Cover

Profit attributable to shareholders divided by dividends paid to ordinary shareholders including tax withheld. This ratio measures the number of times dividend is covered by current year's attributable profits.

Dividend Pay-Out Ratio

Dividend by profit after tax; indicates the percentage of earnings paid out to shareholders as dividends.

Dividend Per Share (DPS)

Value of the total dividend paid out and proposed to ordinary shareholders divided by the number of ordinary shares in issue; indicates the proportion of current year's dividend attributable to an ordinary share in issue.

Dividend Yield

Dividend earned per share as a percentage of its market value.

E

Earnings Per Share (EPS)

Profit attributable to ordinary shareholders divided by the number of ordinary shares in use.

Economic Value Added (EVA)

A measure of productivity, which, takes into consideration cost of total invested equity.

Effective Interest Rate (EIR)

The rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Provision for taxation excluding deferred tax expressed as a percentage of the profit before taxation.

Employee Retention Ratio

Represents the number of employees retained out of the employees' attrition during the year as a percentage of average number of employees for the year end.

Equity Method

Method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition changes in the investor's share of net assets of the investee. The profit or loss and other comprehensive income of the investor include the investor's share of the profit or loss and other comprehensive income of the investee.

Event After Reporting Date

Transactions that result in commitments and contingencies but are not recorded as assets or liabilities in the Statement of Financial Position.

Exposure

A claim, contingent claim or position which carries a risk of financial loss.

F

Fair Value

The price that would be received to sell an asset or paid to transfer in an orderly transaction between market participation at the measurement date.

Fair Value Through Profit or Loss

A financial asset or financial liability that is held-for trading or upon initial recognition designated by the entity as fair value through profit or loss.

Finance Lease

A lease in which, the lessee acquires all the financial benefits and risks attaching to ownership of the asset under lease.

Financial Asset

Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

Financial Instrument

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial Liability

Contractual obligation to deliver cash or another financial asset to another entity.

G

Global Reporting Initiatives (GRI)

GRI is a leading organisation in the sustainability filed. GRI promotes the use of sustainability reporting as a way for organisation to become more sustainable and contribute to sustainable development.

Gearing

Long-term borrowings divided by the total funds available for shareholders.

Group

A group is a parent and all its subsidiaries.

Going Concern

The Financial Statements are normally prepared on the assumption that an entity is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operations.

Gross Dividend

The portion of profits distributed to the shareholders including the tax withheld.

Guarantees

Three party agreement involving a promise by one party (the guarantor) to fulfil the obligations of a person owing a debt if that person fails to perform.

H

Hire Purchase

A contract between hirer and financier where the hirer takes on hire a particular article from the financier, with the option to purchase the article at the conclusion of the agreed rental payments.

I

Impaired Loans

Impaired loans are loans where the company does not expect to collect all the contractual cash flows or expects to collect them later than they are contractually due.

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

Impairment Charges and Reversals

An increase/(decrease) of the difference between the carrying value of an asset and the sum of discounted future cash flows generating from the same asset compared to the previous reporting date.

Individual Impairment

Exposure to loss is assessed on all individually significant accounts that do not qualify for collective assessment.

Intangible Asset

An identifiable non-monetary asset without physical substance.

Glossary

Integrated Reporting
A system for reporting an organisation's strategy, governing structure, financial health, and future prospects in terms of the short-, medium-, and long-term generation of value in its economic, social, and environmental context.

Interest Cover
Number of times interest expense is covered by earnings before interest and tax.

Interest Rate Risk
The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

Interest Spread
This represents the difference between the average interest rate earned assets and the average interest rate paid on interest-bearing liabilities.

Investment Properties
A property (land or a building – or part of a building – or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for use or sale.

K

Key Management Personnel (KMP)
Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L

Lending Portfolio
Total value of lending products net of unearned income, amounts received in advance and allowance for impairment.

Liquid Assets
Assets held in cash or in a form that can be converted to cash readily, such as short-term deposits with banks, bills of exchange and Treasury Bills.

Liquidity Risk
The risk that an entity will encounter difficulty in meeting short-term obligations associated with financial liabilities.

Loss Given Default (LGD)
The actual loss that is experienced by the Company when a customer defaults on a loan from that company.

Loan To Value Ratio (LTV)
The LTV ratio is a mathematical calculation which expresses the amount of a first mortgage lien as a percentage of the total appraised value of real property. The LTV ratio is used in determining the appropriate level of risk for the loan and therefore the correct price of the loan to the borrower.

M

Market Capitalisation
Total market value of a company's outstanding shares.

Materiality
The relative significance of a transaction or an event the omission or misstatement of which could influence the economic decisions of users of Financial Statements.

N

Net Assets Value Per Share
Shareholders' fund excluding preference shares if any, divided by the number of ordinary shares in issue.

Net Interest Income
The difference between income earned from interest-bearing assets and cost incurred on financial instrument/ facilities used for funding the interest-bearing assets.

Net Interest Margin
Net interest income expressed as a percentage of average interest earning assets.

Non-Performing Loans Advances (NPL)
The aggregate value of the advances portfolio that has being delinquent for a period of more than six months.

Non-Performing Loans Cover
Cumulative loan provision as a percentage of total non-performing loans (net of interest in suspense)

Non-Performing Ratio (NPL Ratio)
Non-performing advance portfolio expressed as a percentage of total advance portfolio.

Non-Recurring Profit
A one time or highly infrequently profit.

Off Balance Sheet Transaction
Transactions that are not recognised as assets or liabilities in the Statement of Financial Position, which give rise to the commitment and contingencies in future

Operational Risk
This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

P

Parent
A parent is an entity which has one or more subsidiaries.

Price Earnings Ratio (P/E Ratio)
Shows what the market is willing to pay for a stock based on its current earnings.

Probability of Default (PD)
An internal estimation of the likelihood that a borrower will default on a loan for each borrower grade.

R

Related Parties
Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Return on Average Assets (RoA)
Profit after tax expressed as a percentage of the average assets; indicates overall effectiveness in generating profits with available assets.

Return on Equity (RoE)
Net profit attributable to owners, expressed as percentage of average ordinary shareholders' equity.

Reverse Repurchase Agreements

A reverse repurchase agreement with the agreement to sell at a higher price at a specific future date.

Risk- Weighted Assets

Sum total of assets as per the Statement of Financial Position and the credit equivalent of assets that are not on the Statement of Financial Position multiplied by the relevant risk weighting factors prescribed by the Central Bank of Sri Lanka.

S

Segmental Analysis

Disclosure of Company's assets, income and other information; broken down by activity and geographical area.

Shareholders' Funds

Consist of issued and fully-paid up ordinary shares, redeemable preference shares and other reserves.

Staff Turnover Ratio

Represents the number of employees' attrition during the year as a percentage of average number of employees for the year-end.

Statutory Reserve Fund

A capital reserve created as per the provisions of Finance Companies (Capital Funds) Direction No. 1 of 2003.

Subsidiary

An entity that is controlled by another entity which is known as the parent.

T

Tier I Capital

Represents core capital of the company representing shareholders' equity and reserves.

Tier Ii Capital

Represents supplementary capital such as instruments containing characteristics of equity and debt, revaluation gains and general provisioning/impairment allowances.

U

Useful Life

The length of time that an asset is anticipated to be available for use by an entity or the anticipated yield in terms of production or similar units from the asset.

V

Value Added

Value of wealth created by providing financial and other- related services less the cost of providing such services.

Y

Yield

Rate of return on an investment in percentage terms, taking into account annual income and any change in capital value.

Basis of Ratios

Claims ratio (%)	Net claims * 100/ Net earned premium
Cost to income ratio (%)	Total operating expenses * 100/ Total operating income
Current ratio (Times)	Currents assets / Current liabilities
Debt to equity (Excluding deposits) (Times)	(Due to banks + Debt securities issued)/ Total equity attributable to equity holders of the Company
Debt to equity with contingent liabilities and commitments (Times)	(Due to banks + Debt securities issued + Contingent liabilities and commitments)/ Total equity attributable to equity holders of the Company
Dividend cover (Times)	Profit attributable to equity holders of the Company/ Total dividend paid to ordinary shareholders
Dividend payout (%)	Total dividend paid to ordinary shareholders * 100 / Profit attributable to equity holders of the Company
Dividend yield (%)	Dividend per ordinary share *100 / Closing market price per share
Earnings per ordinary share (Rs.)	Profit attributable to equity holders of the Company/ Weighted average number of ordinary shares outstanding
Employee turnover (%)	Number of attritions during the year * 100/ Average number of employees during the year
Gross non-performing advances to total advances (NPA) (%)	Gross non-performing loans and advances * 100 / Loans and advances
Impairment coverage ratio (%)	Impairment allowance * 100/ Non-performing loans and receivables
Interest cover (Times)	Profit before interest and tax expenses/ Interest expenses
Market capitalisation (Rs.)	Market price per share * Number of ordinary shares
Net assets per ordinary share (Rs.)	Total equity attributable to equity holders of the Company/ Number of ordinary shares
Net interest margin (NIM) (%)	Net interest income * 100/ Average interest earning assets
Net non-performing advances to total advances (%)	(Non-performing loans and advances - Interest in suspense - Loan loss provisions) * 100/Loans and advances
Operating profit margin (%)	Operating profit before taxes on financial services * 100/ Interest income
Price earnings ratio (PE) (Times)	Market price per share/ Earnings per share
Price to book value (PBV) (Times)	Market price per share/ Net assets per ordinary share
Provision coverage ratio (%)	Loan loss provisions * 100/ Non-performing loans and advances
Retention ratio (%)	Number of employees with more than 1 year of service at year end * 100/ Number of employees at the beginning of the year
Return on assets (ROA) (%)	Profit before income tax expense * 100/ Average total assets
Return on capital employed (ROCE) (%)	Profit before interest and tax expenses * 100 / (Due to banks + Due to customers + Debt securities issued + Total equity)
Return on equity (ROE) (%)	Profit attributable to equity holders of the Company *100 / Average equity attributable to equity holders of the Company
Tier 1 capital ratio (%)	Tier 1 capital * 100/ Total risk weighted assets amount
Total capital ratio (%)	Total capital * 100/ Total risk weighted assets amount
Total assets to equity ratio (%)	Total assets/ Shareholders' Equity
Total net advances to total assets (%)	(Loans and advances - Interest in suspense - Loan loss provisions) * 100/ Total assets

Corporate Information

GRI 2-1

Name of Company

People's Leasing & Finance PLC
(Subsidiary of People's Bank)

Legal Form

Public Limited Liability Company
(Incorporated and domiciled in Sri Lanka)
quoted in the Colombo Stock Exchange

Date in Incorporation

22nd August 1995

Company Registration Number

PB 647 PQ

Accounting Year-End

31st March

Stock Exchange Listing

The Ordinary shares of the Company were quoted on the Main Board of the Colombo Stock Exchange (CSE) on 24th November 2011.

47,840,906 Ordinary shares of the company were listed with effect from 9th August 2019, pursuant to a scrip dividend.

76,899,372 Ordinary shares of the company were listed with effect from 24th December 2020, pursuant to a scrip dividend.

98,342,466 Ordinary shares of the company were listed with effect from 13th August 2021, pursuant to a scrip dividend.

84,249,776 Ordinary shares of the company were listed with effect from 13th January 2022, pursuant to a scrip dividend.

154,688,114 Ordinary shares of the company were listed with effect from 21st September 2022, pursuant to a scrip dividend.

Godakawela, Grandpass,
Hambantota, Hanwella,
Hatton, Havelock,
Hingurakgoda, Homagama,
Horana, Ja-Ela, Jaffna,
Kadawatha, Kaduwela,
Kalawana, Kalawanchikudi, Kalmunai,
Kalutara,
Katugasthota, Kamburupitiya,
Kandy, Kandy Alsafa,
Kanthale, Kattandudy,
Kegalle, Kekirawa,
Kelaniya, Kilinocchi,
Kiribathgoda, Kirindiwela, Kodikamam,
Kuliyapitiya, Kurunegala, Mahaiyawa,
Maharagama, Mahiyanganaya, Mannar,
Matale, Matara,
Mathugama, Mawanella, Medawachchiya,
Melsiripura, Merigama, Metropolitan
(Vauxhall Street), Minuwangoda,
Monaragala, Moratuwa, Mutur,
Narammala, Nattandiya, Nawalapitiya,
Negombo, Negombo City, Nelliady,
Neluwa, Nittambuwa, Nugegoda, Nuwara
Eliya, Panadura, Pelmadulla, Pettah,
Pilimathalawa, Piliyandala, Polonnaruwa,
Puttalam, Ragama, Ratnapura, Tangalle,
Thabuttegama, Thissamaharama,
Trincomalee, Udugama, Union Place,
Urubokka, Vavuniya, Walasmulla,
Warakapola, Wariyapola, Wattala, Welimada,
Wellawattha, Wellawaya, Wennappuwa.

112,492,634 Ordinary shares of the company were listed with effect from 23rd January 2024, pursuant to a scrip dividend.

55,491,496 Ordinary shares of the company were listed with effect from 10th October 2025, pursuant to a scrip dividend.

Senior, Unsecured, Redeemable, four year (2018/22) and five year (2018/23) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 27th April 2018.

Senior, Unsecured, Redeemable, three year (2021/24) and five year (2021/26) Debentures were listed on the Debt Securities Main Board of Colombo Stock Exchange on 18th August 2021.

Registered Office & Principal Place of Business

1161, Maradana Road, Borella
Colombo 08, Sri Lanka.
Postal Code:00800
Telephone +94 11 2631631
Fax +94 11 2631980/81
Email: info@plc.lk
Web Address: www.plc.lk

Compliance Officer

Ms. Zairaa Kaleel

Company Secretary

Ms. Nirosha Kannangara

Registrar

SSP Corporate Services (Pvt) Ltd
No. 101, Inner Flower Road, Colombo 03, Sri Lanka.
Telephone: +94 11 2573894, +94 11 2576871
Fax: +94 11 2573609
E-mail: sspsec@sltnet.lk

Credit Rating

The Company has been assigned A(lka); Outlook (Stable) by Fitch Ratings Lanka Limited

Auditor

Auditor General
Auditor General's Department
No. 306/72, Polduwa Road,
Battaramulla.

Bankers

People's Bank
Bank of Ceylon
Sampath Bank PLC
National Development Bank PLC
Pan Asia Banking Corporation PLC
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Habib Bank Limited
Nations Trust Bank PLC
Seylan Bank PLC
Standard Chartered Bank
Indian Bank
Indian Overseas Bank
Citi Bank N.A.

Head Office & Branch Offices

Head Office, Akuressa, Ambalangoda,
Aluthgama, Ambalanthota, Ampara,
Anamaduwa, Anuradapura, Awissawella,
Badulla, Balangoda, Bandarawela,
Battaramulla, Batticaloa, Chilaw,
Chunnakam, Colombo 07, Dambulla,
Dehiwala, Deniyaya, Digana, Divulapitiya,
Dematagoda, Eheliyagoda Embilipitiya, Galle,
Galenbindunuwewa, Elpitiya, Gampaha,
Gampola, Giriulla,

Board of Directors

Prof. S.M.A.K. Samarakoon – Chairman
Mr. K.C.J.C. Fonseka
Mr. P.D. Samarasinghe
Mr. K.J.D.G. Perera
Ms. P.G.U. Gallage
Mr. P.G.A.C. Perera
Mr. S. Sudarshan
Ms. K.S.R. Senaratne Loku Kaluge
Mr. M.J. Thilakarathne
Dr. I.N. Manawadu

Corporate Information

Board Audit Committee

Dr. I.N Manawadu – Chairman
Mr. S. Sudarshan - Member
Mr. K.C.J.C. Fonseka - Member

Board Integrated Risk Management Committee

Mr. S. Sudarshan – Chairman
Prof. S.M.A.K. Samarakoon - Member
Mr. P.G.A.C. Perera - Member

Human Resources and Remuneration Committee

Dr. I.N. Manawadu - Chairman
Mr. S. Sudarshan - Member
Mr. M.J. Thilakarathne - Member

Board Nomination & Governance Committee

Mr. S. Sudarshan - Chairman
Dr. I.N. Manawadu - Member
Mr. P.D. Samarasinghe – Member

Board Related Party Transactions Review Committee

Ms. P.G.U. Gallage - Chairman
Mr. S. Sudarshan - Member
Dr. I.N. Manawadu – Member
Prof. S.M.A.K. Samarakoon – Member
Mr. P.D. Samarasinghe – Member

Board Investment Committee

Mr. P.G.A.C. Perera – Chairman
Mr. S. Sudarshan – Member
Ms. K.S.R. Senaratne Loku Kaluge – Member

Board Credit Committee

Mr. M.J. Thilakarathne – Chairman
Mr. P.D. Samarasinghe - Member
Mr. K.J.D.G. Perera - Member

Board Information Technology Committee

Mr. K.J.D.G. Perera -Chairman
Mr. P.G.A.C. Perera -Member
Ms. P.G.U. Gallage – Member

Board Marketing Committee

Mr. K.J.D.G. Perera - Chairman
Ms. K.S.R. Senaratne Loku Kaluge – Member
Mr. M.J. Thilakarathne – Member

Board Sustainability Committee (BSC)

Mr. P.G.A.C. Perera - Chairman
Ms. P.G.U. Gallage - Member
Ms. K.S.R. Senaratne Loku Kaluge – Member
Mr. M.J. Thilakarathne - Member

Local Subsidiary Companies

People's Leasing Fleet Management Limited
People's Leasing Property Development Limited
People's Leasing Havelock Properties Limited
People's Insurance PLC
People's Micro-Commerce Ltd.

Foreign Subsidiary Companies

Alliance Finance PLC

Corporate Memberships

GRI 2-28

The Financial Houses Association of Sri Lanka
Credit Information Bureau of Sri Lanka
The Financial Ombudsman, Sri Lanka
The Leasing Association of Sri Lanka
The Association of Margin Providers
Biodiversity Sri Lanka (Patron Member)

Vehicle Yards

No. 496, Makola North, Makola, Sri Lanka.

No. 225/D, Nayagala Road, Heiyanthuduwa,

Mabima, Sri Lanka
No.8, Pothuvil Road, Monaragala, Sri Lanka
Ketalagolla, Beligamuwa, Galewela, Sri Lanka

Tax Payer Identity Number (TIN)

114 156396

Income Tax Identity Number

114 156396 0000

VAT Registration Number

114 156396 7000

Central Bank Registration Number

046 (Under the Finance Business Act No.42 of 2011)

Credit Agency Status

An approved Credit Agency under the Mortgage Act no.6 of 1949 and the Trust Commerce.

Circular to Shareholders

PEOPLE'S LEASING & FINANCE PLC
[Company Registration No. PB 647 PQ]
No: 1161, Maradana Road, Colombo 08, Sri Lanka
Tel: +94 11 2206 300, Fax: +94 11 263 1109, Web: www.plc.lk

Dear Shareholder/s,

ANNUAL GENERAL MEETING OF THE COMPANY

The Board of Directors of People's Leasing & Finance PLC, is honored to present the Company's Annual Report for the Financial Year ended 31 March 2026 at the Thirtieth (30th) Annual General Meeting (AGM) of People's Leasing & Finance PLC (the Company) scheduled to be held on Tuesday, 30 June 2026 at 3.00 p.m. in the People's Bank Auditorium, People's Tower, Level 16, No. 374, Dr. Colvin R. de Sliva Mawatha, Colombo 02.

In accordance with Rule 7.5 of the Listing Rules of the Colombo Stock Exchange (CSE), the Annual Report for the financial year ended 31 March 2026, together with the following documents are made available to the Shareholders, and is hereby published on the Company's website (https:// www.plc.lk/) and the website of the CSE (www.cse.lk). The documents include:

1. A Circular to shareholders
2. A Notice of Annual General Meeting
3. A Form of Proxy
4. A Form of Request (for a printed copy of the Annual Report)

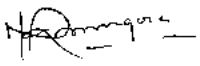
Please forward a duly perfected form of request to the following mailing address/email address, if you wish to have a printed version of the Annual Report. Upon receipt of your request, the printed Annual Report will be forwarded within 8 market days.

PEOPLE'S LEASING & FINANCE PLC
Company Secretarial Department
No: 1161, Maradana Road, Colombo 08,
Email: arruquests@plc.lk

If you wish to obtain assistance relating to your request for a printed copy of the Annual Report, you may contact Ms Chathurangi Kumara on Telephone 0112631116/ email: chathurangik@plc.lk anytime between 10.00 am. to 4.00 p.m. on any working day.

If you are unable to attend the AGM, you may appoint a proxy to represent you. Kindly complete and submit the Form of Proxy to reach the Registered Office of the Company, No: 1161, Maradana Road, Colombo 08, not later than 48 hours prior to the time scheduled for the meeting.

By Order of the Board,



Nirosha Kannangara
Company Secretary
People's Leasing & Finance PLC
3 June 2026

Circular to Shareholders

PEOPLE'S LEASING & FINANCE PLC
[Company Registration No. PB 647 PQ]
No: 1161, Maradana Road, Colombo 08, Sri Lanka
Tel: +94 11 2206 300, Fax: +94 11 263 1109, Web: www.plc.lk

Dear Shareholder/s,

Final Dividend of cents Seventy (Rs. 0.70) per ordinary voting share payable as a scrip dividend for financial year ended 31 March 2026

The Board of Directors of Peoples Leasing & Finance PLC (the Company) is pleased to inform its shareholders that it has recommended a Final Dividend of Rs. 0.70 per ordinary voting share, to be paid out of Retained Earning as a scrip dividend, for the financial year ended 31 March 2026 in accordance with Article 13(3) of the Articles of Association of the Company and Companies Act No. 7 of 2007. This recommendation is subject to shareholders' approval at the Company's Annual General Meeting (AGM), scheduled for Tuesday, 30 June 2026 at 3.00 p.m. in the People's Bank Auditorium, People's Tower, Level 16, No.374, Dr. Colvin R. de Sliva Mawatha, Colombo 02.

Shareholders are further informed that, the Central Bank of Sri Lanka by its letter dated 27 May 2026, has granted its consent to the Company to declare a final dividend in the form of a scrip dividend of Rs. 0.70 per ordinary voting share, amounting in total to Rs. 1,546,907,072.20, on 2,209,867,246 ordinary voting shares for the financial year 2025/26.

It was further resolved in accordance with Section 57 of the Companies Act No. 07 of 2007 the Company to carry out a solvency test prior to distribution to ensure the Company satisfies the solvency test required by the Act, immediately after the distribution of the proposed gross dividend of Rs. 1,546,907,072.20 in the form of scrip dividend. The Company will also, maintain required liquid assets and capital adequacy ratios even after the distribution of such dividend.

It was further resolved that the Company recommends the issue of 59,766,864 new fully paid ordinary voting shares and the listing of the ordinary voting shares arising from the scrip dividend are to be listed on the Colombo Stock Exchange. The Board further, confirms and opined that the consideration for which the ordinary voting shares are to be issued is fair and reasonable to the Company and to all its existing shareholders.

The number of ordinary voting shares to be issued and the applicable proportion are as follows:

59,766,864 new fully paid ordinary voting shares will be allotted at the rate of one (1) new ordinary voting share for every thirty-six decimal nine seven four seven nine zero zero one (36.97479001) ordinary voting shares held by shareholders as at 2nd July 2026, the Record Date/Entitlement Date. The new ordinary voting shares will rank equally and pari passu in all respects with the existing ordinary voting shares.

Ordinary Voting Shares	Number of Ordinary Voting shares held by shareholder as at end of trading on the Record Date (02.07.2026) X 1 / 36.97479001

In the event that the requisite ordinary resolution declaring the dividend is passed by the shareholders at the upcoming Annual General Meeting, all new ordinary voting shares to be issued under the proposed scrip dividend (new shares), will be directly uploaded to the CDS accounts as per the instructions given by the shareholders within 5 Market Days from and excluding the Record Date (02.07.2026). Further if a shareholder holds multiple CDS accounts, the total entitlement will be directly deposited to shareholder's respective CDS accounts proportionately. Furthermore, as directed by the Securities and Exchange Commission of Sri Lanka (SEC) the shareholders will not be issued share certificates for the new shares and shareholders are accordingly requested to open an account with the CDS and deposit their existing share certificates in the CDS prior to the date of the AGM of the Company. This will enable the Company to deposit the new shares directly into the Shareholder's CDS Account. Direct uploads pertaining to written requests received from shareholders after opening a CDS account to deposit such shares will be done on a weekly basis.

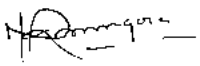
If a shareholder fails to open a CDS Account prior to the AGM of the Company to deposit the existing ordinary voting shares in a CDS Account, until such CDS account is opened by a Shareholder the existing voting shares will be maintained in the Share Register maintained by the Company's Registrar.

At the Annual General Meeting referred to above, the following resolutions will be proposed, if deemed fit, by way of Ordinary Resolution:

(i) The number of ordinary voting shares to be issued under the scrip dividend will be Fifty Nine Million Seven Hundred and Sixty Six Thousand Eight Hundred and Sixty Four (59,766,864) on the basis of Rs. 22.00 per share which results in one (1) new ordinary voting share being issued for each existing Thirty Six Decimal Nine Seven Four Seven Nine Zero Zero One (36.97479001) Ordinary voting shares held by the shareholders as at 02.07.2026, the Record Date/Entitlement Date. The shareholders of the Company who hold their shares in their respective CDS accounts/ in the share ledger as at end of trading on the second (2nd) market day from and excluding the date of the Annual General Meeting (i.e. the "Record date") will be entitled to this issuance of new shares (the Record date will be 02.07.2026).

(ii) The total number of ordinary voting shares to be issued under the scrip dividend shall be Fifty Nine Million Seven Hundred and Sixty Six Thousand Eight Hundred and Sixty Four (59,766,864) ordinary voting shares. Further, it is resolved that the shares issued under the scrip dividend shall be listed subject to approval of the Colombo Stock Exchange. The new ordinary voting shares shall rank equal and pari passu in all respect with the existing ordinary voting shares. The shareholders of the Company who hold their shares in their respective CDS accounts/ in the share ledger as at end of trading on the second (2nd) Market day from and excluding the date of the Annual General Meeting (i.e. the "Record date") will be entitled to this issuance of shares (the Record date will be 02.07.2026).

By Order of the Board,



Nirosha Kannangara
Company Secretary
People's Leasing & Finance PLC
3 June 2026
Colombo

Notice of Meeting

PEOPLE'S LEASING & FINANCE PLC
No. 1161, Maradana Road, Colombo 08, Sri Lanka.
PB 647 PQ

NOTICE IS HEREBY GIVEN THAT the Thirtieth (30th) Annual General Meeting (AGM) of People's Leasing & Finance PLC (the Company) will be held on Tuesday, 30 June 2026 at 3.00p.m. in the People's Bank Auditorium, People's Tower, Level 16, No.374, Dr. Colvin R. de Sliva Mawatha, Colombo 02, for the following purposes.

1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company together with the Financial Statements of the Company for the year ended 31 March 2026 and the Report of the Auditors thereon.
2. To declare a Final Dividend of cents Seventy (Rs.0.70) per ordinary voting share payable as a scrip dividend as recommended by the Board of Directors and therefore to consider and if thought fit, to pass the following resolution by way Ordinary Resolution:

   (i) The number of ordinary voting shares to be issued under the scrip dividend will be Fifty Nine Million Seven Hundred and Sixty Six Thousand Eight Hundred and Sixty Four (59,766,864) on the basis of Rs. 22.00 per share which results in one (1) new ordinary voting share being issued for each existing Thirty Six Decimal Nine Seven Four Seven Nine Zero Zero One (36.97479001) Ordinary voting shares held by the shareholders as at 02.07.2026, the Record Date/Entitlement Date. The shareholders of the Company who hold their ordinary voting shares in their respective CDS accounts/ in the share ledger as at end of trading on the second (2nd) market day from and excluding the date of the Annual General Meeting (i.e. the "Record date") will be entitled to this issuance of ordinary voting shares (the Record date will be 02.07.2026).

   (ii) The total number of ordinary voting shares to be issued under the scrip dividend shall be Fifty Nine Million Seven Hundred and Sixty Six Thousand Eight Hundred and Sixty Four (59,766,864) ordinary voting shares. Further, it is resolved that the ordinary voting shares issued under the scrip dividend shall be listed subject to approval of the Colombo Stock Exchange. The new ordinary voting shares shall rank equal and pari passu in all respect with the existing ordinary voting shares.

Ordinary Voting Shares	Number of Ordinary Voting shares held by shareholder as at end of trading on the Record Date (02.07.2026) X 1 / 36.97479001

The shareholders of the Company who hold their shares in their respective CDS accounts/ in the share ledger as at end of trading on the second (2nd) Market day from and excluding the date of the Annual General Meeting (i.e. the "Record date") will be entitled to this issuance of shares (the Record date will be 02.07.2026). In the event that the requisite ordinary resolution declaring the dividend is passed by the shareholders at the upcoming Annual General Meeting, all new ordinary voting shares to be issued under the proposed scrip dividend (new shares), will be directly uploaded to the CDS accounts as per the instructions given by the shareholders within 5 Market Days from and excluding the Record Date (the Record date will be 02.07.2026).

3. To re-elect as a Director Dr. Isuru Nadeesha Manawadu, who was appointed to the Board during the year, in terms of Articles 27(2) of the Articles of Association of the Company.
4. To authorize the Board of Directors to determine contributions to charities and other donations for the financial year ending 31 March 2027.
5. To consider any other business of which due notice has been given.

Auditors of the Company

According to Section 55 of the National Audit Act No. 19 of 2018, People's Leasing & Finance PLC falls under the definition of "Auditee Entity" and the Auditor General or any person authorized by the Auditor General shall carry out the audit of the Company.

By Order of the Board,



Nirosha Kannangara
Company Secretary
People's Leasing & Finance PLC
3 June 2026
Colombo

NOTE

- Circular to the Shareholders, Circular to the Shareholder on Scrip Dividend, Notice of Meeting, the Proxy form, and form of request are available on the Corporate website of the Company "http//www.plc.lk" and the website of the Colombo Stock Exchange (CSE) – https://www.cse.lk/company-profile?symbol=PLC.N0000
- The Annual Report of the Company, is also available on the: Corporate Website of the Company "http//www.plc.lk" and the website of CSE - https://www.cse.lk/company-profile?symbol=PLC.N0000
- A Shareholder/s unable to attend the AGM is/are entitled to appoint a proxy to attend and vote in his/her/it's place by completing and sending the form of proxy, a copy of which can be downloaded from the above websites.
- The completed form of proxy must be deposited at the Registered office of the Company at No.1161, Maradana Road, Colombo 08, Sri Lanka or be emailed to the email address - arrequests@plc.lk or facsimile to +94 11-2631109 not less than forty-eight (48) hours before the time appointed for the holding of the meeting.
- Shareholders are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.

Form of Proxy

I/We ..... of .....

..... being a shareholder/s of People's Leasing & Finance PLC hereby appoint

Mr/Mrs/Miss ..... (holder of N.I.C. No. .....) of whom failing:

1. Professor. Samarakoon Mudiyansela Ajantha Kumara Samarakoon	whom failing
2. Mr. Kurukulasuriya Canicious Joachim Clive Fonseka	whom failing
3. Mr. Pravir D. Samarasinghe	whom failing
4. Mr. Kurugamage Jude Dulinda Gregory Perera	whom failing
5. Ms. Polwattha Gallage Udeni Gallage	whom failing
6. Mr. Sathananthan Sudarshan	whom failing
7. Mr. Pugoda Gallage Anura Chandana Perera	whom failing
8. Ms. Kospelawattage Shameela Ransrini Senaratne Loku Kaluge	whom failing
9. Mr. Moraendage Jayantha Thilakarathne	whom failing
10.Dr. Isuru Nadeesha Manawadu	

as my/our proxy to represent me/us and to speak and vote whether on a show of hands or on a poll for me/us on my/our behalf at the Thirtieth Annual General Meeting of the Company to be held on Tuesday, 30 June 2026 at 3.00 p.m. in the People's Bank Auditorium, People's Tower, Level 16, No.374, Dr. Colvin R. de Sliva Mawatha, Colombo 02, and at any adjournment thereof.

Please indicate your preference by placing a "✓" against the Resolution number.

	FOR	AGAINST
1. To receive and consider the Annual Report of the Board of Directors on the affairs of the Company together with the Financial Statements of the Company for the year ended 31st March 2026 and the Report of the Auditors thereon.		
2. To declare a Final Dividend of cents Seventy (Rs.0.70) per ordinary share payable as a scrip dividend as recommended by the Board of Directors and to consider and if thought fit, to pass the resolution set out in the Notice of Meeting.		
3. To re-elect as a Director Dr. Isuru Nadeesha Manawadu, who was appointed to the Board during the year, in terms of Articles 27 (2) of the Articles of Association of the Company.		
4. To authorise the Board of Directors to determine contributions to charities and other donations for the Financial Year ending 31 March 2027.		

AUDITORS OF THE COMPANY

According to Section 55 of the National Audit Act No. 19 of 2018, People's Leasing & Finance PLC falls under the definition of "Auditee Entity" and the Auditor General or any person authorized by the Auditor General shall carry out the audit of the Company.

Signed on this ..... day of 2026

....

Shareholder's signature Shareholder's N.I.C./ P. P./ Co. Reg. No.

Notes:

1. Proxy need not be a shareholder of the Company.
2. Instructions as to completion of this Proxy form can be found on the following page.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION

1. As provided for in Article 19(3) of the Articles of Association of the Company the instrument appointing a proxy should be in writing.

2. The full name and the address of the shareholder appointing the proxy should be legibly entered in the Form of Proxy and duly signed and dated

3. The Proxy shall –

   a) in the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy, if it has not already been registered with the Company.
   b) in the case of a company or corporate body, either be under its Common Seal or signed by its attorney or by an officer on behalf of that company or corporate body in accordance with the Articles of Association or the Constitution of that company or corporate body
   c) in the case of joint holders, be signed by the joint holder whose name appears first in the Register of Members

4. The completed Form of Proxy, and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney or other authority must be deposited at the Registered office of the Company, No.1161, Maradana Road, Colombo 08, Sri Lanka or be emailed to arrequests@plc.lk or facsimile +94 11-2631109 not less than forty eight (48) hours before the time appointed for the holding of the meeting.

5. Every alteration or addition to the Proxy must be duly authenticated by the full signature of the shareholder, signing the Proxy.

6. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise his/ her/its discretion as to how he/she/it votes or, whether or not he/she/it abstains from voting.

Request Letter

To: Company Secretary,
People's Leasing & Finance PLC,
No. 1161, Maradana Road,
Colombo 08.

Madam,

REQUEST FOR A PRINTED COPY OF THE ANNUAL REPORT 2025/26

With reference to the Circular to Shareholders dated 3 June 2026, I /we kindly request you to forward me/us a printed copy of the Annual Report of People's Leasing & Finance PLC for the financial year ended 2025/26.

SHAREHOLDER'S DETAILS

Full Name	
National Identity Card / Passport/ Company Registration No.	
Address	
Contact Telephone Number	

....

Shareholder's signature Date

Notes:

1. Please complete the request letter by legibly filling in all required information, signing in the space provided, and including the date of signature.
2. Kindly send the duly completed Request Letter by email/or deliver it to the Company Secretary at the address provided above or forward it via facsimile to +94 11 263 1109 (via email to arrequest@plc.lk).
3. If the shareholder is a company, the Request Letter should be signed either under it's Common Seal or by a duly authorized officer of the Company.
4. In the case of Joint Holders, the request letter shall be executed by the Registered principle holder.
5. If you have any queries regarding this request letter, please contact Ms. Chathurangi Kumara via telephone No. +94 11 263 1116 between 10.00 a.m. to 4.00 p.m. on any working day or via email to arrequest@plc.lk.

Feedback Form

We welcome your valuable feedback on this Integrated Annual Report 2025/26

1. Your interest in People's Leasing performance is as a(n)

- Employee
- Customer
- Supplier
- Shareholder
- Investor
- Finance analyst
- Journalist
- Local resident
- Educator/Student
- Special Interest Group
- Regulatory body
- Other

2. Please rate your answer on the scale from excellent to poor 2.1 to 2.5

2.1 Meeting your expectation

- Excellent
- Very good
- Good
- Average
- Poor

2.2 Openness and transparency

- Excellent
- Very good
- Good
- Average
- Poor

2.3 Clarity and ease of understanding

- Excellent
- Very good
- Good
- Average
- Poor

2. Please rate your answer on the scale from excellent to poor 2.1 to 2.5

2.4 Appearance and layout

- Excellent
- Very good
- Good
- Average
- Poor

2.5 Overall impression of the report

- Excellent
- Very good
- Good
- Average
- Poor

3. Which section did you find least useful?

- Organizational overview
- Value creation model
- Management discussion and analysis
- Stewardship
- Financial reports
- Other

4. Which section did you find most useful?

- Organizational overview
- Value creation model
- Management discussion and analysis
- Stewardship
- Financial reports
- Other

5. In your opinion what are the sustainability topics/areas People's Leasing needs to have better focus on?

6. How do you think we could improve?

7. Please provide your overall impressions and comments about the Integrated Annual Report 2025/26

Your Name:

.....

.....

.....

.....

Your email:

.....

.....

Acting Chief Financial Officer
People's Leasing & Finance PLC
No.1161, Maradana Road, Colombo 08.
Sri Lanka.
Postal Code: 00800
Phone: +94 11 2631 631
Fax: +94 11 2631 980

Notes

Notes

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www.optimadesigns.lk


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THE TRUSTED LEADER