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