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)

	Change	2025/26	2024/25
Total Assets	▲ 65%	321,226	194,531
Loans & Receivables	▲ 76%	275,738	157,092
Due to Banks	▲ 685%	89,734	11,437
Due to Customers	▲ 33%	165,449	124,530
Shareholder Funds	▲ 12%	47,527	42,412

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

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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

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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, පොල්දුව 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

			Other Reserves						
Group	Capital Rs. '000	Statutory Reserve Fund Rs. '000	Regulatory Loss Allowance Reserve Rs. '000	Fair Value Reserve Rs. '000	Foreign Currency Translation Reserve Rs. '000	Retained Earnings Rs. '000	Total Equity Rs. '000	Non-Controlling Interest Rs. '000	Total Equity 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.

			Company		Group	
For the year ended 31st March,	Notes	Page	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

GRI 201-3

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

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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		Group	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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		Group	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 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 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 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

	2026			
For the year ended 31st March	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)

	2025			
For the year ended 31st March	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

	2026			
For the year ended 31st March	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)

	2025			
For the year ended 31st March	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		Group	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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		Group	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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	2026 Level 2 Rs. '000	2026 Level 3 Rs. '000	2026 Total fair Value Rs. '000	2026 Carrying amount Rs. '000	2025 Level 1 Rs. '000	2025 Level 2 Rs. '000	2025 Level 3 Rs. '000	2025 Total fair Value Rs. '000	2025 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	2026 Level 2 Rs. '000	2026 Level 3 Rs. '000	2026 Total fair Value Rs. '000	2026 Carrying amount Rs. '000	2025 Level 1 Rs. '000	2025 Level 2 Rs. '000	2025 Level 3 Rs. '000	2025 Total fair Value Rs. '000	2025 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.

		Company		Group	
As at 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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.

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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	2026 Stage 2 Rs. '000	2026 Stage 3 Rs. '000	2026 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	2025 Stage 2 Rs. '000	2025 Stage 3 Rs. '000	2025 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 Rs. '000	Hire Purchase Rs. '000	Ijarah Rs. '000	Term Loans Rs. '000	Re-finance loans Rs. '000	Related Party Loans Rs. '000	Murabah Rs. '000	Trading Murabah Rs. '000	Factoring Rs. '000	Total 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 Rs. '000	Hire Purchase Rs. '000	Ijarah Rs. '000	Term Loans Rs. '000	Re-finance loans Rs. '000	Related Party Loans Rs. '000	Murabah Rs. '000	Trading Murabah Rs. '000	Factoring Rs. '000	Total 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 Rs. '000	Hire Purchase Rs. '000	Ijarah Rs. '000	Term Loans Rs. '000	Re-finance loans Rs. '000	Related Party Loans Rs. '000	Murabah Rs. '000	Trading Murabah Rs. '000	Factoring Rs. '000	Total 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 Rs. '000	Hire Purchase Rs. '000	Ijarah Rs. '000	Term Loans Rs. '000	Re-finance loans Rs. '000	Related Party Loans Rs. '000	Murabah Rs. '000	Trading Murabah Rs. '000	Factoring Rs. '000	Total 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	2026 Stage 2 Rs. '000	2026 Stage 3 Rs. '000	2026 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	2025 Stage 2 Rs. '000	2025 Stage 3 Rs. '000	2025 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

	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
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

	Company		Group	
As at 31st March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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 Computer software Rs. '000	Company Goodwill Rs. '000	Company Total Rs. '000	Group Computer software Rs. '000	Group Goodwill Rs. '000	Group 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.

	Company		Group	
For the year ended 31 March	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

	Company		Group	
For the year ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

		Company				Group			
		2026		2025		2026		2025	
	Note	Temporary difference Rs. '000	Tax effect Rs. '000	Temporary difference Rs. '000	Tax effect Rs. '000	Temporary difference Rs. '000	Tax effect Rs. '000	Temporary difference Rs. '000	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

As at 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 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

As at 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 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.

As at 31st March	Note	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 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

As at 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000	Group 2026 Rs. '000	Group 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

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

	Company		Group	
For the Year Ended 31 March	2026 Rs.	2025 Rs.	2026 Rs.	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

		Company		Group	
For the year ended 31st March	Note	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

	Company		Group	
For the Year Ended 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	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

For the Year Ended 31 March	Parent		Subsidiaries	
	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

For the Year Ended 31 March	Parent		Subsidiaries	
	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 2026 Rs. '000	Parent 2025 Rs. '000	Subsidiaries 2026 Rs. '000	Subsidiaries 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	Immediate Parent 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

	Immediate Parent	
For the Year Ended 31 March	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

			Transaction value		Transaction value as a % of gross income		
Name of the Related party	Relationship	Nature of the transaction	2026 Rs. '000	2025 Rs. '000	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.

Notes to the Financial Statements

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

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)	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

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)	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

Notes to the Financial Statements

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.*

Notes to the Financial Statements

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

Notes to the Financial Statements

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 In Rs.'000	Fair value of collateral and credit enhancements held under the base case scenario			Total collateral	Net exposure	Associated ECL
	Maximum exposure to credit risk	Movable securities	Immovable securities			
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

Group	Sensitivity on ECL sensitivity effect on Statement of Financial Position [Increase/(Decrease) in impairment provision]				
	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

Group	Sensitivity on ECL sensitivity effect on Statement of Financial Position [Increase/(Decrease) in impairment provision]				
	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

Notes to the Financial Statements

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

Notes to the Financial Statements

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.