SINGER FINANCE

SINGER FINANCE (LANKA) PLC

ANNUAL REPORT 2025/26

THE STRENGTH BEHIND EVERY FLIGHT





SINGER FINANCE

THE STRENGTH BEHIND EVERY FLIGHT

Every aspiration begins quietly like life sheltered within a nest. Fragile at first, untested, yet full of promise. It is here that confidence is shaped, and possibility is gently held until it is ready to rise.

For Singer Finance PLC, this is the essence of our purpose. To be the nest that nurtures ambition, and the strength that makes flight possible.

Because finance, at its best, is not only about enabling access it is about enabling belief. The belief that a small beginning can become a meaningful journey; that families can move from aspiration to achievement; that entrepreneurs can grow from idea to impact.

And when the moment of flight arrives, the nest does not disappear. It becomes something more subtle, more powerful like the wind beneath every wing. A quiet support that carries forward without holding back.

This is how progress is shaped: not by pushing dreams outward, but by nurturing them inward until they are ready to rise.

Singer Finance remains that enduring strength where every flight begins, and every aspiration finds its sky.

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ABOUT THIS REPORT

Reporting with Purpose

SINGER FINANCE (LANKA) PLC

INTEGRATED ANNUAL REPORT 2025/26

Welcome to the 8th Integrated Annual Report of Singer Finance (Lanka) PLC for the year ended 31st March 2026.

At Singer Finance, we believe that every aspiration deserves the strength, support, and confidence to take flight. Guided by our Annual Report theme, "The Strength Behind Every Flight," this report reflects the foundational role we play in enabling customer ambitions, empowering enterprise, and creating sustainable long-term value.

Much like the unseen forces that enable flight precision, resilience, engineering, trust, and stability, our business is built upon strong governance, prudent financial stewardship, responsible risk management, digital innovation, and meaningful stakeholder relationships. Together, these pillars create the confidence required for dreams to rise, businesses to expand, and communities to progress.

This Integrated Annual Report for the financial year ended 31st March 2026 presents a transparent and connected account of how the Company creates value, not merely through financial outcomes, but through the enduring systems, relationships, and strategic decisions that provide strength behind every journey we support.



BASIS OF PREPERATION - REPORTING PERIOD GRI 2-3

This Report has been prepared in alignment with the Group's annual financial reporting cycle and covers the period from 1 April 2025 to 31 March 2026. To provide stakeholders with meaningful context and support informed decision-making, the Report includes comparative performance information from the preceding financial year. Where relevant, it also outlines the Group's strategic priorities, future outlook, and expectations. Further details on the treatment of projections and forward-looking statements beyond the scope of the reporting period are provided in the relevant section of this Report.

REPORTING SCOPE AND BOUNDARY GRI 2-2

This Integrated Annual Report provides a comprehensive overview of the financial, operational, governance, and sustainability performance of Singer Finance (Lanka) PLC for the financial year ended 31 March 2026.

Prepared primarily for our stakeholders, this report outlines how our strategy, governance framework, business model, and integrated thinking approach collectively support sustainable value creation in a dynamic economic and regulatory environment.

As a trusted financial institution with a strong national footprint, Singer Finance continues to serve as a dependable enabler of progress, supporting personal aspirations, entrepreneurial ambition, and economic participation across Sri Lanka.

This report demonstrates how our interconnected capitals, strategic priorities, stakeholder relationships, and operational capabilities work together to strengthen organisational resilience and long-term relevance.

In addition to reporting our performance for the year, this report provides insight into our strategic outlook, key priorities, and our preparedness to navigate future opportunities and uncertainties.

The reporting boundary primarily covers Singer Finance (Lanka) PLC's branch network, digital channels, lending operations, support functions, and corporate activities within Sri Lanka, unless otherwise stated.

Significant events occurring between the reporting date and the date of Board approval have been incorporated where relevant to maintain completeness and relevance.

SIGNIFICANT CHANGES AND RESTATEMENTS GRI 2-4, GRI 2-6

As stakeholder expectations and reporting practices continue to evolve, Singer Finance remains committed to enhancing the quality, relevance, and transparency of its disclosures.

This year's report reflects strengthened disclosures relating to integrated value creation, stakeholder engagement, sustainability priorities, governance oversight, enterprise risk management, and climate awareness, in line with evolving reporting expectations.

There were no material restatements of previously disclosed non-financial information, nor significant changes to ownership structure requiring retrospective adjustment during the reporting period.

Any notable changes to organisational structure, reporting methodology, or operational scope have been disclosed where relevant within the report.

OUR CORPORATE REPORTING JOURNEY

At Singer Finance, reporting is not regarded as a compliance exercise - it is a strategic expression of accountability, institutional maturity, and stakeholder stewardship.

Over the years, our reporting philosophy has evolved from conventional financial disclosure toward a more integrated, stakeholder-centric, and future-oriented approach, reflecting the increasing expectations placed upon financial institutions to communicate with transparency, clarity, and strategic coherence.

This evolution mirrors our own business transformation, from a trusted finance provider into a digitally progressive, governance-led, sustainability-conscious institution operating with disciplined long-term intent.

Our reporting journey has continued to gain external recognition through prestigious corporate reporting platforms, reflecting our commitment to excellence in transparency, governance, and integrated disclosure.

Reporting Excellence Milestones

Year	Recognition	Significance
2023/24	Gold Award – CA Sri Lanka TAGS Awards	Reinforced the Company's commitment to reporting discipline and disclosure quality
2024/25	Gold Award – CA Sri Lanka TAGS Awards	Recognition for excellence in corporate reporting among finance companies, reflecting strength in transparency, accountability, governance, and sustainability reporting

The CA Sri Lanka TAGS Awards evaluate reporting excellence across four critical pillars - Transparency, Accountability, Governance, and Sustainability - making this recognition particularly significant, as it aligns directly with the principles that shape Singer Finance's reporting philosophy.

A REPORT SHAPED BY INTEGRATED THINKING

Our reporting is founded upon integrated thinking - the recognition that sustainable value creation does not emerge from financial performance in isolation, but through the disciplined interaction of interconnected capitals, strategic decisions, stakeholder trust, and operational resilience.

ABOUT THIS REPORT

At Singer Finance, these include:



This report demonstrates how these capitals are preserved, strengthened, and transformed to create enduring value across short-, medium-, and long-term horizons.

The result is a more connected and meaningful view of performance - one that reflects not merely outcomes, but the systems and strategic foundations that make those outcomes possible.

ALIGNMENT WITH TAGS REPORTING EXCELLENCE PRINCIPLES

The evolution of this report has been significantly shaped by the principles embedded within the CA Sri Lanka TAGS Awards framework, which recognises excellence in modern corporate reporting.

These pillars closely align with Singer Finance's own governance philosophy:

Transparency

We aim to provide balanced, decision-useful disclosures that clearly communicate performance, opportunities, risks, strategic priorities, and value creation drivers.

Governance

Strong emphasis is placed on governance oversight, ethical conduct, regulatory discipline, risk governance, and institutional integrity.

Accountability

The report reflects management and Board accountability for performance, governance effectiveness, capital stewardship, and long-term strategic execution.

Sustainability

We increasingly integrate environmental, social, governance, and resilience considerations into our business model, recognising sustainability as a strategic business imperative rather than a peripheral obligation.

IMPROVEMENTS IN THIS YEAR'S REPORT

As part of our ongoing reporting maturity journey, this year's report incorporates several enhancements.

Strategic Enhancement	Purpose
Stronger strategic storytelling	Better connectivity between strategy, performance, risk, and future growth
Enhanced integrated reporting structure	Clearer articulation of value creation across capitals
Expanded sustainability disclosures	Improved ESG and climate-related transparency through S2 Disclosures made on CRROs
Strengthened governance reporting	Greater clarity on oversight, accountability, and governance architecture
Improved materiality integration	Stronger alignment between material matters and strategic priorities
More forward-looking disclosures	Better articulation of risks, resilience, and strategic preparedness
Enhanced readability and accessibility	Improved visual storytelling, dashboards, and cross-referencing

ASSURANCE GRI 2-5

The Company follows both internal and external frameworks for auditing and assurance. A combined assurance approach was implemented to verify the accuracy and completeness of this integrated report. As part of this measure, Messrs. Ernst & Young have independently assured the Financial Statements and provided assurance on Financial, Integrated and GRI reporting.

Refer pages 352, 354 and 364 for External Assurance Reports.

MATERIALITY AND STRATEGIC RELEVANCE

This report focuses on the matters most critical to Singer Finance's long-term value creation and stakeholder confidence. The Company adopted the double-materiality lens to identify the most significant topics and disclosures ensuring that the report addresses both business performance and the core needs of its stakeholders. Every topic covered in this report possesses a substantial impact on the organisation's performance and its ability to meet stakeholder aspirations in the short, medium and long-term horizons.

Refer page 70 for Materiality Assessment.

Material topics are determined through a structured assessment process considering:

- Strategic importance
- Financial significance
- Stakeholder relevance
- Regulatory expectations
- Risk exposure
- Long-term sustainability implications

Key material priorities include:

- Credit quality and portfolio resilience
- Funding and liquidity management
- Digital transformation
- Cybersecurity and information resilience
- Customer trust and service excellence
- Governance and regulatory compliance
- Talent capability and leadership continuity
- Operational efficiency
- Ethical lending and responsible conduct
- Sustainability and climate awareness

REPORTING FRAMEWORKS AND DISCLOSURE BASIS

This Integrated Annual Report has been prepared in accordance with internationally recognised and locally applicable reporting standards, frameworks, regulations, and legislation, ensuring adherence to best practices in corporate reporting.

Reporting Category	Standards / Frameworks / Regulations	Nature
Narrative Reporting	International Integrated Reporting Council (IIRC) Integrated Reporting <IR> Framework	Voluntary
	Guidelines for the Presentation of Annual Reports issued by CA Sri Lanka	Mandatory
	Gender Parity Reporting Framework published by CA Sri Lanka	Voluntary
Sustainability Reporting	Global Reporting Initiative (GRI) Standards – In Accordance (Core)	Voluntary
	United Nations Sustainable Development Goals (SDGs)	Voluntary
	SLFRS S1 and SLFRS S2 Sustainability-related Financial Reporting (refer page 270 for transitional relief adopted)	Mandatory
	Task Force on Climate-related Financial Disclosures (TCFD)	Voluntary
Financial Reporting	Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by CA Sri Lanka	Mandatory
	Securities and Exchange Commission (SEC) Regulations	Mandatory
Corporate Governance & Regulatory Compliance	Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka	Voluntary / Best Practice
	Companies Act No. 7 of 2007	Mandatory
	Finance Business Act No. 42 of 2011	Mandatory
	Listing Rules of the Colombo Stock Exchange	Mandatory

Mandatory – Required by law, regulation, or applicable reporting requirements

Voluntary – Adopted to align with global best practices and enhance transparenc



FORWARD-LOOKING STATEMENTS

This Integrated Annual Report has been designed to provide stakeholders with a concise yet comprehensive account of the Company's performance, strategy, and long-term value creation journey. In keeping with best practice reporting principles, the Report focuses on material matters, uses cross-referencing to improve navigability and minimise duplication, and includes externally assured disclosures across all capitals to enhance transparency, credibility, and stakeholder confidence. The Report also outlines the Company's preparatory approach towards the adoption of SLFRS S1 and S2, introduces the PEARLS Model within Financial Capital reporting, and places greater emphasis on ESG-related risks and opportunities that are increasingly shaping the operating landscape.

This Report may contain forward-looking statements relating to the Company's anticipated future performance, financial position, strategic priorities, and market outlook. Such statements are inherently subject to uncertainties, assumptions, and risks arising from evolving economic, regulatory, geopolitical, environmental, and competitive conditions, many of which remain beyond the Company's direct control. Actual outcomes may therefore differ materially from those expressed or implied. These statements reflect management's current expectations at the time of publication and should not be interpreted as guarantees of future performance. The Company undertakes no obligation to publicly revise or update such statements in response to subsequent developments, except where required by applicable law or regulation.

BOARD RESPONSIBILITY STATEMENT GRI 2-14

The Board of Directors acknowledges its responsibility for the integrity, completeness, and fair presentation of this Integrated Annual Report. In fulfilling this responsibility, the Board has overseen the preparation of a Report that provides a balanced and transparent assessment of the Company's strategy, governance, performance, risks, opportunities, and long-term value creation across all capitals.

The Board confirms that, to the best of its knowledge and belief, this Report addresses all material matters relevant to stakeholders and has been prepared in accordance with the principles of the International Integrated Reporting (<IR>) Framework, applicable GRI Standards, and relevant regulatory reporting requirements. The Board further affirms that appropriate systems, processes, and governance oversight were in place to support the accuracy, consistency, and reliability of the disclosures presented, including those relating to sustainability performance and emerging reporting requirements.

Signed on behalf of the Board,

Thushan Amarasuriya
Executive Director / Managing Director
07 May 2026

NAVIGATING THIS REPORT

This report has been designed to provide an intuitive and connected stakeholder experience through:



- Strategic priority markers
- Capital linkage indicators
- Stakeholder relevance markers
- SDG alignment references
- Material topic signposts
- Risk and opportunity indicators
- Cross-referenced disclosures
- Visual dashboards and performance summaries

Together, these elements improve accessibility while reinforcing the integrated nature of our value creation story.

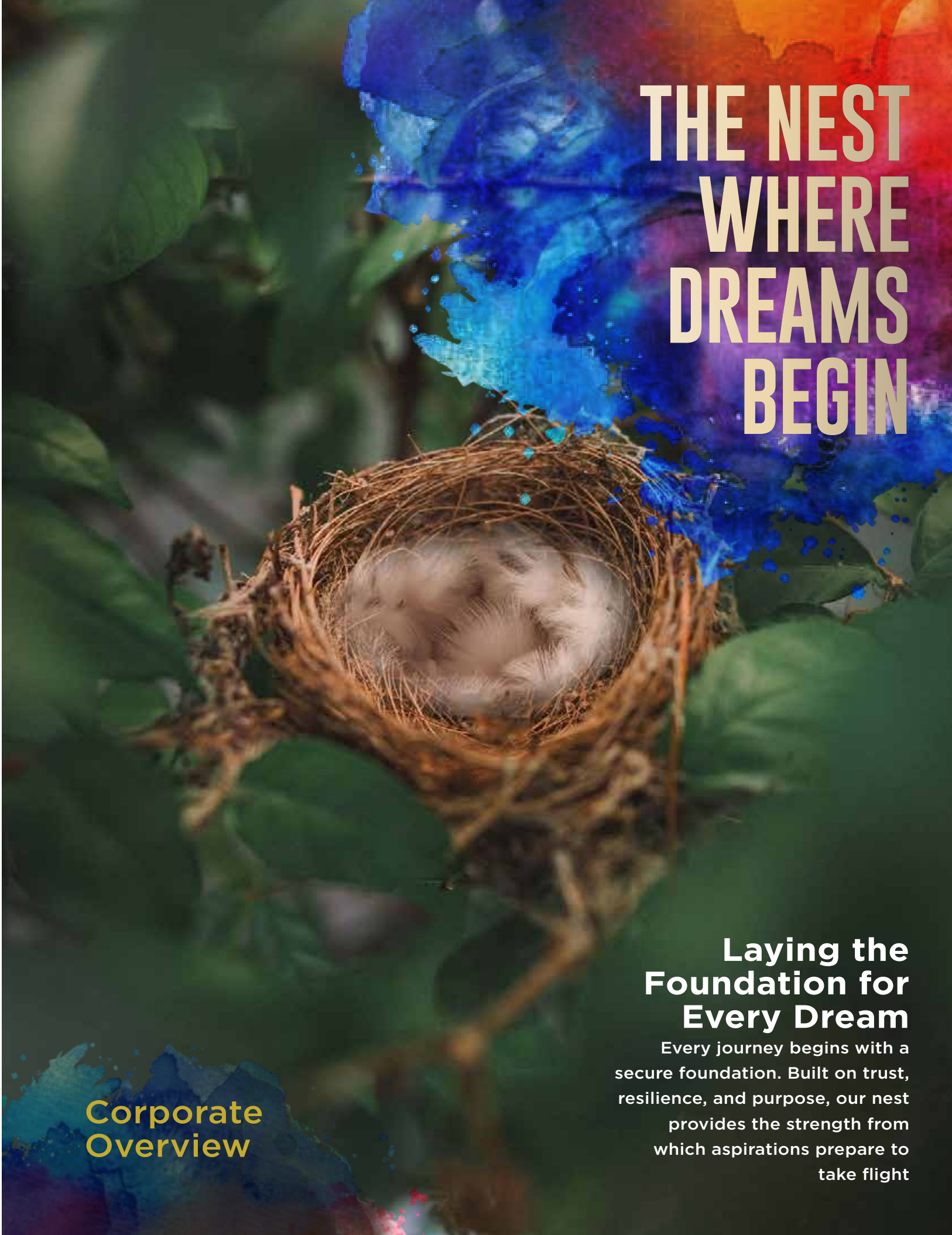
FEEDBACK (GRI 2-3)

We welcome your feedback, as your insights are invaluable in helping us enhance the quality, relevance, and comprehensiveness of our Annual Report in the years ahead.

Should you have any enquiries regarding this Annual Report, or wish to share your comments and suggestions, please contact the officer below:

Chief Financial Officer
Singer Finance (Lanka) PLC
No. 498, R. A. De Mel Mawatha
Colombo 03
Email: chandanan@singerfinance.com

Alternatively, we encourage stakeholders to share their feedback and recommendations to support our continuous improvement in reporting and stakeholder engagement.



THE NEST WHERE DREAMS BEGIN

Laying the Foundation for Every Dream

Every journey begins with a secure foundation. Built on trust, resilience, and purpose, our nest provides the strength from which aspirations prepare to take flight

Corporate Overview

ABOUT US

The Strength Behind Every Flight

From the strength of the nest to new horizon

Over the last two decades, Singer Finance (Lanka) PLC has evolved beyond its role as a provider of financial solutions to become an enabler of progress cultivating an ecosystem where ambition is supported, potential is unlocked, and sustainable growth is realised.

Singer Finance has created a nurturing "nest"; a trusted space where aspirations take root, are protected, and are gradually transformed into tangible outcomes. From this secure and enduring foundation our customers find the confidence to begin their journeys, the support to grow through every stage, and the assurance to move forward with clarity and purpose. We are the wind beneath the wings which supports aspirations to flourish towards boundless horizons of opportunity.

Our ecosystem was not built overnight, but shaped through consistent discipline, prudent decision-making, and a deep understanding of the people, businesses, and communities we serve. Over time, these foundations have evolved into wings of support enabling individuals, entrepreneurs, families, and communities across Sri Lanka to rise with confidence toward greater possibilities.

Anchored in a legacy of trust and strengthened by measured, responsible growth, our journey reflects a steadfast commitment to stability and resilience. Each milestone achieved has reinforced our ability to withstand change, adapt to evolving market dynamics, and continue delivering value over the long term.

Beyond the paradigms of traditional financing, we have evolved to create continuity, opportunity, and upward movement. More than enabling access to finance, we empower journeys supporting the flight of aspirations and helping Sri Lankans from all walks of life move toward progress with confidence, dignity, and purpose.

The ecosystem we nurture (Pages 75 to 84)

Our strength is shared across all stakeholders who sustain and shape our progress: customers, employees, shareholders, regulators, and communities—each contributing to a resilient and inclusive ecosystem.

What strengthens our foundation – Materiality (Pages 70 to 74)

Focused priorities ensure long-term sustainability by strengthening what matters most—trust, responsibility, resilience, and value creation.





From this foundation emerges the true expression of purpose the flight of the songbird.

It represents customers, entrepreneurs, families, and communities rising with confidence toward new horizons. Each flight reflects ambition in motion, enabled by a foundation that is strong enough to support, and steady enough to sustain.

At Singer Finance, we do not simply provide financial access as we enable upward movement. We empower journeys, helping aspirations transform into action and action into achievement.

The materials of strength – Capitals (Pages 86 to 170)

Our progress is powered by interconnected forms of capital—financial, human, social, intellectual, operational, and environmental by working together to sustain growth and resilience.

Governance – discipline that enables trust (Pages 178 to 295)

Strong governance ensures every flight is guided by integrity, accountability, and long-term responsibility.

Financial performance – strength in motion (Pages 86 to 107)

Performance reflects not just outcomes, but endurance the ability of a strong foundation to continuously support progress over time.

From a strong foundation to the flight of possibility, Singer Finance continues to enable progress that is purposeful, sustained, and inclusive.

Through every stage, we remain the force behind that flight supporting Sri Lankans as they rise toward greater confidence, greater ambition, and greater horizons.

From building strong foundations, to nurturing wings of progress, to enabling the flight toward new horizons, Singer Finance continues to build, empower, and uplift the aspirations of Sri Lanka at large.

A nest is not merely a place of safety; it is the place where flight begins. It is where a bird gathers strength, spreads its wings, and rises steadily toward the open skies. What begins as a moment of lift soon becomes a journey of confidence, resilience, and discovery soaring beyond familiar horizons toward new aspirations and greater possibilities.

At Singer Finance, the strong foundation we have built enables individuals and businesses to move beyond stability toward growth and achievement. Through accessible financial solutions, trusted relationships, and a deeply connected ecosystem, we empower our stakeholders to rise with confidence, pursue new opportunities, and navigate their journeys with purpose.

Our purpose is realised when the support we provide becomes momentum when aspirations take flight, progress gains altitude, and journeys evolve into enduring success.

ABOUT US

Guided by Purpose

Creating momentum for growth

At Singer Finance, our Vision, Mission, Values, and Purpose acts as the foundation that guides every decision and shapes our long-term strategic direction. Rooted in the strength of string bedrock of strength, our journey is defined by clarity, discipline, and consistency as we grow and evolve. Together, they ensure that every step we take is aligned with building momentum, enabling growth, and empowering journeys toward new horizons.

Our Vision – Our ambition

To be the foremost Finance Company in Sri Lanka

Mission – What drives our actions

To provide the most useful and ethical financial services to our customers by creating an experience that builds lasting relationships.

Values – How we engage with stakeholders

Lead with Respect	Passionately Collaborate for Success
Demonstrate Responsibility and Integrity	Respond with Agility
Improve and Innovate	Drive Sustainability

Purpose Statement - Why we exist

Empowering Futures, Enriching Lives, Building Trust and Driving Prosperity

SINGER FINANCE AT A GLANCE

Built strong to support every aspiration

Every flight begins in a nest. It is where strength is quietly formed, where protection is assured, and where potential is nurtured before it meets the sky.

For over two decades, Singer Finance has functioned as a strong and cohesive nest within Sri Lanka's financial landscape steadfast, strong, deeply protective, and purposefully structured to hold the aspirations of thousands of individuals and businesses.

Established in 2004, our journey has been shaped not by rapid expansion, but by layers of strength meticulously built reflecting strong and consistent financial discipline, governance, integrity, and enduring trust. With the deep heritage anchored with the combined legacy of Singer Sri Lanka PLC and the Hayleys Group, we inherit not only credibility, but a responsibility to protect and enable.

Today, we stand among Sri Lanka's leading Non-Banking Financial Institutions (NBFIs), recognised for asset strength, stability, and governance excellence. Our nest is fortified and remains steady even amidst the most volatile and dynamic conditions.

The Nest Philosophy: Protection Before Expansion

Unlike structures that chase speed, a nest is primarily built for assurance.

At Singer Finance, every layer of our organisation reflects this philosophy:

- Capital strength that absorbs volatility
- Governance that ensures discipline and transparency
- Branch networks that extend protection across geographies
- Customer relationships built on empathy and continuity
- Group synergy that reinforces stability and scale

Together, these elements form a financial nest one that does not simply grow outward, but strengthens inward first, ensuring every expansion is sustainable. This bedrock of strength creates a platform where a flight becomes possible.

Rooted in Purpose, Expanding with Care

From leasing and gold loans to savings, fixed deposits, and SME financing, our portfolio has evolved in direct response to real economic needs.

We have supported agriculture, trade, small enterprises, and households ensuring that financial access is not concentrated, but distributed with care.

Like a nest that is extended season by season, our growth has been incremental, intentional, and deeply connected to national development priorities.

Built on Value, Measured by Impact

A strong nest is not visible in isolation it is known by what it produces.

Our performance reflects sustained financial discipline, prudent risk management, and resilience across cycles. This has earned us recognition among Sri Lanka's most trusted NBFIs for both asset strength and governance standards.

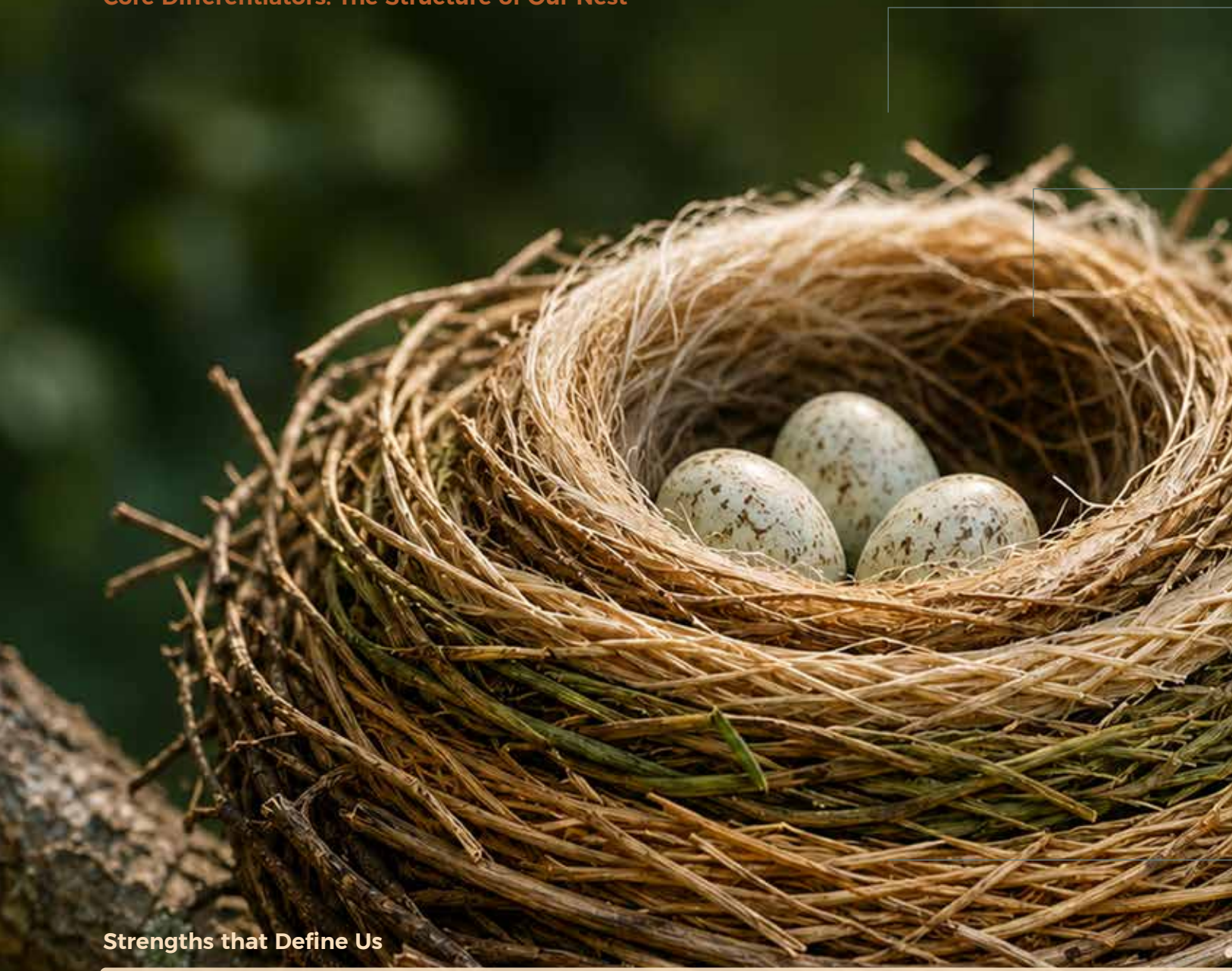
Yet our true measure of success lies beyond financials in the SMEs we empower, the livelihoods we strengthen, and the confidence we restore in communities across the country.

We are not only growing an institution we are strengthening the ecosystem around it.



SINGER FINANCE AT A GLANCE

Core Differentiators: The Structure of Our Nest



Strengths that Define Us

TOTAL ASSETS	TOTAL EQUITY	CORE CAPITAL RATIO	PROFIT AFTER TAX
96,749 Mn	9,638 Mn	10.92%	1,575 Mn
57,117 Mn 2024/25	6,104 Mn 2024/25	10.98% 2024/25	852 Mn 2024/25
69% ▲	58% ▲	0.6% ▼	85% ▲

Dimensions of Strength	How Singer Finance Differentiates Itself	Impact Created
Capital Strength	Conservative, well-managed capital structure with strong core ratios	Ensures resilience across economic cycles
Governance Discipline	Strong compliance culture supported by transparent decision-making	Builds long-term stakeholder trust
Branch Network (63 locations)	Deep physical reach across urban and rural Sri Lanka providing customer proximity and convenience	Enables true financial inclusion
Product Ecosystem	Diversified portfolio across leasing, gold loans, savings, fixed deposits, SME finance designed to empower and enrich customer aspirations	Meets evolving lifecycle financial needs of customers
Customer Philosophy – "We Feel You"	Empathy-led service design beyond transactional relations to nuture deep and enduring bonds for generations	Builds deep,enduring and trusted customer relationships
Group Synergy	Strategic alignment with Singer Sri Lanka and Hayleys Group with a combined legacy of over two centuries	Enhances scale, credibility, and cross-sector strength
Risk Management Culture	Prudent credit underwriting and disciplined exposure management	Protects stability in volatile environments

CREDIT RATING	BRANCH FOOTPRINT	NO OF CUSTOMERS	NO OF EMPLOYEES
BBB+ (lka)	63	157,088	1,225
	56 (2024/25)	137,848 (2024/25)	987 (2024/25)
	13% ▲	40% ▲	24% ▲



Our Ethos: “We Feel You”

Within the nest, care is instinctive with every need sensed, every concern anticipated, every aspiration quietly safeguarded before it ever has to be spoken.

“We Feel You” is not a tagline; it is the heartbeat of Singer Finance. It defines a way of thinking, a way of serving, and ultimately, a way of building relationships that go beyond finance. Rooted in empathy and guided by compassion, it transforms our role from a provider of financial solutions into a partner that genuinely understands the lives behind every decision.

Every loan we extend, every deposit we secure, and every interaction we shape is grounded in this belief that people are not transactions, but stories in motion. By listening deeply and acting thoughtfully, we ensure that finance remains human at its core: relevant in its purpose, responsible in its delivery, and enduring in the trust it builds.

Prioritising Impact: Aligning with the Sustainable Development Goals

At the heart of our sustainability journey lies a deliberate alignment with the United Nations Sustainable Development Goals (SDGs) not as a symbolic commitment, but as a strategic framework that guides how we create long-term value.

Recognising the interconnected nature of sustainable development, we have prioritised 13 SDGs that closely align with our business model, stakeholder expectations, and national development priorities. These goals are embedded across our Environmental, Social, and Governance (ESG) pillars, ensuring that sustainability is not treated in isolation, but integrated into the way we operate, innovate, and grow.

Soaring to the Future: Horizons of Opportunity

As we move forward, our purpose remains constant:

To remain the nest that is strong enough to hold ambition, and stable enough to enable flight, our strategy continues to evolve entrenched in accessible, responsible, and technology-enabled financial solutions. We are committed to ensuring that every customer we serve is not only supported in their growth, but empowered to rise with confidence, clarity, and enduring strength.

AWARDS AND RECOGNITIONS

A strong foundation of every journey

At Singer Finance, the recognition we receive is a reflection of our unwavering commitment to building a business grounded in strong fundamentals, disciplined execution, and a clear sense of purpose. These accolades affirm not only our financial performance, but also the integrity of our governance, the quality of our employee engagement, and the impact of our strategic direction.

Each award represents more than an achievement it is a validation of the ecosystem we have created. An ecosystem that nurtures growth, enables opportunity, and delivers value consistently across all stakeholders.



TAGS AWARDS – GOLD

Finance Companies
Rs. 25 Bn – Rs. 75 Bn Category - 2024



CMA EXCELLENCE IN INTEGRATED REPORTING AWARDS - MERIT

Sector Awards 2025



TAGS AWARDS – GOLD

Finance Companies
Rs. 25 Bn – Rs. 75 Bn Category - 2025



EFFIE AWARDS - MERIT

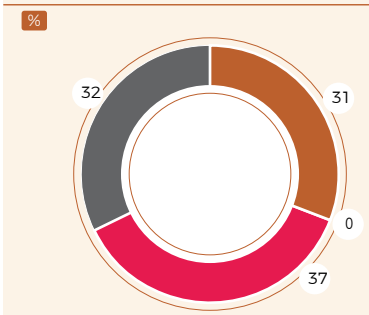
Service Innovation Category - 2025

VALUE ADDED STATEMENT GRI 3-3, GRI 201-1

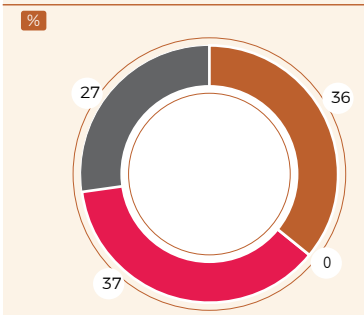
In 2025/26, Singer Finance continued to deliver meaningful value to all our stakeholders through a balanced focus on performance, resilience, and purpose. Amidst a dynamic financial landscape, we deepened customer trust, empowered our people, strengthened partnerships, and upheld rigorous governance. Our investments in digital transformation, inclusive growth, and community impact not only elevated our brand but also reinforced our role as a responsible financial partner. As we advance, we remain committed to generating sustainable economic and social value guided by our core values and a clear vision for long-term prosperity.

Year Ended 31 March	2025/26		2024/25	
	Rs.		Rs.	
Income Earned by Providing Financial Services	13,651,832,484		8,982,589,570	
Cost of Services	(8,858,949,550)		(5,800,333,282)	
Value added by Financial Services	4,792,882,934		3,179,848,716	
Non-Financial Income	1,416,289,526		723,443,486	
Provision for Impairment Losses	(389,369,940)		(233,037,168)	
	5,819,802,520		3,672,662,606	
Value Allocated				
To Employees as Remuneration	1,819,001,253	31%	1,327,688,789	36%
To Shareholders as Dividend	-	0%	-	0%
To Government as Tax				
- Income Tax	1,152,684,786	20%	775,313,569	21%
- Tax on Financial Services	987,711,351	17%	586,733,995	16%
To Business Expansion and Growth				
- as Depreciation	357,828,767	6%	300,097,142	8%
- as Retained Earnings	1,575,154,413	27%	851,722,984	23%
- as Deferred Taxation	(72,578,050)	-1%	(168,893,873)	-5%
	5,819,802,520	100%	3,672,662,606	100%

Value Distribution 2025/26



Value Distribution 2024/25



FINANCIAL HIGHLIGHTS

For the Year Ended 31 March	2026	2025	Change
Financial Performance (Rs'.000)			
Gross Income	15,068,122	9,706,033	55.24%
Interest Income	13,651,832	8,982,590	51.98%
Interest Expense	6,575,048	4,189,822	56.93%
Profit Before Tax	2,655,261	1,458,143	82.10%
Income Tax Expense	1,080,107	606,420	78.11%
Profit After Tax	1,575,154	851,723	84.94%
Revenue Remitted to the Government	2,383,933	1,445,959	64.87%
Financial Position at the Year End (Rs'.000)			
Total Equity	9,638,033	6,104,070	57.90%
Deposits from Customers	41,278,533	28,314,140	45.79%
Leases, Loans & Advances	88,061,224	47,616,276	84.94%
Total Assets	96,749,194	57,116,589	69.39%
Growth In Advances (%)	84.94	71.28	13.66
Growth In Deposits (%)	45.79	27.66	18.13
Investor Information			
Earnings Per Share (Rs.)	6.07	3.53	72%
Net Assets Per Share (Rs.)	34.69	30.21	15%
Price Earning Ratio (Times)	7.60	7.05	8%
Ratios			
Gross Non - Performing Advances Ratio (%) 90 Days	3.09	5.42	-2.33
Net Non - Performing Advances Ratio (%) 90 Days	1.27	2.68	-1.41
Non Interest Expense to Gross Income (%)	38.74	41.81	-3.07
Gross Interest Margin (%)	51.84	53.36	-1.52
Net Interest Margin (NIM) (%)	9.74	11.45	-1.70
Return on Assets (%)	2.05	1.82	0.23
Return on Average Shareholder's Fund (%)	20.01	15.05	4.96
Cost-to-Income Ratio (%)	52.52	58.71	-6.18
Interest Cover (Times)	1.40	1.35	0.06
Gearing Ratios			
Equity : Interest Bearing Liabilities (Times)	0.12	0.13	-0.01
Debt : Equity Ratio (Times)	8.62	7.98	0.63
Quick Assets Ratio (Times)	1.20	1.13	0.07
Fitch Rating	BBB+[lka]	BBB+[lka]	
Statutory Ratios			
Liquid Assets (%)	11.91	24.32	-12.41
Core Capital Ratio (%) - (Minimum Requirement 8.5%)	10.92	10.98	-0.06
Regulatory Capital to Risk Weighted Assets (%) (Minimum Requirement 12.5%)	15.43	13.14	2.29
Shareholders Funds : Public Deposits % (Minimum of 10%)	23.35	21.56	1.79

NON-FINANCIAL HIGHLIGHTS

Manufactured Capital



63
Total Branches Nationwide

LKR 340 million
invested in Infrastructure and Branch Facilities

Presence across
21 Districts and
9 Provinces

3 Branches Transformations and Strategic Rebranding

Head Office
Enhancements

7 New Fully-Fledged Branches opened during the year

Human Capital



1,225 Employees
Male: 848
Female: 377

Training and Development
28,146 hours

Medical and Life Insurance
Rs. 43 million

438
Employees Recruited

301
Employees were promoted

176 External Trainings and **99** Internal Trainings

Social and Relationship Capital



150,000+
Customers

Rs. 2.74 million
Investment in CSR Projects

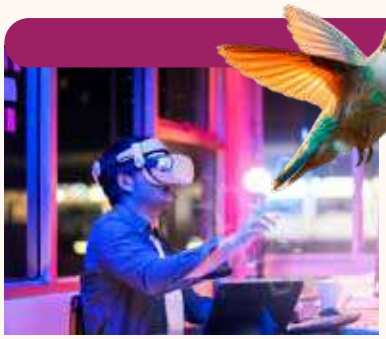
872
Business Partners

Over 230,000+
Financial Solutions

No. 2 Ranking in Customer Service (LMD)

2.5 million
Average Monthly Facebook Reach

Intellectual Capital



2.5 million
Average Monthly Facebook Reach

54,000+
TikTok Followers

"Muthu Piyawara" – Industry-first Financial Literacy Program for children

Proprietary AI & ML Models for Customer Scoring and Churn Prediction

Automated Gold Loan "Higher Advance" process for faster turnaround

Real-time Payment Integrations with mCash, DFCC, PayMedia, and NDB Bank

Natural Capital



5,500+
Trees Planted

Rs. 1.5 billion
Green Financing Portfolio

7.1%
Reduction in Energy Intensity per Employee

100%
LED Lighting installation achieved in 2025/26

3.017 MT of Waste Paper Recycled - **52%** Increase

7 Solar
Panel Installed Branches



THE STEADY HANDS BEHIND THE FLIGHT

Great flights require experienced guidance

Our leadership provides the vision, judgment, and strategic discipline needed to navigate changing skies with confidence and purpose.

Responsible Stewardship

CHAIRMAN'S MESSAGE GRI 2-22

Dear esteemed stakeholder,

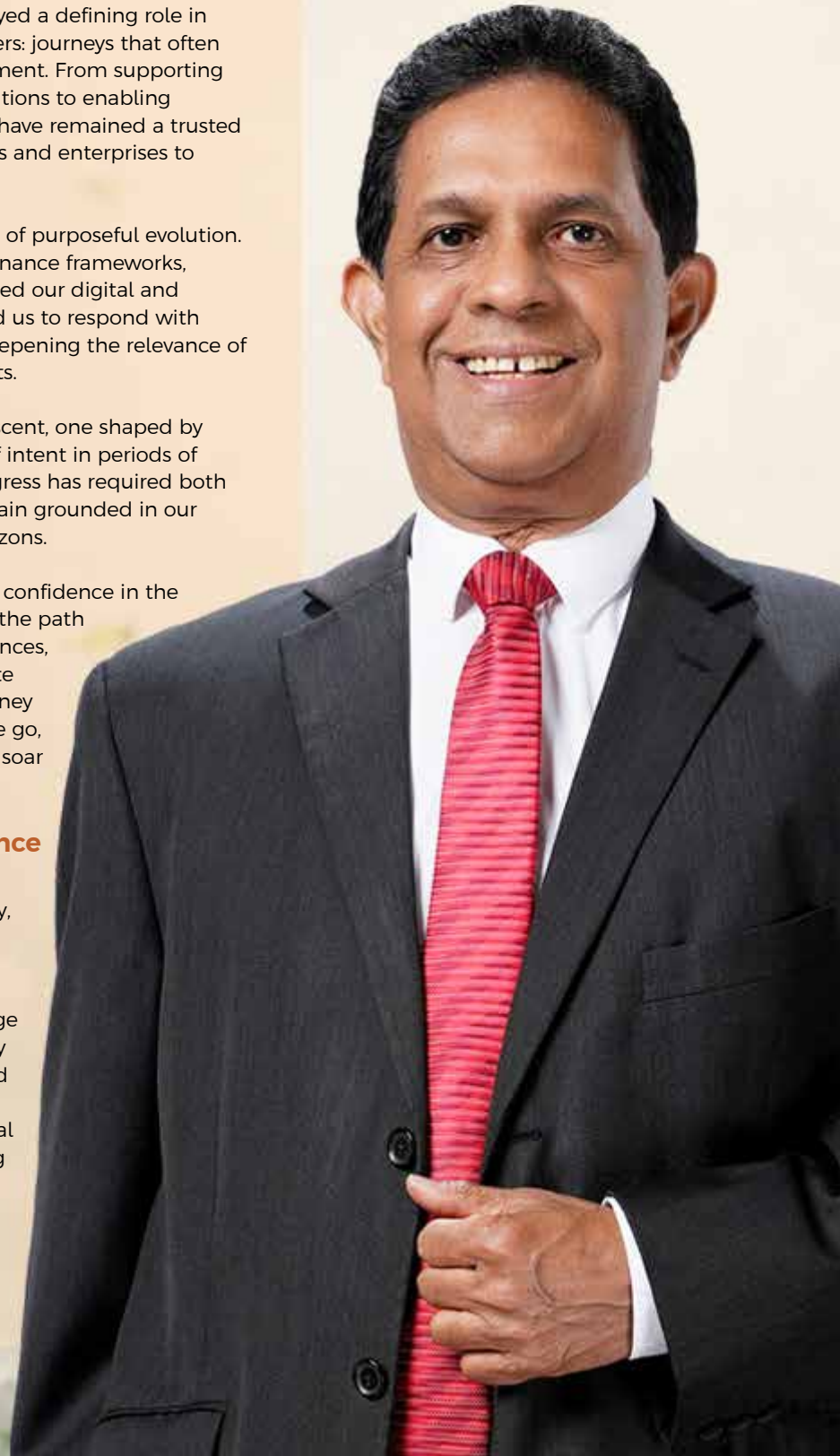
It is with a deep sense of pride and purpose that I present the 8th Integrated Annual Report of Singer Finance (Lanka) PLC, guided by the theme 'Strength in Every Flight'.

Over the past 21 years, Singer Finance has played a defining role in enabling the financial journeys of our customers: journeys that often begin with aspiration and evolve into achievement. From supporting first-time purchases and entrepreneurial ambitions to enabling business expansion and financial stability, we have remained a trusted partner at every stage, empowering individuals and enterprises to progress with confidence and dignity.

Our growth story is not one of scale alone, but of purposeful evolution. We have continuously strengthened our governance frameworks, modernised our operating model, and advanced our digital and customer-centric capabilities. This has enabled us to respond with agility to changing market dynamics while deepening the relevance of our offerings across diverse customer segments.

At its core, our journey reflects a disciplined ascent, one shaped by resilience in times of uncertainty and clarity of intent in periods of transformation. Much like flight itself, our progress has required both stability and momentum: the strength to remain grounded in our values, and the vision to rise towards new horizons.

As we reflect on this milestone, we do so with confidence in the strength we have built and with conviction in the path ahead continuing to elevate customer experiences, expand access to financial solutions, and create sustainable value for all stakeholders. Our journey forward will be defined not only by how far we go, but by how meaningfully we enable others to soar alongside us.



Navigating Recovery with Confidence

The year under review represented a defining phase in Sri Lanka's economic recovery journey, characterised by gradual macroeconomic stabilisation, improved market sentiment, and the gradual recovery of business confidence. Easing inflationary conditions, greater exchange rate stability, and a more disciplined monetary and fiscal environment collectively contributed towards restoring momentum across the economy. While structural pressures and global uncertainties continued to influence operating conditions, the broader outlook signalled a transition from recovery towards progressive economic normalisation. Accordingly, Sri Lanka's GDP grew by 5% during the year with broad-based growth across all sub-sectors of the economy.

"The Company gathered exceptional momentum across all major business segments, reflecting a decisive upward trajectory in profitability, portfolio expansion, operational execution, and long-term value creation."



Within this context, the financial services sector assumed an increasingly critical role in enabling economic activity, facilitating capital flows, and supporting enterprise and consumer resilience. The gradual easing of import restrictions most notably on vehicle imports served as a key catalyst for the leasing and finance industry, unlocking pent-up demand and revitalising lending pipelines. This shift not only stimulated broader economic activity but also enabled finance companies to strategically expand their asset books through new leasing volumes, particularly in the vehicle financing segment, thereby improving portfolio quality and yield dynamics.

At the same time, the industry continued to evolve amidst heightened regulatory expectations, accelerated digital adoption, and changing customer preferences, requiring institutions to balance growth, agility, governance, and long-term sustainability with greater precision.

Against this backdrop, the Company remained firmly focused on executing a strategic agenda centred on resilience, scalability, customer-centricity, and sustainable value creation. Our priorities during the year extended beyond short-term performance delivery and were directed towards capturing emerging lending opportunities particularly those arising from the revival of the vehicle market while strengthening the institution's long-term competitive positioning, operational adaptability, and future readiness.

Strengthening the Foundations for Sustainable Growth

The Company's performance during the year reflected disciplined execution across key strategic priorities, supported by prudent financial stewardship and a clear focus on maintaining stability amidst evolving market dynamics. Our approach remained anchored on balancing growth aspirations with portfolio quality, risk management, liquidity resilience, and operational discipline.

The Company's ability to sustain momentum while preserving financial prudence reflects the strength of its governance structure, risk management framework, and execution capabilities. Importantly, our strategic orientation remains focused not only on growth, but on building a resilient and future-ready institution capable of sustaining value creation across economic cycles.

Within this evolving environment, the financial services sector remained instrumental in enabling economic activity, supporting businesses and consumers, and strengthening financial accessibility. The leasing and finance industry, in particular, continued to evolve amidst changing customer expectations, technological disruption, and heightened regulatory oversight. Institutions that demonstrated agility, prudent governance, operational discipline, and customer-centric innovation were best positioned to create sustainable value and capture emerging opportunities.

Against this backdrop, the Company remained focused on executing its long-term strategic priorities with clarity, discipline, and confidence. Our performance during the year reflects not merely financial progress, but the successful advancement of a broader transformation agenda aimed at strengthening institutional resilience, enhancing customer experience, and positioning the organisation for sustainable future growth. A strategic priority during the year was the continued diversification and strengthening of the Company's funding architecture. In line with our long-term growth ambitions, we focused on broadening the fixed deposit base while also evaluating opportunities to access foreign funding avenues to enhance financial flexibility and optimise capital deployment. These initiatives are intended to support future scalability while reinforcing balance sheet resilience and funding stability in an increasingly competitive operating environment.

Delivering Resilient Financial Performance

During the year under review, Singer Finance (Lanka) PLC delivered a year of record performance achieving its best-ever year across multiple

CHAIRMAN'S MESSAGE

key financial and operational indicators. The Company gathered exceptional momentum across all major business segments, reflecting a decisive upward trajectory in profitability, portfolio expansion, operational execution, and long-term value creation. These achievements were driven by disciplined strategic execution, strong market responsiveness, and the collective commitment of our teams across the organisation. Importantly, our growth ambitions continued to be pursued with careful consideration towards maintaining balance sheet strength, prudent risk management, and long-term sustainability. The Company's ability to remain agile while delivering record performance levels reflects the maturity of its operating model, the resilience of its business fundamentals, and the strength of its long-term strategic foundations.

The Company delivered robust profitability growth, with operating profit surging by 78% to Rs. 3.6 billion, driven by stronger core lending income, improved portfolio yields, and renewed business activity across key customer segments. This performance reflects a clear acceleration in earnings momentum compared to the previous year.

Total assets expanded significantly by 69% to Rs. 96.7 billion, underscoring strong balance sheet growth supported by increased disbursements, deeper market penetration, and a focused strategy on scaling quality assets. This expansion signals renewed confidence in market opportunities and the Company's strengthened positioning within the financial services landscape.

At the same time, the Company maintained strong discipline on costs, with operating expenses rising at a controlled 38% to Rs. 4.5 billion, well contained relative to asset and income growth. This reflects continued gains from operational efficiencies, digital transformation, and prudent cost optimisation. As a result, net profit recorded a strong increase of 85% to Rs. 1.58 billion, demonstrating the Company's ability to effectively convert top-line expansion into sustained bottom-line acceleration.

Importantly, this growth has been achieved on a foundation of financial stability, with capital adequacy maintained well above regulatory requirements at 15.43%, reinforcing resilience while enabling continued growth capacity and strategic flexibility.

Asset quality remained firmly under control, with NPAs contained at 3.09%, supported by proactive credit governance, strengthened risk frameworks, and early intervention mechanisms ensuring that growth has been both rapid and responsibly managed. The Company also managed its gold loan portfolio, with a disciplined risk management approach with prudent loan-to-value ratios, dynamic margin adjustments, and close monitoring of market movements to safeguard asset quality and ensure portfolio resilience across cycles. We maintained a disciplined risk management approach in response to the recent volatility in gold prices driven by geopolitical tensions, macroeconomic uncertainty, and shifts in investor sentiment.

A key strategic priority during the year was the continued strengthening and diversification of the Company's funding base. Recognising the importance of maintaining financial flexibility and long-term liquidity resilience, the Company focused on broadening its fixed deposit portfolio while simultaneously exploring opportunities to access foreign funding sources. These initiatives form part of a broader strategy to diversify funding avenues, optimise capital management, and support future business expansion.

Expanding Presence, Enhancing Experience

The Company continued to strengthen its market presence through a carefully planned branch expansion strategy aimed at improving accessibility, enhancing customer engagement, and reinforcing brand visibility across key regions. Our approach to expansion extends beyond increasing physical presence; it is fundamentally centred on creating a differentiated customer experience that reflects the values, professionalism, and trust associated with the Company.

Significant emphasis was placed on ensuring consistency in branch design, façade architecture, ambience, and interior standards across the network. These investments were made with the understanding that customer experience is influenced not only by the quality of financial solutions offered, but also by the environments in which customers interact with the brand. The positive reception received for newly established branches reaffirmed the Company's commitment to creating modern, welcoming, and customer-centric spaces that strengthen engagement and confidence.

Parallel to our physical expansion initiatives, the Company also accelerated its digitalisation agenda. As customer behaviours continue to evolve towards greater digital adoption, we remained focused on enhancing convenience, accessibility, and responsiveness through technology-driven solutions. Investments in digital capabilities and process enhancements

"Our long-term vision remains firmly aligned with building an integrated, future-ready financial institution that effectively combines strong physical reach with digital agility and innovation."

continued to strengthen operational efficiency while enabling more seamless and efficient customer interactions.

Our long-term vision remains firmly aligned with building an integrated, future-ready financial institution that effectively combines strong physical reach with digital agility and innovation.

Building a Culture Anchored in Values

At the heart of the Company's progress lies a strong organisational culture grounded in integrity, empathy, collaboration, and service excellence. We firmly believe that sustainable success is ultimately driven by people, and our continued investments in employee engagement and cultural alignment remain central to our long-term strategy.

Throughout the year, the Company strengthened initiatives designed to foster greater connectivity between leadership and employees, encourage open communication, and reinforce a shared sense of purpose across the organisation. Initiatives such as 'Coffee with Chairman' where I personally interacted with the Singer Finance Team created opportunities for meaningful dialogue and engagement beyond operational discussions, reflecting the leadership's commitment to cultivating an inclusive and people-centric culture.

I strongly believe that these engagements also served to reinforce the Company's expectations around customer service excellence and professional conduct. We recognise that exceptional customer experiences are built through empowered and motivated employees who embody the organisation's values in every interaction.

Our 'We Care' philosophy therefore continues to serve as a defining element of the Company's identity and strategic differentiation within the industry. It shapes not only how we serve our customers, but also how we engage with employees, communities, and stakeholders across the broader ecosystem.

Awards and Accolades

It is with great pride that I highlight the recognition accorded to Singer Finance across multiple dimensions of excellence. The Company was ranked second for service excellence in the NBFI segment as affirmed by an independent survey conducted by LMD, reaffirming the strength of our brand, market presence, and enduring customer trust.

We are equally honoured to be recognised as a Best Place to Work by Great Place to Work, reflecting our unwavering commitment to fostering a people-centric culture and nurturing an environment where our employees can thrive and grow.

Our dedication to transparency, accountability, and best-in-class corporate reporting has also been acknowledged at the 2025 TAGS Awards, where we secured the Gold Award in the Non-Bank Financial Institutions category (Assets base between LKR 25 billion to 75 billion). This marks our second consecutive win, a milestone that we take particular pride in as it reflects the robustness and integrity of our reporting practices.

In addition to securing the Gold Award, Singer Finance also received special recognition for its strong performance in Sustainability Reporting, Corporate Governance, and Integrated Reporting. These accolades reaffirm the Company's continued commitment to embedding robust Environmental, Social, and Governance (ESG)

CHAIRMAN'S MESSAGE

principles within its reporting and overall business framework.

Collectively, these accolades are a testament to Singer Finance's unwavering commitment to excellence across all facets of our operations.

Governance as the Foundation of Sustainable Growth

In an increasingly complex and rapidly evolving operating environment, strong governance remains fundamental to sustaining stakeholder confidence and enabling long-term value creation. The Board continued to provide strategic guidance and effective oversight throughout the year, ensuring that the Company maintained high standards of governance, accountability, transparency, and ethical conduct.

Supported by a highly experienced Board and leadership team with deep industry expertise and strong professional credentials, the Company continued to strengthen its governance frameworks, risk management structures, and internal control mechanisms. These efforts were directed towards enhancing organisational resilience, improving decision-making processes, and ensuring alignment with evolving regulatory expectations and industry best practices.

The Board remains committed to fostering a governance culture that balances strategic ambition with prudence, ensuring that growth is pursued responsibly and sustainably while safeguarding stakeholder interests.

Advancing Sustainability and Long-Term Value Creation

Sustainability continues to be an integral component of the Company's long-term strategic direction. We recognise that responsible corporate leadership requires balancing financial performance with broader economic, social, and environmental responsibilities. Accordingly, the Company continued to strengthen its focus on ESG integration, with the launch of the ESG Roadmap – 'Strength in Every Flight' which embeds sustainability considerations more deeply into strategy, operations, and decision-making processes.

Our sustainability agenda is guided by a commitment to responsible growth, ethical business practices, employee wellbeing, customer empowerment, and meaningful stakeholder engagement. We remain focused on creating long-term value by aligning our business objectives with national development priorities and evolving stakeholder expectations.

As we progress further in our sustainability journey, we will continue to refine our ESG priorities, strengthen accountability frameworks, and pursue initiatives that contribute positively towards sustainable economic and social development.

Positioning for the Future

Looking ahead, the trajectory for Singer Finance (Lanka) PLC is both promising and ambitious. With improving macroeconomic fundamentals, a strengthening pipeline of demand, and a sharpened strategic focus, the Company is well positioned to enter a sustained phase of growth. Our ambition is not only to expand scale but to do so in a manner that is resilient, technology-driven, and deeply aligned with customer needs. We remain optimistic about the opportunities emerging within Sri Lanka's evolving economic and financial landscape. While external uncertainties may continue to influence markets, we believe the Company is well positioned to navigate future challenges through its strong governance foundation, customer-centric approach, operational agility, and disciplined strategic execution.

Our priorities moving forward will include further strengthening our funding base, accelerating digital innovation, enhancing operational scalability, deepening customer relationships, and expanding our market reach. At the same time, we will continue investing in our people, culture, and service capabilities to ensure that the Company remains resilient, adaptive, and future-ready.

Appreciation

I take this opportunity to extend my sincere appreciation to my fellow Board members for their wise counsel and steadfast guidance in steering the Company toward new horizons of growth. I wish to offer my gratitude to Mr. Mohan Pandithage, the Group Chairman of Hayleys PLC for his continued support and strategic guidance, which remain instrumental to our sustained success.

I also wish to express my appreciation to Mr. Mahesh Wijewardene, Group Managing Director, and Mr. Thushan Amarasuriya, Managing Director, of Singer Finance (Lanka) PLC for their unwavering commitment and leadership in charting a progressive path forward.

On behalf of the Board, I extend my sincere appreciation to our management team and employees for their dedication, professionalism, and commitment throughout the year. I also wish to thank our customers, shareholders, regulators, and business partners for their continued trust and confidence in the Company.

We also warmly welcome Mr. Jonathan Alles, who was appointed to the Board during the year, bringing with him a wealth of expertise, leadership experience, and strategic perspective that will further strengthen the Company's governance, institutional capability, and long-term strategic direction.

In conclusion, this marks not merely a period of transition, but a defining passage into opportunity. Singer Finance (Lanka) PLC today stands with renewed momentum, strengthened capabilities, and a sharpened strategic direction poised to translate the momentum of economic recovery into sustained, long-term value creation for all stakeholders.

Together, we move forward with conviction building upon a solid foundation, and advancing with purpose towards a future shaped by sustainable growth, enduring resilience, and the creation of lasting value that will stand the test of time.



Aravinda Perera

Chairman
Singer Finance (Lanka) PLC

7th May 2026
Colombo

GROUP MANAGING DIRECTOR'S REVIEW

Dear Stakeholder,

The financial year 2025/26 marked another defining milestone in the journey of Singer Finance (Lanka) PLC as we continued to strengthen our position as one of Sri Lanka's fastest growing and most dynamic financial institutions. Guided by disciplined execution, customer-centric strategies, digital innovation, and a steadfast commitment to sustainability, the Company delivered its highest-ever financial performance while successfully navigating an evolving economic and competitive landscape.

As Sri Lanka progressed further along its economic recovery path, supported by improving macroeconomic stability, easing inflationary pressures, favorable interest rate movements, and renewed business confidence, Singer Finance remained focused on transforming opportunities into sustainable growth. Throughout the year, we remained committed to building "The Strength Behind Every Flight" by empowering our customers, supporting businesses and communities, and strengthening the operational foundations that enable long-term success.



Sustained Financial Strength and Record Performance

The year under review was characterized by exceptional financial achievements across all dimensions of performance. Singer Finance recorded its highest-ever Profit Before Tax of Rs. 2.66 billion, reflecting an outstanding growth of 82% compared to the previous year, while Profit After Tax reached a historic Rs. 1.58 billion, representing a significant increase of 85%. These results reflect the strength of our business model, disciplined operational management, and the dedication demonstrated by our teams across the island.

Our total asset base expanded significantly to Rs. 96.7 billion during the year, recording an impressive growth of 69%, driven by strong lending momentum across multiple product categories and strong customer acquisition strategies. The Company witnessed sharp growth in lending volumes, particularly within vehicle financing, gold loans, SME-related financing solutions, and other emerging business segments. Our diversified portfolio strategy enabled us to capitalize on growing market demand while maintaining prudent risk management standards.

"A significant milestone during the year was the remarkable growth achieved in green financing, where the Company recorded sustainable financing lending of Rs. 1.5 billion, reflecting an exceptional growth of 282% compared to the previous year."



A significant milestone during the year was the remarkable growth achieved in green financing, where the Company recorded sustainable financing lending of Rs. 1.5 billion, reflecting an exceptional growth of 282% compared to the previous year. This achievement highlights Singer Finance's growing contribution toward sustainable economic development and reinforces our commitment to supporting environmentally responsible financing solutions across Sri Lanka.

The Company also achieved notable improvements in operational efficiency during the year. Through disciplined cost management initiatives, resource optimisation, process enhancements, and increased digital integration, our Cost-to-Income Ratio improved significantly, further strengthening profitability and operational resilience. Importantly, this performance was achieved while maintaining a strong focus on asset quality, governance, and sustainable growth.

The strategic integration of advanced analytics and data-driven decision-making across business operations further enhanced our ability to monitor portfolio quality, improve recovery performance, identify market opportunities, and support proactive risk management practices. These capabilities continue to provide Singer Finance with a strong competitive advantage in a rapidly evolving financial services environment.

Expanding Our Reach and Market Presence

During the year, Singer Finance further strengthened its physical footprint by opening seven new branches, expanding our network to 63 branches islandwide. This strategic expansion reflects our continued commitment to financial inclusion and our objective of bringing accessible financial solutions closer to underserved and emerging markets across Sri Lanka.

Each new branch was carefully positioned to enhance market penetration, improve customer accessibility, and support localized relationship-building initiatives. The expansion also strengthens our ability to deliver personalized financial solutions while reinforcing the trust and visibility associated with the Singer brand.

In parallel, the Company significantly enhanced its market presence through a comprehensive blend of Above-the-Line (ATL) and Below-the-Line (BTL) marketing initiatives. Our campaigns focused on strengthening brand visibility, customer engagement, and emotional connectivity with our stakeholders while positioning Singer Finance as a modern, customer-focused financial partner.

The year also witnessed continued momentum in strengthening our home brand financing initiatives and deepening synergies across the wider Singer and Hayleys ecosystem. Leveraging the strength, credibility, and nationwide recognition of the Singer brand continued to create substantial value for the Company by enhancing customer trust, market confidence, and operational visibility.

Strengthening Brand Equity and Industry Recognition

The strength of our brand and the confidence placed in us by customers and stakeholders were further validated through several prestigious recognitions received during the year. Singer Finance continued to strengthen its reputation as a trusted and progressive financial institution within Sri Lanka's financial services industry.

We were honored to secure the prestigious Gold Award at the CA Sri Lanka TAGS Awards for the second consecutive year within our category, reaffirming our commitment to transparency, accountability, and excellence in corporate reporting. Additionally, the Company achieved significant recognition at the Effie Awards Sri Lanka, where our marketing initiatives were acknowledged for their effectiveness and innovation, highlighting the

GROUP MANAGING DIRECTOR'S REVIEW

"At Singer Finance, we believe that every aspiration, every business ambition, and every personal milestone achieved by our customers is supported by a strong and dependable financial partner working behind the scenes. This philosophy perfectly aligns with this year's theme, "The Strength Behind Every Flight," which captures our role in empowering journeys, enabling progress, and building lasting prosperity."

growing strength of our brand communication and customer engagement strategies.

Further reinforcing our market positioning, Singer Finance continued to receive recognition within LMD rankings and brand-related evaluations, reflecting growing customer trust, service excellence, and brand visibility within the financial services sector.

These achievements are a testament to the collective efforts of our teams and demonstrate the increasing strength of the Singer Finance brand in an intensely competitive environment.

Digital Transformation and Innovation

Digital transformation remained a core strategic priority throughout 2025/26 as we continued to invest in technology-driven operational improvements, customer convenience, and future-ready capabilities.

The Company continued enhancing its digital infrastructure and operational systems to improve efficiency, customer responsiveness, and service reliability. Significant progress was achieved in strengthening cybersecurity measures, improving digital integrations, and streamlining operational workflows across multiple functions.

We also continued advancing customer-focused digital solutions, including enhancements to digital customer engagement platforms and the introduction of more seamless service experiences designed to improve accessibility and convenience. These initiatives support our long-term vision of becoming a digitally enabled and customer-centric financial institution.

In parallel, Singer Finance further strengthened its analytical capabilities and internal digital culture through enhanced use of data analytics, automation, and business intelligence tools to support strategic decision-making and operational performance management.

Sustainability and ESG Leadership

Sustainability continued to evolve as a strategic pillar embedded across the Company's operations, governance structures, and long-term vision. During the year, Singer Finance successfully launched its ESG Roadmap 2030 titled "Where Dreams Take Flight," establishing a clear and structured pathway toward responsible and sustainable growth.

Aligned with the Hayleys LifeCode and global sustainability aspirations, the roadmap outlines the Company's strategic priorities, targets, and commitments across Environmental, Social, and Governance dimensions. This milestone represented a significant step forward in integrating sustainability into our operational culture and strategic decision-making framework.

Our environmental and community-focused initiatives also continued to create meaningful impact during the year contributing toward biodiversity enhancement, environmental restoration, and community engagement.

As we move forward, we remain committed to strengthening climate-related governance, responsible financing practices, and sustainability integration while positioning Singer Finance as a responsible financial institution capable of creating long-term value for all stakeholders.

Building the Strength Behind Every Flight

The achievements recorded during 2025/26 reflect much more than financial growth alone. They reflect the strength of our people, the trust of our customers, the confidence of our stakeholders, and the resilience of the foundations we continue to build as an organization.

At Singer Finance, we believe that every aspiration, every business ambition, and every personal milestone achieved by our customers is supported by a strong and dependable financial partner working behind the scenes. This philosophy perfectly aligns with this year's theme, "The Strength Behind Every Flight," which captures our role in empowering journeys, enabling progress, and building lasting prosperity.

As we look ahead, our strategic priorities remain firmly focused on sustainable growth, operational excellence, digital advancement, customer-centric innovation, and responsible governance. We will continue strengthening our market presence, expanding our branch network, investing in our people, and enhancing our technological capabilities to position Singer Finance among Sri Lanka's leading financial institutions.

We remain confident in our ability to create enduring value while contributing meaningfully toward the nation's economic and social progress.

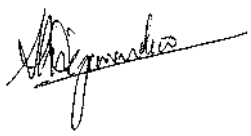
Appreciation

I extend my sincere gratitude to the Chairman, Mr. Aravinda Perera, for his invaluable guidance and leadership throughout the year. I also wish to express my appreciation to Mr. Mohan Pandithage, Group Chairman of Hayleys PLC, for his continued encouragement and strategic support. My sincere appreciation is also extended to the Managing Director, Mr. Thushan Amarasuriya, for his leadership, strategic direction, and unwavering commitment toward driving the Company's growth and transformation journey during the year.

My heartfelt thanks go to the Board of Directors, the leadership team, and every member of the Singer Finance family whose dedication, resilience, and commitment made these achievements possible. I also extend my appreciation to the Central Bank of Sri Lanka, regulators, shareholders, business partners, and all other stakeholders for their continued trust and confidence in Singer Finance.

Most importantly, I thank our valued customers for choosing Singer Finance as their trusted financial partner. Your confidence inspires us to continuously strengthen the foundation behind every aspiration and every success story.

Together, we will continue building a future defined by resilience, innovation, sustainability, and inclusive prosperity.



Mahesh Wijewardene

Group Managing Director
Singer Group

7th May 2026
Colombo

MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

It is with a deep sense of responsibility, gratitude, and humility that I present my first review as Managing Director of Singer Finance (Lanka) PLC. To be entrusted with the stewardship of an institution built upon a proud legacy of trust, resilience, and service is both an honour and a profound responsibility.

As I reflect on our journey over the past year, I do so with immense appreciation to all those who have shaped and strengthened this organisation over the years. The enduring foundation established by our predecessors, the guidance and wisdom of the Board of Directors, the unwavering commitment of our employees, the loyalty of our customers, and the confidence placed in us by our stakeholders have collectively enabled Singer Finance to continue progressing with stability and purpose.

The financial year 2025/26 will undoubtedly be remembered as one of the most defining and transformational years in the history of Singer Finance. Amid evolving economic conditions and industry-wide shifts, the Company recorded its strongest ever financial and operational performance, achieving historic milestones across profitability, asset growth, deposits, portfolio quality, sustainability, and market expansion. These achievements reflect the strength and resilience of our business model, and collective commitment of our people across the organisation.

Over the past 22 years, Singer Finance has steadily evolved from a trusted finance provider into a resilient and agile financial institution that empowers livelihoods, enables entrepreneurship, and supports dreams across Sri Lanka. Today, strengthened by the broader legacy of Hayleys PLC and the iconic Singer brand, we continue to build on a foundation anchored in trust and long-term stewardship.

Navigating a Changing Macroeconomic Environment

The year under review was characterised by gradual economic stabilisation, improving business sentiment, renewed consumer confidence, and encouraging sectoral recovery. While global uncertainties, geopolitical



"Our branch network continues to remain one of our greatest strategic strengths, enabling us to maintain close proximity to customers while delivering personalised financial solutions and service excellence across both urban and emerging regional markets."



tensions, climate-related disruptions, and domestic policy adjustments continued to create pockets of volatility, Sri Lanka demonstrated meaningful progress towards economic recovery and stability.

Against this backdrop, Singer Finance remained focused on disciplined growth, prudent risk management, operational resilience, and long-term value creation.

One of the most notable developments during the year was the relatively stable interest rate environment that prevailed for the greater part of the financial year. Lower and stable rates stimulated borrowing appetite, improved consumer confidence, and created favourable conditions for lending growth across the industry. The easing of vehicle import restrictions also positively contributed towards business momentum, particularly within our vehicle financing portfolio, creating renewed market activity and supporting portfolio expansion opportunities.

For Singer Finance, these developments enabled us to responsibly expand our lending portfolio while supporting customers seeking financial solutions to improve their livelihoods, businesses, mobility, and personal aspirations. However, towards the latter part of the financial year, upward movements in interest rates signalled a gradual tightening of market conditions.

Further climate-related vulnerabilities, including the impacts arising from Cyclone Ditwah, created operational disruptions and challenges during the third quarter of the financial year. While these developments required careful recalibration and disciplined management, they also reinforced the importance of maintaining agility, resilience, and prudent portfolio management practices.

Throughout these evolving conditions, our focus remained clear: safeguarding stability while continuing to identify sustainable avenues for growth.

The resilience demonstrated during the year reflects our ability to adapt swiftly to changing market realities without compromising governance standards, customer relationships, or long-term strategic priorities.

Delivering Sustainable Performance Through Responsible Lending

The financial year 2025/26 marked a period of exceptional growth and disciplined execution for Singer Finance PLC. Despite operating within a dynamic and evolving economic environment, the Company recorded its highest-ever profitability, demonstrating the strength of our operating model, disciplined strategic direction, and the dedication of our people.

Our Profit Before Tax reached Rs. 2.66 billion during the year, while Profit After Tax recorded a historic high of Rs. 1.58 billion. The Company also achieved an impressive top-line growth of 55%, reflecting strong business momentum across key financing segments.

Our total asset base expanded by 69% during the year to approximately Rs. 96.7 billion, representing one of the strongest growth performances in the Company's history. Simultaneously, our deposit base surpassed Rs. 41 billion, recording a growth of 46%, further strengthening our liquidity position and long-term funding stability.

Importantly, these growth achievements were realised while maintaining prudent risk discipline and strong portfolio

MANAGING DIRECTOR'S MESSAGE

quality. The Company successfully reduced its Non-Performing Loan (NPL) ratio to 3.09%, reflecting the effectiveness of our strengthened collection strategies, enhanced monitoring mechanisms, disciplined underwriting standards, and data-driven operational oversight.

During the year, we also continued to strategically expand our nationwide footprint by opening seven new branches, bringing our total branch network to 63 branches across Sri Lanka. Our branch network continues to remain one of our greatest strategic strengths, enabling us to maintain close proximity to customers while delivering personalised financial solutions and service excellence across both urban and emerging regional markets.

Our approach to lending continues to prioritise responsible credit evaluation, customer sustainability, and long-term value creation. In an environment where economic recovery remains gradual for many individuals and businesses, understanding the realities faced by customers is critical. Accordingly, we continued to adopt a balanced approach that combined commercial discipline with empathy and customer support.

Singer Finance also maintained a strong capital position throughout the year, with capital adequacy levels remaining comfortably above regulatory requirements and industry benchmarks. This robust capital foundation continues to provide the flexibility required to support sustainable business expansion, absorb external shocks, and pursue future growth opportunities with confidence.

The Company further strengthened its liquidity profile and resource mobilisation strategies during the year, ensuring sufficient funding capacity to support future business growth while prudently managing short-term liquidity requirements.

Collectively, these achievements reflect the strength, resilience, and long-term sustainability of our business model.

Accelerating Sustainable Finance and ESG Leadership

One of the most significant milestones during the year was the official launch of Singer Finance's ESG Roadmap 2030 titled "Where Dreams Take Flight." This landmark initiative formally articulated our long-term sustainability vision and strategic aspirations as an organisation.

The roadmap was ceremoniously unveiled with the blessings and presence of the Chairman of Hayleys PLC and the leadership of the wider Group, symbolising the strong commitment and strategic importance placed on sustainability across the Hayleys ecosystem.

The ESG Roadmap represents a deeper commitment to building a business that creates enduring value responsibly while balancing economic growth with environmental stewardship, social empowerment, and governance excellence.

Aligned with the Hayleys Lifecode philosophy and the United Nations Sustainable Development Goals, the roadmap integrates sustainability into the very fabric of our decision-making, operations, customer engagement, lending philosophy, and risk management practices.

Importantly, sustainability at Singer Finance extends beyond policy commitments and reporting frameworks. It is increasingly embedded within our financing solutions and long-term business strategy. Beyond financing, our ESG journey continued to gather momentum through several impactful environmental and community-driven initiatives.

Through programmes such as 'Tree For Every Tuk-Tuk' and 'Growing Dreams', we encouraged communities to actively participate in environmental stewardship by planting trees that contributed towards biodiversity enhancement, improved air quality, and climate resilience. These initiatives reflect our belief that sustainability must extend beyond corporate commitments and translate into meaningful action that positively impacts society, strengthens ecosystems, and contributes towards building a more resilient future for generations to come.

Strengthening Operational Agility and Digital Transformation

As customer expectations continue to evolve rapidly, financial institutions must continuously improve accessibility, speed, convenience, and service delivery.

During the year, we continued to strengthen our operational capabilities and enhance customer engagement across our network through investments in technology, process optimisation, automation, and digital transformation initiatives.

We recognise that the future of financial services will increasingly be shaped by intelligent systems, digital ecosystems, data analytics, and customer-centric innovation. Accordingly, we continued to invest in strengthening digital capabilities, enhancing process automation, and improving operational infrastructure to support long-term competitiveness and scalability.

"One of the most significant milestones during the year was the official launch of Singer Finance's ESG Roadmap 2030 titled "Where Dreams Take Flight."

Our continued focus on data-driven decision-making and analytics-led operational management enabled the organisation to strengthen business intelligence capabilities while improving responsiveness, operational efficiency, and portfolio monitoring.

At the same time, we continued to improve accessibility and convenience for customers through enhanced digital engagement platforms and operational process enhancements designed to create a more seamless and efficient customer experience.

These efforts are not merely about technology adoption. They are about creating a more secure, efficient, and customer-centric organisation that is prepared for the future of financial services in Sri Lanka.

Our People – The Strength Behind Every Achievement

The true strength behind every achievement at Singer Finance lies in the dedication, passion, resilience, and humanity of our people.

Over the years, we have cultivated a culture that values integrity, teamwork, empathy, accountability, and continuous growth. We firmly believe that when employees are empowered and supported, they in turn create exceptional outcomes for customers and the organisation alike.

Supported by the strength and values of the Hayleys Group, we remain deeply committed to employee wellbeing, professional development, engagement, and creating a rewarding workplace culture.

One initiative that was especially meaningful to me personally during the year was the 'Coffee with MD' programme. Through this initiative, I had the opportunity to personally visit branches across the island and spend informal evenings with branch staff in a relaxed and friendly setting. Importantly, these gatherings were intentionally designed to be strictly non-work-related conversations. They created an opportunity for employees to openly share their life stories, personal journeys, aspirations, experiences, and challenges beyond the workplace. These interactions were deeply humbling and meaningful. They reinforced the importance of maintaining a culture built not only on performance and professionalism, but also on compassion, human connection, mutual respect, and genuine care for one another.

Even during periods of economic uncertainty and personal hardships experienced across the country, including the impacts arising from Cyclone Ditwah, we remained committed to standing by our people and supporting employees through difficult circumstances.

While such actions may not always be reflected in financial statements, they reflect the values and culture that define Singer Finance as an institution.

Although recruitment-related challenges experienced in previous years have eased considerably, attracting, developing, and retaining exceptional talent continues to remain a strategic priority. We therefore continue to invest in employee engagement, learning and development, leadership development, workplace wellbeing, and future-ready capabilities as critical pillars of our long-term sustainability journey.

The commitment, loyalty, and resilience demonstrated by our teams throughout the year deserve my deepest appreciation and gratitude.

Building an Organisation Founded on Trust

Trust remains the defining currency of the financial services industry.

At Singer Finance, this trust has been steadily built over decades through consistency, integrity, accessibility, responsible conduct, and the ability to stand beside customers during both prosperous and challenging times.

As we continued our growth trajectory during the year, we remained deeply conscious of our responsibility as a financial institution entrusted with the aspirations and financial wellbeing of thousands of Sri Lankans.

Every financing solution we provide represents far more than a transaction. Behind every entrepreneur expanding a business, every family striving towards stability, and every customer pursuing progress, Singer Finance remains a trusted source of strength enabling those aspirations to take flight.

MANAGING DIRECTOR'S MESSAGE

The enduring strength of the Singer brand also provides us with a unique advantage. Across generations, the name Singer has become synonymous with reliability, accessibility, and trust within Sri Lanka. As Singer Finance continues to evolve, we remain committed to preserving and strengthening this legacy through responsible conduct, service excellence, and customer-focused innovation.

Governance, Risk, and Long-Term Resilience

The financial services industry operates within a framework that demands accountability, transparency, strong governance, and disciplined stewardship.

At Singer Finance, we recognise that sustainable success can only be achieved through responsible leadership, prudent decision-making, and effective risk management practices.

Accordingly, governance continues to remain deeply embedded across all levels of the organisation. During the year, we continued to strengthen oversight mechanisms, compliance practices, internal controls, and governance frameworks while aligning our operations with evolving regulatory expectations and industry best practices.

Risk management also remained central to our operating philosophy. In an increasingly complex environment shaped by economic volatility, geopolitical uncertainty, climate-related risks, technological disruption, and evolving customer expectations, resilience must be proactively built rather than reactively managed.

Our continued focus on capital strength, liquidity management, cybersecurity preparedness, operational resilience, and portfolio quality reflects this philosophy and positions the organisation to navigate future challenges with confidence.

Creating Value Beyond Financial Performance

At Singer Finance, we firmly believe that our responsibility extends beyond financial performance alone.

As a responsible corporate citizen, we remain committed to contributing positively towards communities, society, and national economic progress.

Our financing solutions continue to play a meaningful role in enabling entrepreneurship, facilitating mobility, supporting livelihoods, promoting financial inclusion, and improving quality of life for individuals and families across Sri Lanka.

Equally important is the culture of empathy and responsibility we seek to foster within the organisation. Whether through employee support initiatives, customer assistance during challenging times, or community engagement programmes, we continue to recognise the importance of creating value that extends beyond balance sheets and financial metrics.

Looking Ahead with Confidence

As we look ahead, we remain cautiously optimistic about the future trajectory of Sri Lanka's economy. While global uncertainties, inflationary pressures, interest rate movements, climate-related vulnerabilities, and regulatory developments may continue to influence market conditions, we believe the country is steadily progressing towards greater stability and recovery.

Against this backdrop, Singer Finance remains strongly positioned to capitalise on emerging opportunities while maintaining the discipline necessary to safeguard long-term resilience and sustainability.

Our strategic priorities moving forward will include strengthening market leadership, expanding accessibility, enhancing digital capabilities, improving operational efficiencies, deepening customer relationships, advancing sustainable finance, and further strengthening governance and risk management frameworks.

Most importantly, we will continue to remain guided by the values that have sustained our journey over the past 22 years: trust, integrity, resilience, accessibility, and commitment.

As we move forward into the future, we do so with confidence, purpose, and a shared determination to remain the strength behind every flight towards progress.

Appreciation

I extend my deepest gratitude to the Chairman of Singer Finance (Lanka) PLC, Mr. Aravinda Perera, for his visionary leadership, invaluable guidance, and steadfast stewardship throughout this transformational year. His strategic insight and unwavering confidence in the organisation have continued to provide strength and direction as we navigated a dynamic operating environment and pursued new milestones of growth.

I also wish to express my sincere appreciation to the Chairman of Hayleys PLC, Mr. Mohan Pandithage, for his continued encouragement, wisdom, and unwavering support, which continue to inspire us as part of the wider Hayleys Group.

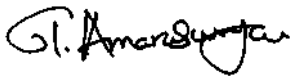
My heartfelt appreciation is further extended to the Group Managing Director, Mr. Mahesh Wijewardene, for his continuous guidance, strategic direction, and encouragement throughout the year, which have greatly contributed towards strengthening our journey of progress and transformation.

On behalf of the management team, I wish to extend my sincere gratitude to our valued customers for the trust and confidence they continue to place in Singer Finance.

I also wish to express my heartfelt appreciation to the Chief Operating Officer, Mr. Iman Perera, for his immense contribution to the growth of the Company, the senior management team and my employees across the island, whose dedication, resilience, and unwavering commitment continue to drive the success of this organisation. Your passion and perseverance remain the foundation upon which Singer Finance continues to grow and progress.

I further extend our appreciation to our regulators, business partners, shareholders, and all other stakeholders for their continued confidence, collaboration, and support.

Together, we will continue strengthening every flight towards progress.



Thushan Amarasuriya
Managing Director
Singer Finance (Lanka) PLC

7th May 2026
Colombo

BOARD OF DIRECTORS



Mr. Aravinda Perera
Chairman/
Non-Executive Director

Mr. Mahesh Wijewardene
Group Managing Director

Mr. Thushan Amarasuriya
Managing Director/
Executive Director

Mr. Saman Herath
Independent
Non-Executive Director



Mr. Ranil De Silva
Independent
Non-Executive Director

Ms. Darshini Talpahewa
Non-Executive
Director

Mr. Dhammika Siriwardene
Independent
Non-Executive
Director

Ms. Hiranthi De Silva
Independent
Non-Executive Director

Mr. Jonathan Alles
Non-Executive
Director

BOARD OF DIRECTORS



Mr. Aravinda Perera

Qualifications:

Mr. Aravinda Perera holds a B.Sc. (Eng.) and is a Member of the Institute of Engineers (Sri Lanka) (MIESL) and a Chartered Engineer (C.Eng.). He is also a Fellow Member of the Chartered Institute of Management Accountants (UK) (FCMA), a Fellow of the Institute of Bankers-Sri Lanka (FIB) and holds a MBA from the Postgraduate Institute of Management (PIM).

Brief Profile:

Appointed to the Board of Singer Finance (Lanka) PLC as Chairman on 7th December 2017.

Mr. Aravinda Perera counts over 42 years in the Banking sector and functioned as the Managing Director of Sampath Bank PLC from 1st January 2012 until his retirement in September 2016. Presently, he is the Managing Director of Royal Ceramics Lanka PLC and the Chairman of Pan Asia Banking Corporation PLC.

He is the former Chairman of Siyapatha Finance PLC, former Director of Sampath Center Ltd, Colombo Stock Exchange, and Lanka Bangla Finance Limited in Bangladesh.

Mr. Perera was honoured with the "CEO Leadership Achievement Award 2016" by the Asian Banker magazine and was also the recipient of the prestigious "Platinum Honours – 2014" Award by the Postgraduate Institute of Management Alumni (PIMA) of the University of Sri Jayewardenepura. He was also honoured with the "Award for the Outstanding Contribution to the Banking Industry - 2015" and bestowed with an Honorary Life Membership by the Association of Professional Bankers.

The nature of his expertise in relevant functional areas

- Banking
- Financial and Management Accounting
- General Management

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
Royal Ceramics Lanka PLC	Listed	Executive
Pan Asia Banking Corporation PLC	Listed	Non-Executive
Rocell Bathware Ltd	Unlisted	Executive
Hayleys Aventura (Pvt) Ltd	Unlisted	Non-Executive
Hayleys Advantis Ltd	Unlisted	Non-Executive
Fentons Ltd	Unlisted	Non-Executive
SNAPS Residencies (Pvt) Ltd	Unlisted	Non-Executive



Mr. Saman Herath

Qualifications:

Mr. Herath is a fellow member of the Chartered Institute of Management Accountants of United Kingdom (FCMA, UK) and a Chartered Global Management Accountant (CGMA). He also is an Associate Member of the Institute of Bankers, Sri Lanka (AIB).

Brief Profile:

Mr. Saman Herath joined the Board of Singer Finance (Lanka) PLC on 2nd September 2021 and was appointed as the Senior Independent Non-Executive Director on 10th July 2024.

He has over 40 years of experience in the Banking and Pharmaceutical industries.

Mr. Herath retired as a Senior Deputy General Manager of Sampath Bank PLC in 2015, and later served as the Managing Director of Siyapatha Finance until he completed his tenure in 2019. Mr. Herath also served as the Managing Director of State Pharmaceutical Manufacturing Corporation until 2021, after leaving Siyapatha Finance.

The nature of his expertise in relevant functional areas

Mr. Herath brings extensive expertise spanning over 40 years possessing operational and strategic insight into the banking sector covering finance, branch banking, credit, operations, international banking and treasury management having held senior leadership positions across two prominent financial institutions.

In addition to banking experience, he has served as CEO in the non-banking finance industry (NBFI) gaining comprehensive knowledge of regulatory framework, financing structure and risk management in the NBFI sector enables to contribute to the Board's overall responsibilities and strategic deliberations particularly in areas related to deposits and lending product portfolios, finance governance, operational excellence and sustainable growth.

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Independent Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
None		



Mr. Mahesh Wijewardene

Qualifications:

Mr. Mahesh Wijewardene holds a Master's degree in Business Administration from the University of Southern Queensland and received the Dean's Award for Outstanding Academic Achievement. He also holds a Diploma in General Management from the Open University of Sri Lanka, Executive Business Studies at Harvard Business School – Boston, National University of Singapore and McKinsey & Company Singapore.

Brief Profile:

Mr. Mahesh Wijewardene was appointed to the Group Management Committee of Hayleys PLC in 2018 and currently serves as the Group Managing Director of Singer (Sri Lanka) PLC and its subsidiary companies. He was appointed to the Singer (Sri Lanka) PLC Board on 1st June 2006. He counts for over 31 years of managerial experience in diverse fields of business. He currently serves as Vice President of Sri Lanka Retailers' Association, Committee Member of the Ceylon Chamber of Commerce, member of the International Chamber of Commerce - Policy Committee and a Committee Member of Employers' Federation of Ceylon. Mr. Wijewardene is the past Chairman of Ceylon Chamber of Commerce - Import Section and Sri Lanka - China Business Council.

The nature of his expertise in relevant functional areas

Held the Key Management positions of Chief Executive Officer, Director positions in key areas such as Commercial, Service, Sales, and Marketing at Singer (Sri Lanka) PLC.

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Non-Executive

BOARD OF DIRECTORS

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
Singer (Sri Lanka) PLC	Listed	Executive
Regnis Appliances (Private) Limited	Unlisted	Executive
Reality Lanka Limited	Unlisted	Executive



Mr. Thushan Amarasuriya

Qualifications:

Mr. Amarasuriya is a Fellow Member of the Chartered Institute of Management Accountants (CIMA - UK), an Affiliate Member of the Association of Chartered Certified Accountants (ACCA - UK), a Certified Global Management Accountant (CGMA), a Member of the Chartered Institute of Marketing, holds an MBA from the University of Leicester - UK , holds an LLB (Hons) with a Second Class Honours (Upper Division) from BNU-UK and is a Honorary Fellow Member of the Sri Lanka Institute of Credit Management.

Brief Profile:

Mr. Amarasuriya was appointed as Managing Director of the Company with effect from 1st January 2026. Prior to this appointment, he served as Chief Executive Officer from 1st July 2018. He has over 22 years of managerial experience in Retailing FMCG, Retailing Consumer Goods and in Financing and Leasing Industry. Prior to joining Singer Finance, Mr. Amarasuriya held many responsible positions at Singer India Retail, Singer (Sri Lanka) PLC and Cargills Food City. He also serves in honorary positions as a Trustee and Treasurer of Saukyadana Movement and Senior Vice President of the Mercantile Cricket Association.

The nature of his expertise in relevant functional areas

He has both working experience and academic qualifications in Accounting, Finance, Compliance and Marketing, all of which directly relate to his functional areas.

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
None		



Mr. Ranil De Silva

Qualifications:

Mr. De Silva is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and a Member of the Chartered Institute of Marketing UK and Chartered Institute of Management Accountants UK.

Brief Profile:

Joined the Board of Singer Finance (Lanka) PLC on 9th March 2021.

He has extensive experience in diverse industries in Finance, Sales & Marketing and General Management in Sri Lanka as well as overseas, having held many responsible positions in reputed companies.

The nature of his expertise in relevant functional areas

- Auditing
- Finance & Reporting
- Strategy

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Independent Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
Central Industries PLC	Listed	Non-Executive
Hayleys Leisure PLC	Listed	Non-Executive
Alumex PLC	Listed	Non-Executive
Kingsbury PLC	Listed	Non-Executive
Lanka Shipping & Logistics (Pvt) Ltd.	Unlisted	Non-Executive



Ms. Darshini Talpahewa

Qualifications:

Ms. Darshini Talpahewa possesses an LLB from the University of Colombo and is an Attorney-at-Law with First Class Honours from the Sri Lanka Law College. She holds Master's Degrees in Law from the University of Colombo, in Human Resource Management from the University of Northampton, UK, and also in International Relations, from the University of Colombo.

Brief Profile:

Joined the Board of Singer Finance (Lanka) PLC on 7th December 2017.

Ms. Talpahewa joined the Hayleys Group in 2010 and is a Member of the Hayleys Group Management Committee. She is responsible for Human Resources and Legal Services for the Hayleys Group.

The nature of her expertise in relevant functional areas

Commercial Legal matters - Attorney-at-law, Human Resources Generalist

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
Hayleys Group Services (Pvt)Ltd	Unlisted	Non-Executive
HJS Condiments Ltd	Unlisted	Non-Executive
Ceylon Deanstone Company (Pvt) Ltd	Unlisted	Director

BOARD OF DIRECTORS



Mr. Dhammika Siriwardene

Qualifications:

Mr. Siriwardene is a fellow member of the Institute of Chartered Accountants of Sri Lanka

Brief Profile:

Mr. Dhammika Siriwardene joined the Board of Singer Finance (Lanka) PLC on 22nd April 2024.

He was formerly the Deputy Group CFO of Hayleys Group, a leading diversified group of companies with local and international operations.

The nature of his expertise in relevant functional areas

He has extensive experience in the fields of Finance, Strategic Planning, Management Audit, Insurance and Fund Management in a career spanning over 35 years.

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Independent Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
None		



Ms. Hiranthi De Silva

Qualifications:

Ms. Hiranthi De Silva holds an MBA from Edith Cowen University Australia.

Brief Profile:

Ms. Hiranthi De Silva joined the Board of Singer Finance (Lanka) PLC on 10th July 2024. Ms. De Silva has extensive experience in banking, having served in the industry for more than 36 years. In her career spanning 27 years at Sampath Bank, she held multiple positions covering all areas relating to banking operations and credit, progressing to focus on Corporate Credit and was Deputy General Manager Corporate Credit at the time of resignation. She thereafter served as the Senior Vice President Wholesale Banking at Union Bank of Colombo until her retirement in 2024.

The nature of her expertise in relevant functional areas

She had a career spanning for more than 36 years in the banking industry. During her career in the industry she covered all aspects of banking, initially in the branch network and thereafter specialising in credit with more than 20 years of experience in the area of Corporate Banking having served as Head of Corporate Banking at both Sampath Bank and Union Bank.

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Independent Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
Asian Institute of Business and Science	Unlisted	Executive



Mr. Jonathan Alles

Qualifications:

Mr. Jonathan Alles holds a First Class MBA in Finance from the University of Stirling, UK. He is an Associate Member of the Institute of Bankers of Sri Lanka. He is also a member of the Sri Lanka Institute of Directors.

Brief Profile:

Mr. Jonathan Alles joined the Board of Singer Finance (Lanka) PLC on 5th March 2026.

Mr. Alles was the Managing Director/Chief Executive Officer of Hatton National Bank PLC, one of Sri Lanka's largest private sector banks.

He served as a Director of the Sri Lanka Banks Association (SLBA) and was its Chairman from 2013 to 2015. In addition, he was elected Chairman of the Asian Bankers Association in 2018, a position he held for three years, and where he also served on its Board of Directors and as Chairman of the Advisory Committee.

Mr. Alles served as the Chairman of many other institutions, namely, Financial Ombudsman Sri Lanka (Guarantee) Ltd, HNB Finance PLC, Acuity Partners (Pvt) Ltd, Lanka Ventures PLC, LVL Energy Fund, Lanka Financial Services Bureau Ltd and was the Vice Chairman/Council Member of Banking, Financial & Insurance Services Group of the Employers' Federation of Ceylon.

Mr. Alles also held directorships in Lanka Clear (Pvt) Ltd, HNB Assurance PLC, Sithma Development (Pvt) Ltd, HNB General Insurance Ltd and Acuity Stockbrokers (Pvt) Ltd.

Mr. Alles also served as a Member of the Main Committee of the Ceylon Chamber of Commerce and was a Founder Member/Director of the Advisory Committee of Sri Lanka Business & Biodiversity Platform.

Mr. Alles has been conferred the award 'CEO with HR Orientation' at the Global HR Excellence Awards 2016 sponsored by CIMA and 'Hall of Fame' title for outstanding business leadership, by Colombo Leadership Academy in 2019. He has also been bestowed with 'CEO Leadership Achievement award for Sri Lanka in 2019' and 'Leadership Achievement Award for Best COVID-19 Response in Sri Lanka' at the Asian Banker Leadership Awards.

The nature of his expertise in relevant functional areas

He had a career spanning for more than 37 years in the banking industry. During his career in the industry he had worked with several prominent international banks, including the National Bank of Abu Dhabi, Saudi British Bank - Riyadh, British Bank of the Middle East, and HSBC in both Dubai and Colombo.

Whether either the Director or close family member has any material business relationships with other Directors of the listed entity -

No

Executive, Non-Executive and/or Independent Director:

Non-Executive

Total number and names of companies in Sri Lanka in which the Director concerned serves as a Director indicating whether such companies are listed or unlisted and whether such director functions in an executive or non-executive capacity

Company	Listed/ Unlisted	Executive/Non-Executive
Hayleys PLC	Listed	Non-Executive
Singer (Sri Lanka) PLC	Listed	Non-Executive
Alumex PLC	Listed	Non-Executive
Kingsbury PLC	Listed	Non-Executive
United Motors Lanka PLC	Listed	Non-Executive
Ceylon Beverage Holdings PLC	Listed	Non-Executive
Lion Brewery Ceylon PLC	Listed	Non-Executive
Vallibel One PLC	Listed	Non-Executive
DHT Cement (Private) Limited	Unlisted	Non-Executive
Laugfs Holdings Limited	Unlisted	Non -Executive
LBR Foundation	Unlisted	Non-Executive
New Wave Consultants	Unlisted	Executive

MANAGEMENT TEAM



Left to right

Front Row

Ms. Chandrika Manel Alwis
Consultant to the Chairman – Head of Gold Loans

Mr. Chandana Nanayakkara
Chief Financial Officer

Mr. Jeevaka Jayawardena
Head of Credit

Ms. Nadeesha De Silva
Senior Manager – Compliance

Back Row

Mr. Iman Perera
Chief Operating Officer

Mr. Lasitha Dias
Head of Strategic Planning and Company Secretary

Mr. Thilan Rupasinghe
Head of Treasury and Financial Services



Left to right

Front Row

Ms. Harshani Mapatuna
Head of Legal

Mr. Pradeep Boange
Head of Branch Business Development

Mr. Naleen Andrews
Head of Human Resources

Mr. Upendra Sugathadasa
Chief Information Security Officer

Back Row

Mr. Niranjan Sethunga
Head of Recoveries

Mr. Joe Wijeyegoonewardene
Head of Deposits

Mr. Arunda Silva
Head of Risk

Mr. Manoj Kalapuge
Head of Operations

MANAGEMENT TEAM

Mr. Iman Perera
Chief Operating Officer

Iman joined Singer Finance in year 2006 as the Head of Business Development. He was appointed as the Chief Operating Officer in year 2018. He counts for over 33 years of work experience in Banking and Finance Industry covering Retail Banking, Business Development, Sales/ Marketing and Operations functions.

He hold an MBA degree from the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardenepura and a BSc degree in Business Administration (Special) from the University of Sri Jayewardenepura. Prior to joining Singer Finance, Iman gained vast experience in leasing, branch management and in micro finance, at LOLC PLC. He started the career in 1993 as a Banker at Seylan Bank PLC.

Ms. Chandrika Manel Alwis
Consultant to the Chairman – Head of Gold Loans

Chandrika joined Singer Finance in 2018 and brings over 42 years of extensive industry experience spanning deposits, credit, recoveries, and gold loans, including more than 28 years of specialized expertise in gold loans. She commenced her professional career in 1984 and served at LB Finance until 2016, holding several key managerial positions throughout her distinguished career.

Widely regarded as an expert in the gold loan sector, Chandrika possesses deep industry knowledge and extensive operational experience in establishing and developing gold loan businesses. Her strategic guidance, leadership, and expertise continue to play a pivotal role in strengthening Singer Finance's Gold Loans portfolio and operational excellence.

Mr. Lasitha Dias
Head of Strategic Planning and Company Secretary

Lasitha joined the Singer Finance team in 2023 as Head of Strategic Planning and the Company Secretary.

He holds a Master of Business Administration (MBA) from the University of Southern Queensland and is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka. He is also an Associate Member of the Chartered Institute of Management Accountants (CIMA-UK) and a Chartered Global Management Accountant (CGMA), as well as an Associate Member of the Institute of Certified Professional Managers.

In addition, he holds a Postgraduate Diploma in Investment Analysis from ICFAI University and is a Certified Portfolio Manager accredited by the Council for Portfolio Management & Research -India.

He possesses over 19 years of experience in Financial Accounting, Management Accounting, Corporate Planning, and Taxation. Prior to joining Singer Finance, he served as General Manager – Finance at Hayleys PLC.

Mr. Chandana Nanayakkara
Chief Financial Officer

Chandana has almost 26 years of experience in Accounting, Auditing, Taxation, Finance & Strategic Planning and joined Singer Finance in January 2025. Prior to joining Singer Finance He has served as Assistant General Manager-Finance of Mercantile Investments and Finance PLC. He was a Senior Accountant at Ernst & Young before joining Mercantile Investment and Finance PLC.

He is a member of the Institute of Chartered Accountants of Sri Lanka and Institute of Certified Management Accountants of Sri Lanka & further He is a Chartered Tax Advisor. He holds a Master degree of Financial Economics from University of Colombo and Master degree of Business Finance from University of Kelaniya.

Mr. Thilan Rupasinghe
Head of Treasury and Financial Services

Thilan joined the Singer Finance team in April 2016 as Head of Cards. Thilan has been with the Singer Group for over 32 years, out of which over 19 years in the Senior Management. In 2019 he was assigned to Manage the Treasury and Digital Transformation functions of the company. In 2023 He was redesignated as Head of Treasury and Financial Services.

In the Singer group he has worked as Head of Department in Treasury, Financial Services and Budget at Singer (Sri Lanka) PLC.

He holds an MBA degree from the Australian Institute of Business (AIB) Adelaide, Australia. He is also an Associate Member of the Institute of Certified Management Accountants of Australia (CMA) and a member of the Association of Business Executives UK (ABE).

He also, holds a Diploma in Treasury Operations and Financial Markets from Corporate Campus, a Diploma in Credit Management from the Sri Lanka Institute of Credit Management and a Diploma in Digital Marketing from the Academy of International Business Sri Lanka. He has served as the Treasurer of the Payment Card

Industry Association of Sri Lanka (PCIASL) and as Assistant Treasurer and Committee Member of the Association of Corporate Treasurers Sri Lanka.

Mr. Jeevaka Jayawardena
Head of Credit

Jeevaka with over 27 years of dedicated service at the Singer Group, Jeevaka brings a wealth of experience in finance, credit management, recoveries, marketing and business operations. His expertise spans 16 years in Accounting and Finance within the Group and 21 years in the Finance and Leasing industry.

In 2015, he took on the leadership of the Company's credit function, successfully heading the department for five years. His role evolved in 2020 when he was appointed as Senior Manager - Credit and Group Sales, overseeing marketing, recoveries, and operations within the Group Sales business.

In January 2025, he expanded his scope further, taking charge of IT and digital transformation—an additional responsibility that reflects his adaptability and strategic approach to business innovation.

Ms. Nadeesha De Silva
Senior Manager – Compliance

Nadeesha began her career with the Singer Group in 2007 and has since held several key positions in accounting and finance across Singer (Sri Lanka) PLC, Regnis Appliances (Pvt) Ltd, and Singer Finance (Lanka) PLC, prior to assuming her current role.

She holds a BSc (Special) Degree in Finance from the University of Sri Jayewardenepura and has completed the Final-1 level of CASL. In addition, she possesses a Professional Diploma in Anti-Money Laundering.

Nadeesha also served as Assistant Secretary of the Compliance Forum of the Finance House Association of Sri Lanka during 2024/25 and continues as an Executive Member for 2025/26.

Mr. Niranjan Sethunga
Head of Recoveries

Niranjan has been with Singer Finance since its inception and holds over 22 years of Management experience in Marketing, Credit, Recoveries and Gold Loan Business.

He holds B. Com (Sp) Degree with the 2nd class division from the University of Kelaniya and an Executive Diploma in Micro Finance & Livelihood Development from Sri Lanka Foundation. He followed Lean Six Sigma Green Belt certification from Brandix College of Clothing Technology, Sri Lanka.

Ms. Harshani Mapatuna
Head of Legal

Harshani joined the Singer Finance team in 2019 as Head of Legal.

An Attorney-at-Law and Notary Public, she graduated from the University of Colombo, Faculty of Law in 1994, enrolled as Attorney at Law in 1996 and admitted as an Australian Lawyer in 2022 and possesses 28 years of experience in the finance industry and has held senior positions in leading finance companies, including 5 years at Mercantile Investments and 13 years at LB Finance PLC as Assistant General Manager - Legal prior to joining Singer Finance in 2019 as Head of Legal.

She functioned as the Vice President of the Legal Circle of Finance Houses Association of Sri Lanka from 2001 to 2002, the Assistant Treasurer of Association of Corporate Lawyers Sri Lanka in 2011, the Treasurer of Association of Corporate Lawyers Sri Lanka from 2012 to 2016, the Chairperson of Legal Circle of Finance Houses Association of Sri Lanka in 2016, the Treasurer of Association of Corporate Lawyers Sri Lanka in 2021/2022, the Secretary of Association of Corporate Lawyers Sri Lanka in 2022/2023 and 2023/2024, the Executive Committee Member of the Bar Association of Sri Lanka for the year 2023/2024.

Mr. Joe Wijeyegoonewardene
Head of Deposits

Joe has considerable years of working experience both in the public and private sectors holding several positions of which over 44 years have been spent in the Finance Industry heading deposit departments. He is a Justice of Peace (All Island).

Mr. Pradeep Boange
Head of Branch Business Development

Pradeep has over 33 years of experience covering Marketing, Administration, Accounting, Production, Airline ticketing and BPO industries both overseas and in Sri Lanka. He joined Singer Finance in 2006 and held many responsible positions before being appointed to his current role. He holds an MBA from the University of Wales Institute Cardiff and an Associate of Chartered Institute of Marketing UK.

Mr. Arunda Silva
Head of Risk

Arunda Silva joined Singer Finance (Lanka) PLC in September 2024 as the Head of Risk. Prior to joining Singer Finance, he served as Senior Manager - Risk & MIS at PMF Finance PLC. With over 16 years of extensive experience in risk management across banking, finance

MANAGEMENT TEAM

institutions, investment banking, and a leading Big Four audit firm, Arunda brings a wealth of expertise to his role. He began his career in 2009 as a Fund Accountant for Hedge Funds at HSBC Securities Services.

Arunda holds a MBA from the University of Colombo, a Bachelor of Science degree in Agriculture from the University of Peradeniya and partly qualified in Charted Institute of Management Accounts, UK. He has also earned a Postgraduate Diploma in Bank Management from the Institute of Bankers of Sri Lanka.

Mr. Naleen Andrews
Head of Human Resources

Mr. Naleen Andrews serves as the Head of Human Resources at Singer Finance (Lanka) PLC, leading the company's people strategy and HR transformation agenda. He brings over 15 years of experience in Human Resource Management within the financial services sector, with expertise across talent management, employee engagement, organizational development, and HR business partnering, contributing to the development of a strong people-centric culture within the organization.

He holds a Bachelor's Degree in Business Administration specializing in Human Resource Management from the University of Colombo, along with professional qualifications from CIPM Sri Lanka (CCHRM, PQHRM). He is also a Certified Global HR Business Partner (IPMA-HR) and a passed finalist of the Association of Accounting Technicians (AAT) Sri Lanka. He has played a key role in strengthening employee experience, supporting Singer Finance (Lanka) PLC in being recognized as one of the Best Workplaces in Sri Lanka on six occasions.

Mr. Manoj Kalapuge
Head of Operations

Manoj is in charge of Operations functions of the company and has 10 years of experience in the retail banking industry and over 20 years in the Finance and Leasing industry.

He holds a MBA from the Mahathma Gandhi University of India and Intermediate Level Diploma in Banking from the Institute of Bankers of Sri Lanka.

Mr. Upendra Sugathadasa
Chief Information Security Officer

Upendra Sugathadasa joined Singer Finance (Lanka) PLC in July 2025 as the Chief Information Security Officer, bringing over 20 years of experience in information security, banking technology, and cyber risk management, with extensive exposure across the banking and financial services sector and global multinational environments.

He holds a Bachelor of Computer Management and is professionally certified as a Certified Information Security Manager (CISM), Certified Chief Information Security Officer (CCISO), Certified Ethical Hacker (CEH), and Certified Hacking Forensic Investigator (CHFI), underscoring his strong technical and leadership capabilities in cybersecurity.



NAVIGATING WHAT MATTERS MOST

Every Dream Takes a Different Flight

Every successful flight depends on reading the skies ahead. Material priorities help us identify critical signals, sharpen focus, and strengthen resilience for sustainable progress.

Strategic Overview

OPERATING ENVIRONMENT



Introduction

The operating environment of Singer Finance (Lanka) PLC during 2025/26 reflected continued economic recovery, improving financial system stability, evolving regulatory reforms, and shifting customer expectations within Sri Lanka's financial services sector. As the economy progressed from post-crisis stabilisation toward renewed confidence and resilience, conditions increasingly supported the foundations for sustainable long-term growth following the unprecedented challenges of 2022.

Macroeconomic fundamentals improved, supported by accommodative monetary policy, fiscal consolidation measures, stronger external sector performance, and ongoing reforms under the IMF Extended Fund Facility (EFF) programme. Recovery momentum was further reinforced by growth in tourism, remittance inflows, private sector activity, and financial market stability. However, the outlook remained tempered by persistent global uncertainties, including geopolitical tensions, climate-related disruptions, energy-driven inflationary pressures, and volatility in international trade conditions.

A notable feature of the year was the impact of Cyclone Ditwah and subsequent floods, which underscored the rising importance of climate resilience, disaster preparedness, and operational continuity within the financial system. While recovery and reconstruction activity supported

credit demand and economic activity, it also highlighted the need for stronger climate-related financial risk management, alongside relief measures introduced by the Central Bank of Sri Lanka for affected borrowers and businesses.

The industry itself continued to undergo structural transformation, with increasing emphasis on digitalisation, financial inclusion, sustainable finance, governance excellence, customer protection, and operational resilience requiring financial institutions to balance growth with prudence and responsible stewardship.

Within this evolving context, the theme of this year's Annual Report, "The Strength Behind Every Flight," reflects Singer Finance's role in enabling the aspirations of individuals, entrepreneurs, SMEs, and businesses providing the stability and support needed to pursue growth with confidence and sustainability.

Snapshot of the Sri Lankan Economy

The Sri Lankan economy recorded continued growth momentum during 2025 despite heightened global uncertainties and external pressures.

Economic Indicator	2025	2024
Real GDP Growth	**5.0%**	5.0%
Nominal GDP	**Rs. 32.8 Tn**	Rs. 30.1 Tn
Per Capita GDP	**USD 5,003**	USD 4,546
Gross Official Reserves	**USD 6.8 Bn**	USD 6.1 Bn
Workers' Remittances	**USD 8.1 Bn**	USD 6.6 Bn
Tourist Arrivals	**2.36 Mn**	2.05 Mn
Current Account Surplus	**USD 1.7 Bn**	USD 1.2 Bn
Banking Sector Gross Stage 3 Loan Ratio	**9.7%**	12.3%
Finance Companies Sector Gross Stage 3 Loan Ratio	**6.1%**	11.5%
Private Sector Credit Growth	**25.2%**	10.7%

Source: Central Bank of Sri Lanka Annual Economic Review 2025

OPERATING ENVIRONMENT

Macroeconomic Environment

Continued Economic Recovery and Improved Stability

Sri Lanka's economy continued to build upon the stabilisation achieved during the previous two years. The broad based economic recovery was supported by improved macroeconomic management, increased investor confidence, gradual restoration of financial system stability, and sustained implementation of structural reforms.

Real GDP growth remained at 5.0% in 2025, reflecting positive contributions from agriculture, industry, and services sectors. Economic activity was further supported by reconstruction activity following Cyclone Ditwah, increased domestic demand, stronger tourism related activities, and improved business confidence. Nominal GDP expanded to Rs. 32.8 trillion while per capita GDP improved to USD 5,003, reflecting the gradual strengthening of household income levels and economic productivity.

The continuation of the IMF EFF programme and progress in external debt restructuring further strengthened economic confidence and supported financial market stability. International rating improvements and enhanced investor sentiment contributed positively toward rebuilding confidence within the economy and financial system.

The global operating environment remained characterised by persistent uncertainty, shaped in particular by ongoing geopolitical tensions in the Middle East. These developments continued to heighten risks for small, open economies such as Sri Lanka, primarily through transmission channels including volatility in global energy prices, elevated shipping and logistics costs, potential disruption to trade routes, weakened investor confidence, and renewed inflationary pressures. Given Sri Lanka's structural dependence on imported energy and external trade flows, such external shocks remain highly relevant to domestic cost dynamics, exchange rate stability, logistics efficiency, and broader macroeconomic sentiment.

Against this backdrop, while domestic macroeconomic conditions recorded a meaningful recovery during the year, the evolving global risk landscape reinforced the imperative of maintaining robust macroeconomic buffers, strengthened external reserves, and disciplined monetary and fiscal frameworks to preserve stability and resilience. For Singer Finance, this environment necessitated an elevated focus on strategic risk calibration, particularly in the areas of pricing governance, liquidity optimisation, credit portfolio resilience, and granular assessment of customer affordability, especially within sectors exposed to import dependency, energy intensity, transport, tourism, and trade-linked cost fluctuations.

Concurrently, the gradual normalisation of domestic economic conditions contributed to a more supportive operating environment for the financial services sector. The recovery in consumer confidence, coupled with renewed business sentiment among SMEs and entrepreneurs, signalled a measured return of investment activity and expansionary intent following the prolonged period of macroeconomic stress in preceding years.

For Singer Finance, this improving trajectory translated into strengthened credit demand across core product portfolios, including vehicle finance, gold-backed lending, SME financing, consumer credit solutions, and enterprise lending. Importantly, the recovery in economic activity also supported improved repayment behaviour, contributing to enhanced asset quality, portfolio stability, and overall risk-adjusted performance across the lending book.

Monetary Policy and Interest Rate Environment

Accommodative Monetary Policy Conditions

The Central Bank of Sri Lanka maintained an accommodative monetary policy stance during 2025 to support economic recovery while preserving medium term price stability.

In May 2025, the Overnight Policy Rate was reduced by 25 basis points from 8.00% to 7.75%. Accordingly, the Standing Deposit Facility Rate and Standing Lending Facility Rate were adjusted to 7.25% and 8.25%, respectively.

The easing of monetary policy contributed to a broad based reduction in market interest rates, strengthening liquidity conditions within the financial system and improving affordability of financing for businesses and households.

Interest Rate Movements

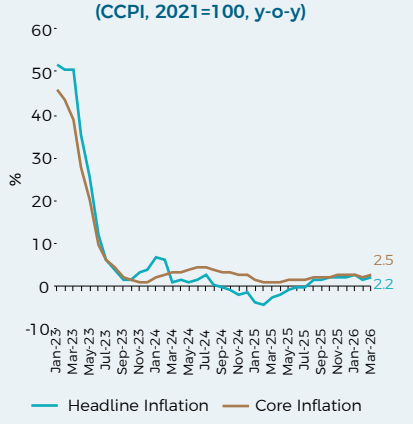
Interest Rate Indicator	2025	2024
Overnight Policy Rate (OPR)	7.75%	8.00%
Standing Deposit Facility Rate (SDFR)	7.25%	7.50%
Standing Lending Facility Rate (SLFR)	8.25%	8.50%

Source: Central Bank of Sri Lanka Annual Economic Review 2025

Lower lending rates supported the revival of private sector credit growth, increased investment appetite, and strengthened consumer spending patterns. The accommodative interest rate environment created favourable conditions for financial institutions to expand lending activities while supporting customers through more affordable financing solutions.

Despite relatively subdued inflation during the earlier part of the year, global geopolitical developments and rising energy costs continued to pose inflationary risks. CBSL noted that inflation may increase faster than previously anticipated due to higher transportation and energy related costs linked to global developments.

Movements in Headline and Core Inflation
(CCPI, 2021=100, y-o-y)



Source: Department of Census and Statistics

For Singer Finance, the lower interest rate environment positively influenced customer demand for leasing, consumer financing, and SME financing products. At the same time, the Company continued to carefully manage pricing strategies, funding costs, liquidity management, and asset liability structures to preserve profitability within a competitive market environment.

External Sector Performance

Strengthened External Stability and Reserve Accumulation

Sri Lanka's external sector demonstrated notable resilience during 2025 despite increasing global economic uncertainty and geopolitical tensions.

The country benefited from stronger tourism earnings, increased worker remittances, reserve accumulation, and improved confidence arising from the continuation of the IMF EFF programme and progress in external debt restructuring.

Gross official reserves improved significantly to USD 8.1 billion by end 2025 compared to USD 6.6 billion in 2024. Workers' remittances increased to USD 6.8 billion while tourist arrivals improved to 2.36 million visitors during the year.

Interest Rate Indicator	2025	2024
Gross Official Reserves	USD 6.8 Bn	USD 6.1 Bn
Workers' Remittances	USD 8.1 Bn	USD 6.6 Bn
Tourist Arrivals	2.36 Mn	2.05 Mn
Current Account Surplus	USD 1.7 Bn	USD 1.2 Bn
Net FX Purchases	USD 2.8 Bn	USD 2.0 Bn

Source: Central Bank of Sri Lanka Annual Economic Review 2025

Although the trade deficit widened due to stronger import growth, the country continued to maintain a current account surplus for the second consecutive year. The exchange rate remained relatively stable with the flexible exchange rate mechanism continuing to serve as a shock absorber against external pressures.

The improvement in external sector conditions strengthened overall financial system confidence and supported economic activity linked to tourism, transportation, trade, and consumer spending. For Singer Finance, improved external sector stability contributed positively toward imported asset financing segments, particularly vehicle financing and consumer durable financing.

The tourism sector recovery also generated increased economic activity across SMEs and self employed customer segments, improving financing demand and borrower repayment capacity.

Fiscal Environment and Structural Reforms

Fiscal Consolidation and Economic Reforms

Fiscal policy during 2025 remained focused on strengthening macroeconomic stability through revenue based fiscal consolidation and continued structural reforms aligned with the IMF EFF programme and the Public Financial Management Act No. 44 of 2024.

The Government continued implementing measures to improve revenue collection, strengthen expenditure management, and enhance debt sustainability. These measures contributed toward restoring investor confidence and strengthening fiscal discipline across the economy.

The continuation of structural reforms and fiscal consolidation initiatives improved macroeconomic credibility while supporting long term economic sustainability. Improved fiscal conditions also reduced crowding out pressures

OPERATING ENVIRONMENT

within domestic funding markets, enabling greater credit availability for private sector lending activities.

In nominal terms, government revenue recorded a robust year-over-year (YoY) growth of 35.2%. This progress is even more evident when viewed as a percentage of GDP, where revenue has more than doubled in a three-year span—rising from 8.2% in 2022 to 16.6% in 2025. The momentum in revenue mobilization was largely catalysed by the relaxation of vehicle import restrictions. This policy shift led to a substantial surge in tax collection from import-related duties, signaling a revitalized automotive market and providing the state with a sustainable revenue stream to support its fiscal consolidation goals.

In 2025, the Government's total expenditure and net lending increased marginally by 1.6% in nominal terms compared to the previous year. However, expenditure as a percentage of GDP declined to 19.0% from 20.4% recorded in 2024, reflecting continued fiscal consolidation efforts and improved macroeconomic stability.

For Singer Finance, the improving fiscal environment supported greater stability in funding markets while contributing positively toward customer confidence and investment sentiment across business and retail sectors.

Financial Sector Dynamics

Financial System Resilience and Credit Expansion

Sri Lanka's financial sector remained stable and resilient during 2025, supported by improving macroeconomic conditions, accommodative monetary policy, stronger liquidity levels, and improved capital adequacy positions across the banking and finance company sectors.

Private sector credit growth accelerated significantly during the year, reflecting stronger business activity, reconstruction related financing demand following Cyclone Ditwah, and improving consumer confidence.

Financial Sector Indicators

Interest Rate Indicator	2025	2024
Banking Sector Gross Stage 3 Loan Ratio	9.7%	12.3%
Finance Companies Sector Gross Stage 3 Loan Ratio	6.1%	11.5%
Banking Sector Capital Adequacy Ratio	17.9%	20.3%
Finance Companies Sector Capital Adequacy Ratio	18.7%	21.3%
Private Sector Credit Growth	25.2%	10.7%

Source: Central Bank of Sri Lanka Annual Economic Review 2025

The decline in Gross Stage 3 loan ratios across both banking and finance company sectors reflected improving borrower repayment capacity, stronger credit quality, and enhanced financial sector stability.

Finance Companies (FCs) Sector Performance

The finance companies sector continued to play an important role in supporting financial inclusion, particularly through vehicle financing, leasing, gold loans, and SME financing products. Improved liquidity conditions and stronger sector profitability further strengthened the operating environment for non-bank financial institutions.

Finance Companies Asset Growth

The sector concluded the year with a total asset base of LKR 1,928.4 billion, representing a significant 44% year-over-year (YoY) increase. The primary engine of this growth was the Loans and Advances portfolio, which surged by 56% YoY. Finance leases and vehicle loans continue to lead the portfolio, accounting for 64.1% of total credit, with a robust growth rate of 56.3%. Loans secured by gold emerged as a high-growth vertical, expanding by 64.1% to represent 20.9% of the total portfolio.

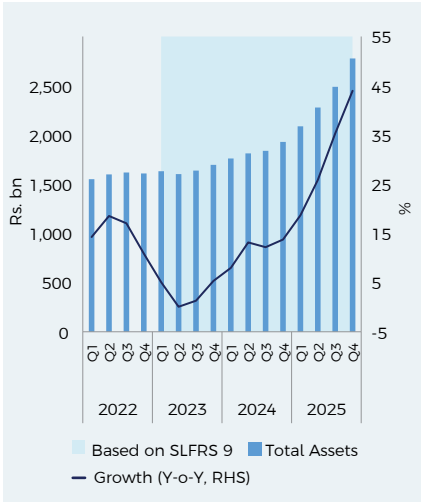


Figure 1: Finance Companies Asset Growth

Finance Companies Capital Adequacy

The finance sector's capital position remained resilient in 2025, with the total capital base expanding by Rs. 84.0 billion to reach Rs. 442.4 billion by year-end. This 23.4% growth reflects the sector's commitment to maintaining a robust buffer against market volatility.

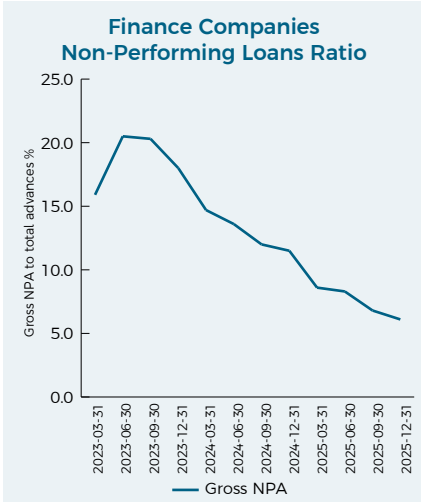


On a broader scale, the sector's Tier 1 CAR and Total CAR moderated to 17.3% and 18.7% respectively, from 20.5% and 21.3% in 2024. This contraction was primarily driven by a strategic surge in lending activities, which led to a higher volume of Risk-Weighted Assets (RWA) across the industry.

Finance Companies Credit Quality

The sector witnessed a significant enhancement in asset quality during 2025, characterized by a sharp contraction in non-performing credit exposures. The Gross Stage 3 loans ratio saw a substantial improvement, nearly halving to 6.1% from the 11.5% recorded in 2024.

This positive trajectory was mirrored in the Net Stage 3 loans ratio, which declined to 3.2% from 6.5% in the previous year. Furthermore, the industry adopted a more prudent provisioning stance, evidenced by the impairment coverage ratio increasing to 47.8% (2024: 43.4%).



Finance Companies Funding Profile

The finance sector maintained a stable and well-diversified funding base throughout 2025, with public deposits remaining the cornerstone of the industry's liability structure. Accounting for 45.6% of total funding, the continued dominance of deposits reflects sustained public confidence in the sector's stability. This was followed by institutional borrowings, which contributed 30.6% to the total funding mix.

A standout highlight of the year was the accelerated momentum in deposit mobilization. Total deposits grew by a robust 19.8% YoY, a significant increase compared to the 13.0% growth recorded in 2024.

Finance Companies Profitability

The finance sector achieved an exceptional growth trajectory in 2025, with Profit After Tax (PAT) surging by 49.9% to reach Rs. 88.5 billion, up from Rs. 59.0 billion in 2024. This robust performance was primarily underpinned by a significant expansion in Net Interest Income (NII) and the positive impact of impairment reversals, reflecting a stabilizing credit environment.

The surge in absolute earnings translated into superior returns for capital providers. The sector's Return on Assets (ROA) improved to 6.7% (2024: 6.0%), while Return on Equity (ROE) saw a substantial leap to 17.5% from 13.3% in 2024. These metrics underscore the sector's heightened capability to generate value from its asset base and equity capital.

For Singer Finance, these developments created opportunities for portfolio expansion while reinforcing the importance of disciplined credit underwriting, proactive recovery management, operational resilience, and balanced risk adjusted growth strategies.

Regulatory and Policy Environment

Strengthening Governance, Digitalisation, and Sustainable Finance

The regulatory landscape during 2025/26 reflected increasing focus on financial system resilience, digitalisation, consumer protection, sustainable finance, and climate related financial risk management.

One of the most significant developments during the year was the launch of the Sustainable

Finance Roadmap 2.0 by CBSL with support from the International Finance Corporation. The Roadmap introduced a more structured framework for integrating environmental and social sustainability considerations into financial sector operations while strengthening resilience against climate related risks.

CBSL also announced plans to strengthen the Green Finance Taxonomy and issue further Banking Act Directions relating to sustainable finance activities during 2026.

OPERATING ENVIRONMENT

During the year, the Central Bank also introduced relief measures for individuals and businesses affected by Cyclone Ditwah and related flood disasters, requesting finance companies to provide support measures for affected borrowers.

The Central Bank of Sri Lanka issued the Banking (Special Provisions) Act Directions No. 01 of 2026 in February 2026, requiring licensed finance companies to establish Recovery Plans to strengthen resilience during periods of financial and operational stress. The framework focuses on improving financial stability through predefined recovery measures, governance structures, and early warning indicators. Finance companies are required to regularly review and update these plans to ensure preparedness against potential disruptions. The directions also enhance regulatory oversight within the non-bank financial sector. The implementation deadline for the directions is 31 December 2026.

Several initiatives aimed at accelerating digital financial adoption and improving transaction efficiency were also introduced.

Key Regulatory and Digital Payment Developments

Initiative	Key Development
GovPay Transaction Charges	Maximum fee capped at Rs. 15
CEFTS / Mobile Banking Transfers	Maximum fee capped at Rs. 25
LankaQR Integration	Enabled AliPay+ acceptance for tourists
SLIPS Transfer Limits	Increased from Rs. 5 Mn to Rs. 10 Mn
Disaster Relief Measures	Relief support extended for flood affected borrowers
Sustainable Finance Roadmap 2.0	Strengthened ESG and climate finance focus

Source: Central Bank of Sri Lanka Annual Economic Review 2025

The increased regulatory focus on digital transactions, AML/CFT compliance, financial consumer protection, depositor awareness, and sustainability continued transforming the operating environment for financial institutions.

For Singer Finance, these developments reinforced the strategic importance of strengthening governance frameworks, enhancing digital capabilities, integrating ESG considerations, improving cybersecurity readiness, and maintaining customer trust through responsible financial practices.

Emerging Operating Environment Trends

Digitalisation, Sustainability, and Climate Resilience

The operating environment during 2025/26 was increasingly shaped by structural shifts extending beyond traditional economic indicators. Financial institutions operated within an environment characterised by accelerating digital transformation, changing customer expectations, sustainability linked financing opportunities, and growing climate related financial risks.

Customers increasingly demanded faster, more convenient, and digitally enabled financial services. The rapid adoption of digital payments and online financial transactions continued reshaping customer engagement models across the financial services sector.

At the same time, climate related disruptions including Cyclone Ditwah and flood conditions reinforced the growing importance of climate resilience, business continuity planning, disaster preparedness, and environmental risk integration within financial sector decision making.

CBSL's increasing focus on sustainable finance and climate related financial risk management highlighted the evolving responsibilities of financial institutions in supporting long term economic sustainability and resilience.

For Singer Finance, these trends reinforced the strategic importance of:

- Strengthening digital transformation initiatives
- Enhancing customer experience and accessibility
- Expanding data driven decision making
- Building climate aware risk management frameworks
- Supporting sustainable financing opportunities
- Strengthening operational agility and resilience
- Enhancing disaster preparedness and business continuity capabilities

These priorities align closely with the Company's long term strategic vision of building a resilient, future ready, and customer centric financial institution.

Implications for Singer Finance (Lanka) PLC

The operating environment during 2025/26 created significant opportunities for strategic growth and operational strengthening for Singer Finance.

The continuation of economic recovery, lower interest rates, improved customer confidence, stronger external sector conditions, and accelerated private sector credit expansion supported increased demand across the Company's core financing segments.

Improved borrower repayment capacity and declining sector level non performing loan ratios positively influenced portfolio quality and recovery performance. The revival of tourism, transportation, trade, and SME related economic activities further supported financing demand across multiple customer categories.

At the same time, the operating environment continued to demand prudent risk management due to ongoing global uncertainties, climate related disruptions, evolving regulatory expectations, and competitive market conditions.

Against this backdrop, Singer Finance remained focused on:

- Maintaining disciplined and sustainable portfolio growth
- Strengthening governance and risk management frameworks
- Enhancing operational resilience
- Accelerating digital transformation
- Deepening customer relationships
- Expanding sustainable financing opportunities
- Supporting inclusive economic participation
- Strengthening climate resilience and disaster preparedness

The Company continued positioning itself as a trusted financial partner supporting customers at every stage of their financial journey while balancing growth ambitions with long term resilience and responsible financial stewardship.



Outlook

Sri Lanka's medium-term outlook remains cautiously optimistic supported by continued macroeconomic stabilisation, improving financial system resilience, strengthening external sector conditions, and ongoing structural reforms. The continuation of the IMF EFF programme and the rebuilding of economic buffers are expected to support sustainable economic growth and investor confidence over the coming years.

However, risks relating to geopolitical tensions, energy price volatility, climate related disruptions, inflationary pressures, and external market uncertainties continue to require close monitoring.

Within this evolving environment, Singer Finance remains well positioned to pursue sustainable growth opportunities supported by strong governance, customer trust, operational resilience, digital transformation initiatives, disciplined strategic execution, and a long term commitment toward responsible finance.

Despite the improving medium-term outlook, global uncertainties remain elevated, particularly amid ongoing geopolitical tensions in the Middle East. Any sustained escalation could have spillover effects through higher energy prices, disruptions to shipping and logistics, inflationary pressures, exchange rate volatility, and weakened investor confidence. These developments may also indirectly impact tourism flows, remittance inflows, transportation costs, household disposable income, and borrower repayment capacity within the domestic economy.

In this context, Singer Finance will continue to adopt a prudent and forward-looking approach to growth, anchored in strong operational resilience, sound liquidity management, robust governance frameworks, and disciplined risk practices, while continuing to support customers through responsible and sustainable financial solutions.

As customers pursue aspirations, rebuild businesses, and invest in future opportunities, Singer Finance remains committed to being the strength behind every flight—enabling progress through accessible, responsible, and sustainable financial solutions that empower long-term growth across the communities it serves.

STRATEGIC DIRECTION

The Strength Behind Every Flight

At Singer Finance (Lanka) PLC, strategy represents far more than a roadmap for growth. It reflects the institutional strength that enables the Company to remain resilient, adaptive, customer centric, digitally enabled, and sustainably governed amidst an increasingly dynamic and evolving financial services landscape.

The financial services industry continues to undergo significant transformation driven by changing customer expectations, digital disruption, macroeconomic uncertainty, regulatory evolution, climate related risks, evolving funding dynamics, and intensifying competition. In this environment, long term success depends not only on financial performance, but also on the ability to continuously strengthen organisational capability, operational agility, governance discipline, technological maturity, and stakeholder trust.

Accordingly, Singer Finance continues to pursue an integrated long term strategy focused on sustainable growth, operational excellence, customer centric transformation, digital advancement, people empowerment, and responsible value creation.

The theme of this year's Annual Report, 'The Strength Behind Every Flight,' closely reflects the philosophy that underpins the Company's strategic journey. Every customer aspiration, entrepreneurial ambition, business expansion, and financial milestone requires a dependable source of support operating behind it. Singer Finance continues to strengthen this foundation through a strategy designed not only to enable growth, but also to provide the resilience, accessibility, confidence, and long-term stability that empower customers and stakeholders to move forward with trust.

The Company's strategy has therefore been designed not as a collection of isolated initiatives, but as an integrated enterprise-wide transformation framework aimed at strengthening long term institutional capability and sustainable value creation.

OUR STRATEGIC ARCHITECTURE



Building a Future Ready Financial Institution

Singer Finance's long term strategic direction is guided by a connected enterprise-wide framework built around five interconnected strategic pillars.

THE STRATEGIC FOUNDATION

Sustainable Long-Term Value Creation

- **Above Industry Growth & Profitability**
- **Unparalleled Customer Centricity**
- **A Place Where People Love to Come & Contribute**
- **IT & Digital Transformation**
- **ESG & Sustainability**

These pillars collectively support the Company's aspiration of strengthening its position as one of Sri Lanka's leading and most respected Non Banking Financial Institutions through sustainable growth, operational excellence, customer relevance, technological advancement, and responsible governance.

Importantly, these pillars function as an interconnected strategic framework:

- Growth is strengthened through customer centricity and digital enablement
- Analytics enhances governance visibility and management responsiveness
- Technology transformation improves operational agility and scalability
- People and culture accelerate execution capability
- ESG integration strengthens long term resilience and stakeholder trust

Together, these strategic pillars form the institutional strength behind the Company's long-term progress.

Above Industry Growth and Profitability

Delivering Sustainable Growth with Discipline and Scale

The Company's growth strategy is founded on the principle that long term profitability and institutional resilience must be supported by disciplined portfolio expansion, diversified funding, operational efficiency, customer relationship deepening, strong distribution capability, and prudent governance.

Singer Finance continues to strengthen its core business ecosystems while selectively expanding into strategically attractive growth areas capable of supporting sustainable earnings generation and long term market relevance.

Rather than pursuing scale alone, the Company's strategic focus remains on building high quality growth supported by operational stability, customer accessibility, portfolio resilience, and strong risk governance.

Strategic Growth Framework

Growth & Profitability

- Portfolio Expansion
- Branch & Distribution Strengthening
- Customer Lifecycle Monetization
- Funding & Deposit Strengthening
- Operational Productivity & Governance

Strategic Transformation Priorities

Strengthening Core Lending and Portfolio Ecosystems

The Company continues to strengthen strategically important lending portfolios including leasing, gold loans, SME financing, commercial financing, agro based lending, and mobility related financing.

Focused business verticals including Agro, Commercial, and Tuk & Bike financing segments continue to support portfolio diversification while strengthening market penetration, customer acquisition capability, and long term revenue resilience.

Strengthening Gold Loan Leadership

Singer Finance continues to strengthen its gold loan business as a strategically important growth engine through enhanced customer retention capability, operational efficiency improvements, service turnaround enhancements, and targeted market expansion initiatives.

The Company also continues to strengthen specialised gold loan branch capability and customer accessibility across strategically important geographic markets.

Expanding Branch Network and Market Footprint

The Company continues to strategically strengthen its branch network and geographic footprint in order to improve customer accessibility, deepen market penetration, and enhance regional business presence across high potential growth areas.

Singer Finance recognises that physical presence continues to remain a significant competitive advantage within the Sri Lankan financial services landscape, particularly across retail finance, SME financing, gold loans, and deposit mobilisation segments where customer trust, relationship proximity, and service accessibility remain important drivers of growth.

Accordingly, the Company continues to evaluate strategic expansion opportunities across underserved and emerging economic regions while simultaneously strengthening the operational capability, productivity, service standards, digital integration, and customer engagement of existing branches.

The branch transformation agenda is therefore aligned not only towards strengthening distribution capability, but also towards improving regional accessibility, enabling financial inclusion, strengthening relationship development, and creating a more agile and future ready branch network.

Strengthening Deposit and Funding Ecosystems

Funding resilience remains a strategically important priority amidst evolving liquidity conditions and market competition.

Accordingly, Singer Finance continues to strengthen:

- Retail deposit mobilisation initiatives
- Customer relationship based liability generation
- Deposit franchise expansion capability
- Fixed deposit retention
- Group synergy based engagement initiatives
- Cross selling driven funding generation capability

STRATEGIC DIRECTION

The Company also continues to strengthen customer conversion initiatives designed to deepen relationships across lending and deposits while improving long term funding stability.

Strengthening Customer Lifecycle Monetization

Singer Finance continues to strengthen customer lifecycle monetization frameworks through integrated customer engagement initiatives, cross selling opportunities, relationship expansion programmes, and digitally enabled servicing capabilities.

Strategic initiatives including CLM-driven engagement models, MUTHU savings strengthening initiatives, inter-group activations, and app-enabled customer servicing capabilities, which will soon be introduced, continue to support long-term customer value creation and stronger relationship monetization.

Improving Operational Productivity and Governance

Operational efficiency enhancement continues to remain central to the Company's profitability agenda.

Workflow optimisation, operational streamlining, process simplification, operational monitoring enhancements, and technology-enabled productivity initiatives continue to improve organisational agility, turnaround times, operational visibility, and cost efficiency.

Simultaneously, Singer Finance continues to strengthen:

- Portfolio governance frameworks
- Credit monitoring capability
- Recovery and collection mechanisms
- Operational oversight mechanisms
- Risk-adjusted growth management practices

These initiatives collectively support long term portfolio resilience and sustainable earnings quality.

Key Strategic Initiatives Supporting Growth

Strategic Focus Area	Enterprise Wide Strategic Initiatives
Portfolio Diversification	Agro, Commercial, SMEs, Gold Loan and Mobility Financing expansion
Gold Loan Leadership	Specialised branch capability and customer retention enhancement
Branch Expansion	Geographic expansion and branch transformation initiatives
Deposit Strengthening	Retail deposit mobilisation and liability generation
Customer Lifecycle Monetization	CLM, MUTHU, app-enabled engagement and relationship expansion
Operational Productivity	Workflow optimisation and efficiency enhancement initiatives
Risk Governance	Portfolio oversight and recovery capability strengthening



Transforming Service into Relationship Leadership

Singer Finance believes that customer trust and relationship quality remain among the most important competitive differentiators within the financial services industry. Accordingly, the Company continues to evolve beyond transaction driven service delivery towards a more integrated, relationship led customer engagement model.

The strategic direction focuses on creating seamless, responsive, data driven, and personalised customer experiences capable of strengthening long term customer trust, accessibility, and loyalty.

Customer Experience Ecosystem



Strategic Customer Transformation Priorities

Strengthening Customer Listening

The Company continues to strengthen QR-enabled customer feedback mechanisms, customer listening frameworks, service visibility initiatives, and integrated customer experience monitoring, designed to improve responsiveness and service governance.

Enhancing CRM Led Relationship Intelligence

Singer Finance continues to strengthen customer lifecycle management capability through integrated CRM transformation initiatives designed to support:

- Relationship intelligence
- Customer segmentation capability
- Campaign driven engagement
- Behavioural insight generation
- Customer retention enhancement

The CRM transformation agenda is also aimed at strengthening integration across operations, customer servicing, call centre experiences, and marketing functions.

Delivering Omnichannel Customer Engagement

The Company plans to integrate branch operations, mobile engagement capability, digital servicing experiences, and customer support platforms in order to deliver a seamless and consistent customer experience across all channels.

Strengthening Loyalty and Relationship Retention

Singer Finance also continues to strengthen customer retention and loyalty through the planned enhancement of loyalty driven engagement frameworks, personalised customer experiences, relationship enhancement initiatives, and customer centric operational models.

Enhancing Service Governance and Operational Consistency

The Company continues to strengthen service quality governance through:

- Branch service benchmarking initiatives
- Internal evaluation systems
- Customer experience monitoring frameworks
- Branch operational consistency mechanisms

These initiatives support long term customer trust and service reliability.



A Place Where People Love to Come & Contribute

Building a High Performance and Future Ready Workforce

Singer Finance recognises that sustainable strategy execution depends on the capability, engagement, adaptability, and alignment of its people. Accordingly, the Company continues to invest in strengthening leadership depth, workforce capability, organisational culture, succession readiness, and employee engagement.

Strategic People Transformation Priorities

Strengthening Leadership Pipeline Development

The Company continues to strengthen succession readiness and leadership continuity through mentoring frameworks, high potential employee identification initiatives, and leadership development programmes including the Highflyer Fast Track Programme.

Enhancing Learning and Development

Continuous learning remains a strategically important priority amidst rapidly evolving operational and technological environments.

Singer Finance continues to strengthen:

- LMS based learning
- Technical and behavioural capability development
- Leadership development frameworks
- LEAD Development Programme
- Continuous learning culture initiatives

The LEAD Certification Programme at Singer Finance is a structured leadership and capability development initiative focused on nurturing future-ready leaders across the organisation. LEAD stands for Learn, Engage, Accelerate, and Develop, reflecting the programme's commitment to strengthening leadership capabilities, strategic thinking, people management, and business excellence across regional branches and operational teams. The programme is designed to enhance organisational performance, employee engagement, succession readiness, and long-term talent retention while equipping employees and branch managers with the skills required to drive sustainable growth and strategic decision-making.

These initiatives support workforce adaptability and future organisational readiness.

STRATEGIC DIRECTION

Building a Performance Driven Culture

The Company continues to reinforce accountability, ownership, and performance excellence through:

- Performance-based recognition systems
- KPI-linked reward frameworks
- Employee recognition programmes
- Performance management enhancement initiatives

These initiatives support a stronger execution culture and organisational alignment.

Modernising HR and Workforce Management

Singer Finance continues to strengthen HR operational capability through:

- Employee field application initiatives
- HR workflow modernisation programmes
- Digital employee servicing frameworks
- Performance management enhancement initiatives

These initiatives collectively support operational agility and workforce management efficiency.

Strengthening Governance and Ethical Culture

The Company also continues to strengthen governance awareness, escalation mechanisms, accountability frameworks, and ethical business practices across all levels of the organisation.



IT & Digital Transformation

Building a Digitally Intelligent Institution

Digital transformation continues to remain one of the most strategically important enablers of Singer Finance's long term evolution.

The Company recognises that future competitiveness within the financial services industry will increasingly depend on digital agility, operational automation, customer accessibility, technology integration, cybersecurity resilience, and data driven decision making capability.

Accordingly, the Company's digital transformation agenda extends beyond system implementation and focuses on creating an enterprise capable of operating intelligently, efficiently, securely, and responsively within a rapidly evolving digital landscape.

Digital Transformation Architecture

Digital Customer Engagement

Workflow Automation

Enterprise Systems Integration

Data Intelligence & Analytics

Real-Time Decision Intelligence

Strategic Digital Transformation Priorities

Strengthening Digital Customer Engagement

Singer Finance continues to strengthen customer accessibility and convenience through enhanced mobile engagement, integrated servicing capabilities, digital onboarding enhancement, and app-enabled customer engagement initiatives.

Strategic initiatives including the upcoming introduction of the OTO app are expected to support the Company's app-first customer engagement transformation agenda through enhanced customer servicing capabilities, stronger digital engagement, and improved relationship accessibility.

Accelerating Workflow Automation and Operational Digitisation

The Company continues to automate operational workflows across lending, customer servicing, HR, reporting, and support functions in order to improve:

- Operational consistency
- Turnaround times
- Scalability
- Productivity
- Transparency

Strategic automation initiatives including digital credit evaluation capability enhancement and enterprise-wide workflow modernisation continue to support operational agility and efficiency improvement.

Modernising Enterprise Systems and Technology Infrastructure

Singer Finance continues to strengthen enterprise systems capability through:

- Scienter ERP enhancement initiatives
- Enterprise integration capability improvement
- Infrastructure modernisation programmes
- Scalability enhancement initiatives

These initiatives support long term operational readiness and digital maturity.

Data Analytics and Business Intelligence

A Strategic Sub Pillar of Digital Transformation

As part of the Company's broader digital transformation agenda, Singer Finance continues to strengthen enterprise wide analytics and business intelligence capability as a critical enabler of organisational agility, governance visibility, operational effectiveness, and data driven decision making.

Strategic Analytics Transformation Priorities

Strengthening Enterprise-wide Decision Intelligence

The Company continues to strengthen:

- Integrated dashboards
- Enterprise-wide reporting frameworks
- Real-time management visibility capability
- Performance monitoring mechanisms
- Operational intelligence capability

These initiatives are designed to improve management responsiveness and enterprise-wide strategic oversight.

Enhancing Operational and Portfolio Intelligence

Analytics capability continues to support:

- Portfolio monitoring
- Branch performance visibility
- Productivity management
- Operational decision making capability
- Recovery and credit oversight enhancement

Strengthening Customer and Relationship Analytics

Analytics-driven customer intelligence frameworks continue to support:

- Customer segmentation capability
- Behavioural insight generation
- Relationship monetization initiatives
- Customer engagement effectiveness
- Customer lifecycle management capability

Building Advanced Data Infrastructure Capability

The Company continues to strengthen:

- Data warehouse restructuring
- Enterprise data architecture modernisation
- Analytics scalability capability
- Cloud-based analytics readiness

These initiatives collectively support future analytical maturity and enterprise-wide data accessibility.

Strengthening Governance Through Analytics

Analytics integration continues to strengthen:

- Enterprise-wide transparency
- Performance accountability
- Management monitoring capability
- Governance visibility
- Strategic execution oversight



ESG & Sustainability

Embedding Responsible Growth into Long Term Strategy

Singer Finance remains committed to embedding sustainability into the core of its strategic direction, governance frameworks, operational decision making, and long term business philosophy.

Guided by the Company's ESG Roadmap, 'Where Dreams Take Flight,' the strategic direction reflects a broader commitment towards responsible growth, environmental stewardship, social empowerment, governance excellence, and long term resilience.

STRATEGIC DIRECTION

Strategic Sustainability Transformation Priorities

Strengthening Sustainable Financing

The Company continues to strengthen:

- EV financing
- Solar financing initiatives
- Green financing capability
- Sustainable portfolio transition initiatives

These initiatives support long term responsible growth and ESG integration.

Enhancing ESG Governance and Operational Sustainability

Singer Finance continues to strengthen:

- ESG governance frameworks
- Operational sustainability initiatives
- Emissions awareness programmes
- Scope 3 integration capability
- Resource efficiency initiatives
- Ocean Heal initiatives
- Tree for Every Tuk Tuk initiatives

These programmes collectively strengthen sustainability integration and long term operational resilience.

Strengthening Financial Inclusion and Community Impact

The Company also continues to strengthen:

- Financial literacy initiatives
- ESG-integrated credit screening capability
- Community engagement initiatives
- Employee volunteering
- Inclusive financing initiatives

These initiatives support long term stakeholder value creation and social empowerment.

Strategy Execution and Governance

Turning Strategic Direction into Sustainable Outcomes

Singer Finance recognises that the successful execution of strategy depends not only on strategic ambition, but also on disciplined implementation, governance alignment, organisational accountability, operational agility, and continuous performance monitoring.

Accordingly, the Company continues to strengthen:

- Enterprise-wide strategic alignment
- Cross functional execution frameworks
- Data-driven management decision making
- Technology-enabled operational visibility
- Governance oversight mechanisms
- Risk-integrated strategic planning
- Enterprise-wide accountability frameworks
- Analytics-driven performance monitoring capability

This integrated execution philosophy ensures that growth, customer centricity, digital transformation, analytics, people development, and sustainability continue to operate cohesively rather than independently.

As Singer Finance continues its journey towards long term institutional excellence, the Company remains committed to being the dependable strength behind every aspiration, every opportunity, and every journey towards progress, enabling customers, employees, businesses, communities, and stakeholders to move forward with confidence, resilience, and trust.



A LEGACY OF EXCELLENCE IN INTEGRATED REPORTING

Winning the prestigious Gold Award at the CA Sri Lanka TAGS Awards for the second consecutive year stands as a defining milestone in Singer Finance's integrated reporting journey. This remarkable achievement reflects far more than reporting excellence. It represents our unwavering commitment to transparency, accountability, governance, sustainability, and value creation.

As an organisation guided by purpose and strengthened by trust, we continue to raise the benchmark for corporate reporting within Sri Lanka's finance industry. Achieving back to back Gold Awards is a testament to the collective dedication of our Board, management, and teams who continuously strive to present a report that goes beyond compliance to tell a meaningful story of resilience, strategy, sustainability, and long term value creation.

The recognition received under the Finance & Leasing Companies category reinforces the strength of our integrated thinking approach, where financial performance is connected with governance excellence, stakeholder engagement, innovation, sustainability, and future readiness. It reflects our belief that reporting should not merely communicate numbers, but inspire confidence among all stakeholders.

Aligned with our 2025/26 theme, "The Strength Behind Every Flight," this achievement symbolises the invisible foundation that supports every journey of progress. Just as the nest empowers the bird to rise with confidence, strong governance, disciplined reporting practices, and integrated decision making continue to provide the foundation upon which Singer Finance grows and thrives.

This milestone is not simply an award. It is a reflection of who we are, what we stand for, and the standards we will continue to uphold as we move forward with purpose, responsibility, and excellence.

VALUE CREATION MODEL GRI 2-6

CAPITAL INPUTS

Financial Capital

Financial Capital

Shareholders' funds of **Rs. 4,005 Mn**
Customer deposits of **Rs. 41,279 Mn**
Borrowings of **Rs 40,796 Mn**

Manufactured Capital

Manufactured Capital

Investment of **Rs. 341 Mn** in our Manufactured Capital which includes a network of **63** branches island wide

Human Capital

Human Capital

Competencies, attitude and experience of our team of **1,225 employees** who are key to our success

Social & Relationship Capital

Social and Relationship Capital

Strong relationships that have been nurtured over the years with customers, business partners and other stakeholders

Intellectual Capital

Intellectual Capital

The strength of our brand Strong values and business ethics.

Natural Capital

Natural Capital

Environmentally friendly business practices that are followed in order to minimize our impact on the environment **5,500+ trees** planted, Energy intensity per employee has been decreased by **78.6%**

VALUE CREATION

VISION

To be the foremost finance company in Sri Lanka

The Journey of Value Creation

Mobilise Trust
Strengthen depositor confidence and deepen stakeholder relationships.

Allocate Capital Prudently
Channel financial resources into productive and value-generating opportunities.

Manage Risk Dynamically
Protect institutional resilience through disciplined oversight.

Deliver Sustainable Growth
Generate balanced returns and long-term business performance.

Responsible Growth

Balanced. Disciplined. Sustainable.

Building Advanced Data Infrastructure Capability

Focused Strategy
Directional strength

- Clear purpose
- Customer-centric growth
- Disciplined execution
- Sustainable profitability
- Digital transformation
- Market responsiveness

Corporate Governance
Control and accountability

- Board oversight
- Ethical leadership
- Transparency
- Accountability
- Regulatory compliance
- Strategic stewardship

Risk Management
Protective resilience

- Enterprise risk culture
- Credit risk discipline
- Liquidity management
- Early warning systems
- Resilience planning
- Business continuity



Reinvest for Resilience

Strengthen capabilities, innovation, and future readiness.

Stakeholder Expectations

Directional strength

- Active engagement
- Listening and responsiveness
- ESG accountability
- Responsible business conduct
- Shared value creation

OUTCOMES

Financial Capital

Financial Capital

- Strong balance sheet
- Increased equity to **Rs 9,638 Mn**
- **Rs 1,575 Mn** Profit after tax

Manufactured Capital

Manufactured Capital

7 new branches and expansion of EDP & Office Equipment, and Furniture and Fittings

Human Capital

Human Capital

- Employee satisfaction
- Productivity
- Training and development opportunities

Social & Relationship Capital

Social and Relationship Capital

- Trust
- Customer satisfaction
- Investment in CSR

Intellectual Capital

Intellectual Capital

- Brand value
- Tacit knowledge
- Robust systems and processes

Natural Capital

Natural Capital

- Paper recycled weight 3.017 MT.

OUTPUTS/ IMPACTS

Shareholders

Investors

- Net asset value per share: **Rs 34.69**
- Earnings per share: **Rs 6.07**

Customers

Customers

- **Rs 135,709 Mn** loans disbursed
- Interest of **Rs 3,341 Mn** paid to depositors
- Convenience in business transactions

Employees

Employees

- Payments of **1,819 Mn** to employees
- **301** employees promoted during the year
- Career progression and empowerment

Business Partners

Business Partners

- Long term relationships with **872** suppliers
- Transparency

Government

Regulators

- Timely and Accurate tax payments to government
- Financial sector stability

Local Communities

Community

- Engaging with the community through CSR activities
- Creating employment opportunities

Environment

Environment

- Environmentally friendly business practices
- Responsible lending practices
- Increased automation

MATERIAL TOPICS GRI 3-1, 3-2



At Singer Finance, we recognise that enduring value creation is not achieved by momentum alone, but by the strength of the systems, foresight, and strategic discipline that sustain progress through changing conditions. Our ability to adapt, anticipate risks, and make decisive strategic choices remains fundamental to enabling the aspirations entrusted to us.

To ensure our trajectory remains purposeful and resilient, we undertake a rigorous annual materiality assessment across the breadth of our business. This disciplined evaluation enables us to identify the issues that matter most those that hold the greatest potential to influence our long-term performance, institutional resilience, and stakeholder confidence. By translating a complex external and internal operating environment into clear strategic priorities, we ensure that our infrastructure, governance, and operational capabilities remain aligned to support sustainable growth and evolving stakeholder expectations.

At the heart of this process lies our conviction that sustainable success requires balancing the demands of today with the opportunities of tomorrow. Our material topics serve as critical navigational markers, reflecting the economic realities, industry dynamics, regulatory developments, environmental considerations, and social expectations that shape our operating landscape. Equally, they reflect the strategic priorities that strengthen our ability to remain agile, responsive, and future-ready in an increasingly dynamic financial services environment.

These material matters form the foundation of this report and guide the way we assess performance, allocate resources, and communicate value creation. We define materiality as those issues with the greatest capacity to influence our strategic strength, long-term viability, and the trust placed in us by stakeholders. To maintain a holistic and integrated perspective, these priorities are consolidated under our Economic, Environmental, Social, and Governance (EESG) framework, ensuring balanced decision-making and responsible stewardship.

This approach extends well beyond reporting discipline it reflects how we govern the business, shape strategic action, and reinforce the foundations that enable sustainable progress. By anchoring our growth strategy in what matters most, we ensure that our progress is not only ambitious, but resilient; not only forward-looking, but responsibly grounded. Because at Singer Finance, every dream that takes flight is supported by the enduring strength, stability, and stewardship that make the journey possible.

Materiality Assessment

The materiality assessment is carried out through a structured process, where each topic is evaluated and assigned a weight based on the relevance and impact of the respective sector on Singer Finance (Lanka) PLC and its stakeholders. The reporting boundary remains consistent with that of the previous year.

Double Materiality

Singer Finance (Lanka) PLC adopts a double materiality perspective in determining its material topics

Impact materiality (External):

Impact of the company and its value chain on external stakeholders and the broader ecosystem

Organisational materiality (Internal):

Impact of external factors on the company's operations, financial performance, and financial position

STRUCTURED PROCESS OF MATERIALITY ASSESSMENT



Market Analysis, PESTEL, SWOT, Stakeholder Engagement and Internal discussions help us identify those issues that are of material importance to the Company.

Weighing the identified issues against their relevance to strategy.

Based on the severity of the impact, structuring the issues that needs the highest and close scrutiny and management.

Disclosures, Risk mitigation and accurate reporting to ensure long-term sustainability.

Rank	Material Topics	Reason for Materiality	Focus Area	Change of Materiality	GRI Indicator	Organisational Materialiity		Impact Materiality		Overall Materiality
1	**Regulations and Compliance**	Ensures adherence to laws, regulations and regulatory standards while strengthening stakeholder trust and operational integrity.			GRI 207	Critical to regulatory compliance, governance effectiveness and risk mitigation.		Vital for maintaining stakeholder trust and the Company's license to operate.		
2	**Government Policy**	Changes in government regulations and policy frameworks influence operational direction, compliance obligations and market conditions.			-	High influence on strategic planning, compliance costs and operational continuity.		Reflects regulatory transparency and national economic direction.		
3	**Macro-economic impacts**	External economic conditions directly influence business growth, lending performance and financial resilience.			GRI 203	Highly relevant for business planning, profit-ability and port-folio stability.		Impacts communities and customers dependent on financial services.		
4	**Physical Climate Risks - Rainfall**	Increased frequency and severity of rainfall and flood-related events may disrupt operations and customer repayment capacity.			GRI 302 / GRI 305 / GRI 306	Key to resilience planning, business continuity and asset protection.		Adverse cli-mate events may affect cus-tomers, branch operations and profitability.		
5	**Evolving Climate Regulations and Policies**	Regulatory developments related to climate and sustainability influence future compliance obligations and strategic direction.			-	Influences future strategy, compliance costs and sustainable financing direction.		Supports alignment with national and global climate objectives.		

MATERIAL TOPICS

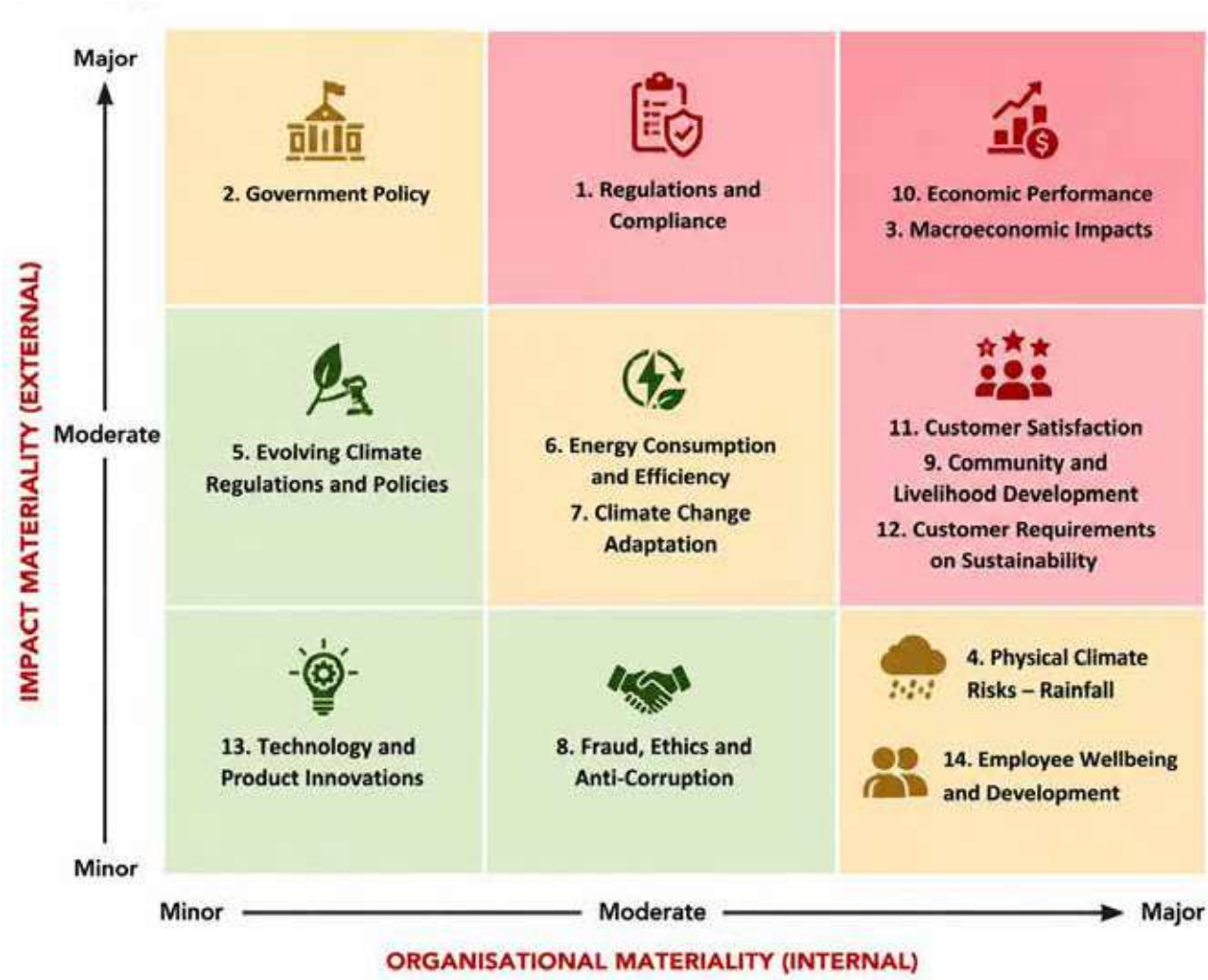
Rank	Material Topics	Reason for Materiality	Focus Area	Change of Materiality	GRI Indicator	Organisational Materialiity		Impact Materiality		Overall Materiality
6	**Energy Consumption and Efficiency**	Efficient resource and energy usage support operational sustainability and cost optimisation.			GRI 302 / GRI 303 / GRI 305/	Impacts operational costs, resource efficiency and environmental performance.		Supports decarbonisation efforts and responsible resource consumption.		
7	**Climate Change Adaptation**	Strengthening climate resilience safeguards the Company against long-term climate-related disruptions and risks.			GRI 302 / GRI 305 / GRI 306	Necessary to strengthen resilience planning and safeguard business continuity.		Contributes towards na-tional climate resilience and adaptation efforts.		
8	**Fraud, Ethics and Anti-Corruption**	Ethical conduct and robust governance practices are essential to maintaining stakeholder confidence and preventing misconduct.			GRI 205	Critical for governance effectiveness, internal controls and investor confidence.		Supports customer trust, ethical business conduct and transparency.		
9	**Community and Livelihood Development**	Community engagement and livelihood development initiatives strengthen long-term stakeholder relationships and social impact.			GRI 203	Highly material for reputation enhancement and customer engagement.		Impacts social wellbeing, community development and financial inclusion.		
10	**Economic Performance**	Sustainable profitability and financial resilience are fundamental to long-term value creation.			GRI 202/ GRI 204/ GRI 207	Core to business sustainability, shareholder confidence and strategic growth.		Drives economic stability, investor confidence and stakeholder value creation.		
11	**Customer Satisfaction**	Delivering superior customer experiences strengthens loyalty, retention and long-term business growth.			-	Highly material for customer retention and revenue growth.		Directly impacts customer wellbeing and service experience.		
12	**Customer Requirements on Sustainability**	Customers increasingly expect organisations to adopt sustainable and responsible business practices.			-	Supports customer attraction, retention and ESG positioning.		Encourages sustainable business practices and stakeholder awareness.		

Rank	Material Topics	Reason for Materiality	Focus Area	Change of Materiality	GRI Indicator	Organisational Materialiity		Impact Materiality		Overall Materiality
13	**Technology and Product Innovations**	Innovation and digital transformation improve operational efficiency and enhance customer experience.	●	▬	GRI 203	Strategic for competitive-ness, operation-al efficiency and customer engagement.	●	Promotes innovation, accessibility and financial inclusion.	●	●
14	**Employee Wellbeing and Development**	Employee wellbeing, workplace safety, diversity and continuous learning are essential for organisational sustainability and talent retention.	●	⊕	GRI 401 / GRI 402 / GRI 403 / GRI 404 / GRI 405 / GRI 406	Critical for employee engagement, productivity, succession planning and workplace culture.	●	Impacts employee wellbeing, inclusion, capability development and fair employment practices.	●	●

Degree of Impact		Change in Materiality		Focus Area	
●	Major (76% and above)	⊕	New topic	●	Social
●	Moderate (66%-75%)	▬	Unchanged	●	Governance
●	Minor (65% and below)	⇄	Modified	●	Economic
				●	Environment

MATERIAL TOPICS

Materiality Matrix



STAKEHOLDER MANAGEMENT

GRI 2-29



At Singer Finance, every stakeholder relationship is a strand in the nest — woven together to create resilience, trust, and shared growth. Our stakeholder management is embedded into governance, risk frameworks, and strategic planning, ensuring decisions are both market-responsive and sustainability-aligned.

> **"We do not merely finance journeys. We enable them to be sustainable."**
> Every stakeholder relationship is a strand in the nest — contributing to resilience, trust, and shared growth.

Stakeholders are identified through a structured stakeholder mapping and prioritisation process based on dependency, influence, level of engagement, regulatory significance, and the potential impact of the Company's operations and strategic decisions on each stakeholder group.

At a Glance — 2025/26

Key metrics across our stakeholder ecosystem

157,088	63	872	Rs. 2.74 Mn	Rs. 2,384 Mn	23 hrs
Active Customers	Branch Network	Business Partners	CSR Investment	Tax to Government	Avg Training/ Employee

Our Stakeholder Ecosystem

Six groups — each shaping and shaped by our decisions

Customers

157,088 active customers

Shareholders & Investors

Value & transparency

Employees

Highest training hours ever

Regulators

Zero violations

Suppliers & Partners

872 business partners

Community & Society

Rs. 2.74 Mn CSR invested

STAKEHOLDER MANAGEMENT

How We Engage — Our Three Principles

1 Listen First	2 Build Trust	3 Grow Together
Understanding Before Action We listen deeply to stakeholder needs before designing any solution or making any commitment.	**Consistency in Conduct** We earn confidence through reliability, transparency, and ethical conduct — demonstrated consistently over time.	**Collective Progress** Growth is shared, sustainable, and inclusive — benefiting customers, employees, communities, and the economy.

Multi-Layer Engagement Architecture GRI 2-29

Our engagement operates across five interconnected layers — each designed to translate stakeholder input into meaningful action.

OPERATIONAL	GOVERNANCE	STRATEGIC	PEOPLE	SOCIETAL
Branch + Digital Service & feedback	**CBSL + Audit** Compliance	**AGM + CSE** Investor alignment	**HR + Surveys** Culture & growth	**Community** ESG & inclusion

Insight to Action — How We Convert Input to Impact

LISTEN	ANALYSE	DECIDE	ACT	REPORT
↓ Capture stakeholder input across all channels	↓ Identify trends, risks, and recurring themes	↓ Integrate insights into planning & strategy	↓ Implement product, policy & process changes	↓ Disclose outcomes to stakeholders transparently



Customer insights drive product innovation and digital enhancements. Employee feedback shapes training and culture initiatives. Regulatory input ensures prudential compliance. Community engagement guides our CSR priorities under Sathkara.

Stakeholder Engagement — Detailed Matrix

Strategy · Response · Outcomes · GRI Alignment

01 Customers

HOW WE ENGAGE

Branch network (63 branches) · Digital platforms · Call centre · Social media (Facebook, TikTok, Instagram) · SMS lifecycle campaigns · QR feedback at branches · Google reviews

WHAT WE FOCUS ON	OUR RESPONSE IN 2025/26
● Service quality & accessibility	✔ Enhanced digital banking with new payment integrations (PayMedia, DFCC, Singer, NDB)
● Affordable & flexible products	✔ Launched green financing — solar loans & EV/hybrid vehicle leasing
● Digital convenience & 24/7 access	✔ Deployed Face Recognition System & Hyper Marketing Automation
● Grievance redressal & speed	✔ '7 Golden Rules of Service' workshops across all branches
● Data privacy & security	✔ Enhanced QR feedback & complaint handling for faster resolution
● Financial literacy	✔ Ranked No. 2 in Customer Service among Finance Companies (LMD)

KEY OUTCOMES

157,088 Active Customers	**236,500** Financial Solutions	**2.5 Mn** FB Monthly Reach	**54,000** TikTok Followerst	**Zero** Data Breach Incidents

SDGs Aligned	Capitals
	

STAKEHOLDER MANAGEMENT

Voices from Our Customers

What our customers say about us GRI 2-29

> "Owning my own tractor was one of the biggest dreams in my life. Singer Finance understood my situation and provided me with a flexible and affordable instalment plan that suited my financial capacity. Today, I am a successful farmer, able to manage my work efficiently. I am truly grateful to Singer Finance for helping me turn my dream into reality"
>
> **– Mr. Ekanayaka** | Agro Customer – Tractor Owner

> "Dealing with Singer Finance is simple and convenient – no unnecessary paperwork or complications. Their branch network makes financial services easily accessible in rural communities. The staff explains everything clearly and works closely with customers in a respectful and approachable manner. Singer Finance has become a trusted financial partner for farmers across the country."
>
> **– Mr. Lakshman** | Manu Motors – Agricultural Dealer

> "The key strength of Singer Finance is their deep understanding of farmers' lifestyles. Their flexible repayment plans allow higher payments during harvest seasons and lower payments during lean periods – with competitive rates and no hidden charges. Their extensive branch network across the island ensures timely support whenever farmers need it."
>
> **– Mr. Herath** | Asela Motors – Agricultural Dealer

02 Shareholders & Investors

HOW WE ENGAGE

Annual General Meeting (AGM) · CSE announcements & disclosures · Annual & interim financial reports · Investor presentations · Rating agency engagements

WHAT WE FOCUS ON	OUR RESPONSE IN 2025/26
● Sustainable & profitable growth	✔ Prudent, farsighted investment driving long-term value
● Consistent dividend returns	✔ Strengthened ESG commitment — integrated into strategy & reporting
● Transparency & accountability	✔ Improved operational efficiency and cost optimisation
● Sound risk management	✔ Transparent CSE disclosures and Annual Report communication
● ESG alignment	✔ Enhanced corporate governance frameworks

KEY OUTCOMES

Refer Revenue Growth — Financial Statements	**Refer** PAT & ROE — Financial Statements	**Refer** DPS — Financial Statements	**Zero** Governance Breaches

SDGs Aligned	Capitals
	

STAKEHOLDER MANAGEMENT

03 Employees

HOW WE ENGAGE

Singer Finance Intranet · Performance appraisals (bi-annual) · Training programmes · Leadership forums · Grievance channels · GPTW survey · Recognition programmes

WHAT WE FOCUS ON	OUR RESPONSE IN 2025/26
● Career development & advancement	✔ 23 average training hours per employee - highest in Singer Finance history
● Work-life balance & well-being	✔ Launched intranet for centralised communication & knowledge sharing
● Health, safety & environment	✔ Disbursed Rs. 6 Mn+ to 78 employees impacted by Cyclone Ditwah
● Fair & competitive remuneration	✔ Certified Great Place to Work; ranked Top 50 Workplaces in Sri Lanka
● Leadership development	✔ Merit-based recognition: Employee of the Month, Service Awards, MD's Trophy

KEY OUTCOMES

23 hrs Avg Training Hours	**GPTW** Certified Workplace	**3** Grievances Resolved	**Zero** Labour Law Violations	**Rs. 6 Mn** Cyclone Relief Fund

SDGs Aligned	Capitals
	

04 Regulators & Government GRI 207-3

HOW WE ENGAGE

CBSL regulatory submissions · CSE statutory filings · Inland Revenue returns · Direct regulatory communications · Industry consultations · Internal audit reviews

WHAT WE FOCUS ON	OUR RESPONSE IN 2025/26
● CBSL prudential compliance	✔ Appointed Chief Information Security Officer (CISO)
● AML / CFT standards	✔ Deployed Cloud WAF, Privileged Access Management, Security Operations Centre
● Data protection & cybersecurity	✔ Enhanced AML/CFT automated reporting mechanisms
● Transparent financial reporting	✔ Strengthened vulnerability, patch management & Data Loss Prevention
● Consumer protection	✔ Zero regulatory fines or material non-compliance incidents

KEY OUTCOMES

Zero Regulatory Violations	**Zero** Cybersecurity Breaches	**Rs. 2,384 Mn** Tax to Government	**Zero** AML/CFT Failures

SDGs Aligned	Capitals
	

STAKEHOLDER MANAGEMENT

05 Suppliers & Business Partners

HOW WE ENGAGE

Supplier forums · Formal contracts & SLAs · Performance reviews · Ethical sourcing policies · Relationship management by product teams

WHAT WE FOCUS ON	OUR RESPONSE IN 2025/26
● Fair pricing & transparent terms	✔ Strengthened automotive partnerships - Toyota, Hayleys Mobility, DIMO, Sathosa Motors, Indra Traders
● Long-term mutual partnerships	✔ Expanded jewellery partnerships for instalment-based gold purchasing
● Ethical conduct & compliance	✔ Transparent procurement processes with fair contract terms
● Local supplier prioritisation	✔ Prioritised local suppliers to support domestic enterprise development
● Supplier development	

KEY OUTCOMES

872 Total Business Partners	**67** New Partners Onboarded	**Local** Supplier Priority	**Zero** Ethical Violations

SDGs Aligned	Capitals
	

06 Community & Society GRI 201-1

HOW WE ENGAGE

· Sathkara CSR platform · Muthu Piyawara financial literacy programme · Community outreach events
· Digital & social media · Environmental conservation through Tree for Tuk Tuk and Ocean Heal
· Employee volunteering

WHAT WE FOCUS ON	OUR RESPONSE IN 2025/26
● Financial inclusion & access	✔ School donation - Pairimaduwa Vidyalaya, 162 students supported
● Community well-being	✔ Vesak Ice Cream Dansal - 5,000+ community members served
● Environmental sustainability	✔ Cyclone Ditwah relief - 250+ beneficiaries at Neelabamma village
● Education & financial literacy	✔ Muthu Piyawara financial literacy -— underserved community outreach
● Crisis relief & response	✔ No operations with significant negative community impact

KEY OUTCOMES

Rs. 2.74 Mn CSR Investment (To the community and Society)	**162** Students Supported	**5,000+** Vesak Dansal Served	**250+** Cyclone Relief Beneficiaries

SDGs Aligned	Capitals
	

STAKEHOLDER MANAGEMENT



Enabling Every Flight

Every relationship we nurture with our customers, our people, our investors, our regulators, our partners, and our communities contributes to the nest of resilience from which our organisation grows. As we move forward, we remain committed to stakeholder engagement that is empathetic, transparent, digitally enabled, and purpose driven.

The strength behind every flight is the quality of the relationships we build one interaction, one commitment, one shared aspiration at a time.

STRENGTH IN EVERY WINGBEAT



Building an Ecosystem for Enduring Flight

Value is created through coordinated strength in motion. Every decision, capability, and resource works in unison to generate momentum, resilience, and sustainable long-term outcomes.

Value Creation

FINANCIAL CAPITAL

Building Strength. Delivering Value. Sustaining Growth.



Just as a songbird's graceful flight is made possible by the unseen strength it has built within the safety of its nest, Singer Finance's ability to empower aspirations across Sri Lanka is underpinned by the enduring strength of its financial capital. While customers witness the confidence of forward movement; he fulfilment of dreams, entrepreneurial progress, and financial mobility it is the disciplined stewardship behind the scenes that makes this journey possible.

Financial capital represents the strength behind our flight: the resilience, liquidity, profitability, and capital discipline that enable Singer Finance to remain a trusted enabler of progress, even amid evolving economic conditions. As a regulated financial institution, maintaining a strong financial foundation is not merely a matter of operational necessity it is fundamental to preserving stakeholder confidence, sustaining growth, and ensuring we can continue to support the ambitions of those who place their trust in us.

Our Approach

STRATEGIC DRIVERS

- Sustainable Profitability
- Accelerated Portfolio Growth
- Digital Transformation
- Prudent Risk & Capital Management

FINANCIAL CAPITAL

(Physical & Digital Infrastructure Ecosystem)

REVENUE & PROFITABILTY	CAPITAL ALLOCATION	RISK AND RELIANCES
Record PAT of Rs. 1.58 Bn	Rights Issue Raising Rs. 2.01 Bn	Robust SLFRS 9 ECL Framework
Gross Income Growth of 55.2%	Expansion of Lending Portfolio	Strong Capital Adequacy Position
Improved Cost-to-Income Ratio (52.5%)	Investments in Digital & Branch Infrastructure	Diversified Funding & Liquidity Management

OPERATIONAL SUSUTAINABILITY

- Strong ALCO & Liquidity Monitoring
- Cost Optimisation & Process Automation
- Responsible & Sustainable Lending Practices

BUSINESS ENABLERS

- Digital Lending & Collections Platforms
- Strong Deposit Mobilisation Network
- Experienced Governance & Risk Oversight

CUSTOMER & BUSINESS OUTCOMES

- Expanded SMEs & Retail Financing Reach
- Enhanced Customer Accessibility & Convenience
- Growth in Green Vehicle & EV Financing
- Improved Stakeholder Confidence & Trust

VALUE CREATION OUTCOMES

- Sustainable Shareholder Returns
- Stronger Capital Base & Balance Sheet
- Increased Financial Inclusion
- Long-Term Business Resilience
- Enhanced Economic Contribution

SDG ALIGNMENT LAYER



No of branches	No of branches opened in 2025/26	Capital Expenditure incurred in 2025/26	Investment in IT Infrastructure
63	**07**	Rs. **388** Mn	Rs. **47** Mn

FINANCIAL CAPITAL

Our approach to financial capital management is anchored in disciplined stewardship, strategic agility, and a long-term commitment to sustainable value creation. Financial capital is managed not merely as a funding resource, but as a critical enabler of the Company's growth ambitions, resilience, and capacity to create enduring stakeholder value.

All financial decision-making is guided by a clearly defined corporate strategy, robust governance oversight, and a prudent risk management philosophy that balances growth with financial discipline. Management remains focused on optimising capital deployment to maximise returns, strengthen operational efficiency, and maintain the agility required to respond to evolving market dynamics.

Key strategic priorities include maintaining a well-diversified and cost-efficient funding base, strengthening liquidity buffers, preserving capital adequacy, and enhancing profitability through disciplined balance sheet management. This is complemented by a strong emphasis on operational excellence, digital transformation, and productivity enhancement initiatives that support sustainable margin improvement and scalable growth.

Given the dynamic nature of the financial services landscape, particular focus is placed on proactive treasury management, rigorous stress testing, scenario planning, and continuous monitoring of macroeconomic developments to safeguard financial resilience and support informed decision-making.

Transparency, accountability, and financial integrity remain foundational to our management approach. Through strong internal controls, comprehensive governance frameworks, and robust performance monitoring mechanisms, the Company ensures disciplined financial oversight while maintaining full compliance with applicable regulatory requirements, including SLFRS, CBSL directives, and industry best practices.

Through this integrated and forward-looking approach, financial capital is strategically managed to reinforce institutional strength, sustain stakeholder confidence, and position the Company for resilient long-term growth.

Strength and Competencies

Singer Finance is supported by a resilient and agile financial capital base, underpinned by a well-diversified funding structure, strong earnings generation capacity, disciplined risk management practices, and proven access to capital markets highlighted by the successful Rights Issue completed during the year. Our key competencies include sophisticated asset-liability management, forward-looking Expected Credit Loss provisioning under SLFRS 9, digitally enabled credit and collections processes, and a demonstrated ability to scale the balance sheet profitably while preserving sound capital and liquidity metrics, all reinforcing our role as the trusted nest that nurtures every customer's flight.

Area	Strengths & Competencies
Capital Structure	Strong equity base strengthened by successful Rights Issue; high earnings retention; capital ratios well above CBSL minimal
Earnings Generation	Record profitability with diversified revenue streams (interest + fee income); superior ROE and improving cost-to-income ratio
Risk Management	Robust SLFRS 9 ECL model; proactive provisioning; sophisticated credit underwriting and recovery frameworks
Funding & Liquidity	Diversified funding mix (retail deposits + institutional borrowings); strong deposit franchise; effective ALM and liquidity buffers
Digital & Operational	Digitally enabled credit, collections and customer processes; operational leverage through automation and efficiency initiatives
Market Position	Trusted brand with strong retail presence; successful capital market access; agility in responding to economic opportunities
ESG Integration	Growing green financing portfolio; responsible lending practices; commitment to financial inclusion and sustainable development
Governance	Strong Board oversight, independent Risk and ALCO committees; transparent reporting and stakeholder-centric culture

Operating Environment – Trends, Challenges and Opportunities

Trends in 2025/26

Aspect	Key Trends
Macroeconomic Environment	Strong economic recovery, moderating interest rates, and improved business confidence
Customer Behaviour	Increased preference for digital and tech-enabled financial services; growing demand for flexible financing solutions
Product Demand	Rising demand for green financing (especially electric & hybrid vehicles), SMEs loans, and gold-backed facilities
Funding Landscape	Strong retail deposit mobilisation and successful capital market access (Rights Issue)
Technological Shift	Accelerated adoption of digital lending, collections, and customer engagement platforms
Regulatory Focus	Continued emphasis on capital adequacy, liquidity management, and sustainable finance

Challenges, Opportunities and Risks

Challenges	Opportunities	Risks
Maintaining asset quality while scaling the lending portfolio rapidly	High demand for SMEs, personal, gold, and green vehicle financing	Interest rate volatility impacting net interest margins
Margin pressure from competitive deposit pricing and repricing of loans	Significant potential to grow non-interest (fee-based) income through digital products and partnerships	Credit risk concentration in high-growth segments
Controlling operating costs amid business expansion and inflation	Expansion into semi-urban and rural markets via digital and branch channels	Regulatory changes affecting provisioning and capital planning
Meeting evolving regulatory and compliance requirements	Optimisation of funding mix to lower overall cost of funds	Liquidity and funding risks in a competitive market

FINANCIAL CAPITAL

Overview of Financial Capital

Singer Finance concluded the financial year ended 31 March 2026, delivering its strongest performance since inception, crossing transformative milestones that signal a new era of scale and profitability. Total assets surged to Rs. 96.75 billion, a 69.4% year-on-year increase, underpinned by an exceptional expansion in the lending portfolio. Net profit after tax reached Rs. 1,575 million, an 85.0% increase over the prior year, cementing the Company's position as one of the most profitable non-bank financial institutions (NBFIs) in Sri Lanka.

Singer Finance's financial capital is strategically composed of equity, interest-bearing borrowings, and a growing retail deposit franchise. As at 31 March 2026, total equity stood at Rs. 9,638 million, reflecting a Rs. 3,534 million increase over the previous year, driven by retained earnings growth, the successful completion of a Rights Issue during the year under review, and statutory reserve appropriations. The Company's stated capital doubled to Rs. 4,005 million following the Rs. 2,008 million Rights Issue, a powerful endorsement of investor confidence and the Board's vision for accelerated growth.

The Balance Sheet

The balance sheet expansion was supported by a significant mobilisation of both retail deposits and institutional funding. Customer deposits grew by 45.8% to Rs. 41.28 billion, while interest-bearing loans and borrowings more than doubled to Rs. 40.80 billion. This diversified and strategically optimised funding base financed a dramatic expansion of the lending portfolio, particularly in loans and advances, which grew by 121.8% to Rs. 67.45 billion, and finance lease receivables, which rose 19.8% to Rs. 20.61 billion.

Income

Gross income reached Rs. 15.07 billion, a 55.2% surge from Rs. 9.71 billion. Interest income grew to Rs. 13.65 billion, representing a 52.0% increase, reflecting robust portfolio expansion and effective yield management. The net interest income of Rs. 7.08 billion reflects a 47.7% improvement, while fee and commission income more than doubled to Rs. 1.34 billion, demonstrating the company's successful diversification of revenue streams. Profit before income tax reached Rs. 2.66 billion and the effective income tax expense of Rs. 1.08 billion resulted in a net profit after tax of Rs. 1.58 billion – a historic milestone.

PEARLS Monitoring System Analysis

Singer Finance continues to apply the PEARLS framework (a comprehensive monitoring system widely used in the finance sector) to assess institutional strength across key dimensions.

P – Protection Assessment:

Strong

Protection evaluates the adequacy of provisions to safeguard against credit losses. In FY 2025/26, the Company maintained a robust Expected Credit Loss (ECL) model under SLFRS 9, incorporating forward-looking macroeconomic variables. Impairment charges rose to Rs. 389 million (from Rs. 233 million), reflecting the 85%+ growth in the lending portfolio and a conservative provisioning stance. Stage-wise provisions were strengthened, particularly for Stage 1 and Stage 2 assets, while recovery efforts on Stage 3 accounts continued effectively. The overall coverage ratio and prudent write-off policy provide a solid safety net, aligning with CBSL expectations.

E – Effective Financial Structure Assessment:

Well-Balanced

The financial structure demonstrated excellent balance amid rapid growth. Total assets reached Rs. 96.75 billion (+69.4%), funded by a diversified mix of equity, customer deposits (Rs. 41.28 billion), and borrowings (Rs. 40.80 billion). Equity grew 57.9% to Rs. 9.638 billion through the Rights Issue, profit retention, and reserve transfers. Capital ratios remained well above regulatory minima, supporting sustainable leverage and future expansion.

A – Asset Quality Assessment:

Strong

Asset quality remained resilient despite aggressive lending growth. The portfolio is well-diversified across finance leases (21.3% of assets), loans and advances (69.7%, including gold loans and SMEs), and shorter-tenor assets. Proactive credit underwriting, real-time bureau integration, early warning systems, and digital recovery tools helped manage credit risk effectively. The ECL model ensured timely recognition of potential losses while the ageing profile supports liquidity.

R – Rates of Return and Costs Assessment:

Exceptional

Profitability reached historic levels. Gross income surged 55.2% to Rs. 15.068 billion, Net Interest Income grew 47.7% to Rs. 7.077 billion, and fee income more than doubled. ROA improved to approximately 1.97% and ROE to 19.6%. The cost-to-income ratio improved to 52.5% despite higher operating expenses from scale, reflecting strong operating leverage and cost discipline. EPS rose to Rs. 6.07, underscoring superior capital efficiency.

L – Liquidity Assessment:

Robust

Liquidity management was highly effective. The Company maintained liquid asset buffers well above CBSL requirements through disciplined ALM practices, deposit mobilization, and treasury placements. Stress testing confirmed resilience under adverse scenarios. Diversified funding sources and contingency lines further strengthened the liquidity position, even as excess liquidity was strategically deployed into higher-yielding assets.

S – Signs of Growth Assessment:

Very Strong

All key indicators demonstrated exceptional momentum: total assets surged 69.4%, lending portfolio surged +85%, customer deposits surged 45.8%, equity surged 57.9%, and net profit surged 84.9%. Strategic initiatives in digital transformation, green financing, SMEs lending, and semi-urban expansion, combined with the successful Rights Issue, position the Company for sustained high-quality growth.

Overall PEARLS Rating: Very Strong

The rating reflects a well-managed institution delivering superior performance while maintaining sound risk and capital fundamentals.

Capital Structure and Adequacy

Equity Capital

Singer Finance significantly strengthened its equity base during FY 2025/26. Total equity grew from Rs. 6,104 million to Rs. 9,638 million, an increase of Rs. 3,534 million (57.9%).

Equity growth was achieved through:

- a successful Rights Issue raising Rs. 2,008 million in fresh equity capital, and
- the retention of net profit of Rs. 1,575 million

Stated capital increased from Rs. 1,996 million to Rs. 4,005 million, more than doubling as a result of the Rights Issue executed during the year. This landmark corporate event reflected the Board's commitment to funding the Company's accelerated growth strategy with a robust equity foundation.

Retained earnings grew to Rs. 4,811 million from Rs. 3,600 million. Statutory reserves strengthened to Rs. 821 million from Rs. 506 million. The Fair Value Reserve (FVOCI) remained stable at Rs. 2 million.

No dividends were declared during the year, with all profits retained to support capital adequacy and future growth.

Equity Component	FY 2025/26 Rs. Mn	FY 2024/25 Rs. Mn	Change (%)
Stated Capital	4,005	1,996	+100.6%
Statutory Reserves	821	506	+62.3%
Fair Value Reserve (FVOCI)	2	2	Stable
Retained Earnings	4,811	3,600	+33.6%
TOTAL EQUITY	**9,638**	**6,104**	**+57.9%**

FINANCIAL CAPITAL

Regulatory Capital Adequacy

Singer Finance maintained capital adequacy ratios above the minimum thresholds prescribed by the Central Bank of Sri Lanka. The Company's Tier I Capital Ratio and Total Capital Ratio are closely monitored through its Internal Capital Adequacy Assessment Process and reported quarterly to the Board's Risk Committee. Despite significant balance sheet expansion, the capital adequacy position remains sound, bolstered by the Rights Issue and strong profit retention.

The Rights Issue during FY 2025/26 was strategically timed to ensure capital buffers keep pace with risk-weighted asset (RWA) growth, particularly as the lending portfolio expanded aggressively. This approach ensures Singer Finance can absorb potential credit shocks while continuing to support its growth momentum, without compromising regulatory standing.

Financial Performance: Statement of Profit or Loss

Horizontal Analysis of Income Statement

	CAGR	2026		2025		2024		2023		2022	
		Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%
Gross Income	21%	15,068	55%	9,706	20%	8,113	7%	7,553	38%	5,487	16%
Interest Income	20%	13,652	52%	8,983	18%	7,581	6%	7,148	40%	5,118	15%
Interest Expense	20%	(6,575)	57%	(4,190)	-13%	(4,793)	6%	(4,528)	133%	(1,947)	1%
Net Interest Income	20%	7,077	48%	4,793	72%	2,788	6%	2,620	-17%	3,172	26%
Other Operating Income	26%	1,416	96%	723	36%	533	32%	405	10%	368	31%
Total Operating Income	21%	8,493	54%	5,516	66%	3,321	10%	3,024	-15%	3,540	27%
Impairment charges/reversals	-10%	(389)	66%	(234)	-279%	131	220%	41	-110%	(414)	-14%
Other Operating Expense	24%	(4,461)	38%	(3,237)	31%	(2,480)	20%	(2,070)	10%	(1,878)	26%
Tax on Financial Services	23%	(988)	68%	(587)	83%	(320)	1%	(317)	10%	(288)	35%
Profit Before Income Tax	23%	2,655	82%	1,458	124%	652	-4%	679	-29%	959	59%
Income Tax Expense	26%	(1,080)	78%	(606)	144%	(248)	-8%	(270)	-20%	(338)	76%
Profit for the Year	22%	1,575	85%	852	111%	404	-1%	409	-34%	621	51%

The horizontal analysis of Singer Finance's Income Statement over the past five years shows a strong trajectory of revenue growth and improving profitability.

Gross Income recorded a robust Compound Annual Growth Rate (CAGR) of 21%, reaching a record Rs. 15.07 billion in FY 2025/26. This marks a significant 55% year-on-year increase from Rs. 9.71 billion over the previous year.

Interest Income, the primary revenue driver, grew at a 20% CAGR and surged 52% year-on-year to Rs. 13.65 billion, driven by substantial expansion in the lending portfolio. Consequently, Net Interest Income rose 48% to Rs. 7.08 billion, maintaining a healthy 20% CAGR. Non-interest income also demonstrated strong momentum, with Fee and Commission Income contributing meaningfully to revenue diversification.

Total Operating Income increased by 54% to Rs. 8.49 billion. Despite higher impairment charges of Rs. 389 million (reflecting portfolio growth and prudent provisioning), the Company delivered exceptional bottom-line performance. Profit Before Income Tax grew 82% to Rs. 2.66 billion, while Net Profit After Tax reached a historic high of Rs. 1.575 billion, reflecting an 85% year-on-year growth and a 22% CAGR over the period.

This consistent and accelerated growth in revenue and profitability underscores the effectiveness of the Company's strategy focused on portfolio expansion, yield optimization, revenue diversification, and operational efficiency, further strengthening the financial foundation that supports customer aspirations.

Vertical Analysis Of Income Statement

	2026		2025		2024		2023		2022	
	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%
Gross Income	15,068	155%	9,706	100%	8,113	100%	7,553	100%	5,487	100%
Interest Income	13,652	141%	8,983	93%	7,581	93%	7,148	95%	5,118	93%
Interest Expense	(6,575)	-68%	(4,190)	-43%	(4,793)	-59%	(4,528)	-60%	(1,947)	-35%
Net Interest Income	7,077	73%	4,793	49%	2,788	34%	2,620	35%	3,172	58%
Other Operating Income	1,416	15%	723	7%	533	7%	405	5%	368	7%
Total Operating Income	8,493	88%	5,516	57%	3,321	41%	3,024	40%	3,540	65%
Impairment charges/reversals	(389)	-4%	(234)	-2%	131	2%	41	1%	(414)	-8%
Other Operating Expense	(4,461)	-46%	(3,237)	-33%	(2,480)	-31%	(2,070)	-27%	(1,878)	-34%
Tax on Financial Services	(988)	-10%	(587)	-6%	(320)	-4%	(317)	-4%	(288)	-5%
Profit Before Income Tax	2,655	27%	1,458	15%	652	8%	679	9%	959	17%
Income Tax Expense	(1,080)	-11%	(606)	-6%	(248)	-3%	(270)	-4%	(338)	-6%
Profit for the Year	1,575	16%	852	9%	404	5%	409	5%	621	11%

The vertical analysis of Singer Finance's Income Statement for FY 2025/26 illustrates a continued improvement in the quality and efficiency of earnings relative to gross income.

Gross Income for the year stood at Rs. 15.07 billion. Interest Income remained the dominant component, contributing approximately 90.6% of gross income, reflecting the Company's core strength in lending activities. Net Interest Income accounted for a healthy 47% of gross income (up from 49% in the prior year), demonstrating improved margin management despite the rapid balance sheet expansion. Fee and Commission Income contributed 8.9% of gross income, showing healthy growth in non-interest revenue streams and supporting revenue diversification.

Total Operating Income represented 56.4% of gross income. After accounting for impairment charges of 2.6%, Net Operating Income stood at approximately 53.8% of gross income.

Operating expenses were well controlled at around 29.6% of gross income. This efficiency, combined with strong revenue growth, enabled Profit Before Income Tax to reach 17.6% of gross income, while Net Profit After Tax improved to 10.5% of gross income (up from 8.8% in FY 2024/25).

The vertical analysis highlights Singer Finance's ability to convert revenue into higher profitability through improved operational leverage, disciplined cost management, and successful diversification of income sources, further reinforcing the strength of its financial capital base.

FINANCIAL CAPITAL

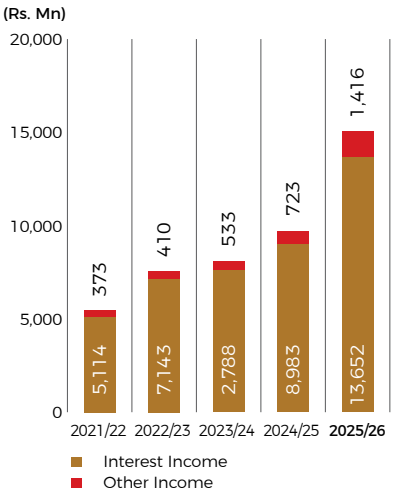
Revenue Composition and Income Growth

Singer Finance recorded gross income of Rs. 15,068 million in FY 2025/26, compared to Rs. 9,706 million in previous year. This 55.2% increase reflects exceptional portfolio growth, superior yield management, and the scaling of fee-based income streams.

The income statement demonstrates the Company's evolving revenue profile, with interest income remaining the dominant contributor while non-interest income doubled in absolute terms.

Income Statement (Rs. Mn)	FY 2025/26	FY 2024/25	Change (Rs. Mn)	YoY %
Interest Income	13,652	8,983	+4,669	+52.0%
Interest Expense	(6,575)	(4,190)	(2,385)	+56.9%
Net Interest Income	7,077	4,793	+2,284	+47.7%
Fee and Commission Income	1,337	612	+725	+118.3%
Other Operating Income	80	111	(31)	-28.4%
Total Operating Income	8,493	5,516	+2,977	+54.0%
Impairment Charges for Loans & Receivables	(389)	(233)	(156)	+67.1%
Net Operating Income	8,104	5,283	+2,821	+53.4%
Personnel Expenses	(1,819)	(1,328)	(491)	+37.0%
Depreciation & Amortisation	(358)	(300)	(58)	+19.2%
Other Operating Expenses	(2,284)	(1,611)	(673)	+41.8%
Operating Profit Before Tax on Financial Services	3,643	2,045	+1,598	+78.2%
Tax on Financial Services	(988)	(587)	(401)	+68.3%
Profit Before Income Tax	2,655	1,458	+1,197	+82.1%
Income Tax Expense	(1,080)	(606)	(474)	+78.1%
Net Profit After Tax	1,575	852	+723	+84.9%

Gross Income Composition



Interest Income and Net Interest Margin

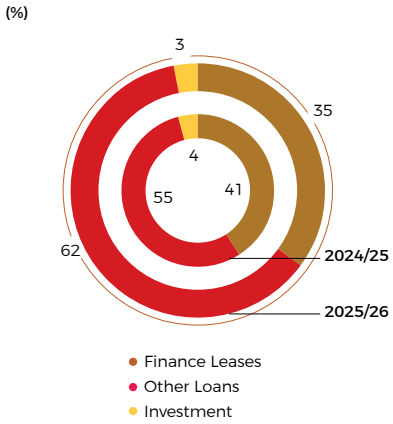
Interest income, the principal revenue driver, rose to Rs. 13,652 million from Rs. 8,983 million in FY 2024/25, an increase of Rs. 4,669 million 52.0%. This exceptional growth was underpinned by the 121.8% expansion in loans and advances to Rs. 67.45 billion together with a 19.8% growth in finance lease receivables to Rs. 20.61 billion.

The Company's focus on high-yield lending segments – including gold loans, personal finance, and vehicle leasing – along with effective repricing of existing assets as market rates adjusted, contributed significantly to this outcome.

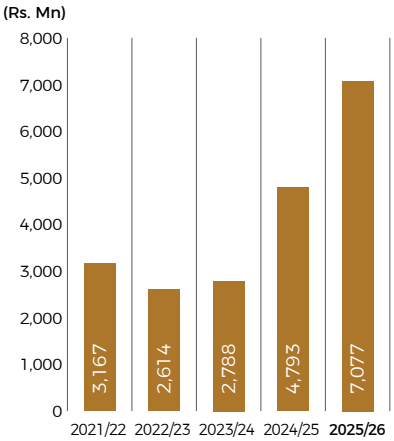
Interest expense rose to Rs. 6,575 million from Rs. 4,190 million. The 56.9% increase was driven by the substantial growth in customer deposits (up 45.8% to Rs. 41.28 billion) and interest-bearing borrowings (up 109.1% to Rs. 40.80 billion). As such the growth in interest expense is relatively understated when compared with the portfolio growth over the same period.

The Company achieved a net interest income of Rs. 7,077 million, reflecting a 47.7% year-on-year growth demonstrating Singer Finance's ability to grow its spread income in tandem with its balance sheet expansion. The net interest income now constitutes 47.0% of gross income, underscoring the primacy of the lending business.

Composition of Interest Income



Net Interest Income



Fee and Commission Income

Fee and commission income more than doubled to Rs. 1,337 million in FY 2025/26 from Rs. 612 million in the prior year, registering a growth of 118.3%. This exceptional growth bears witness to the successful strategy of diversifying revenue streams beyond pure interest income.

The Company has actively leveraged its expanding customer base to generate fee income through loan processing charges, insurance premiums, settlement fees, and digital transaction services.

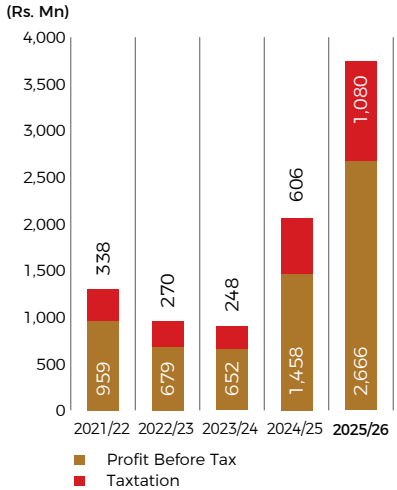
Fee income grew from 6.3% to 8.9% as a percentage of gross income, balancing the Company's revenue profile and making it more resilient to interest rate cycles.

Profitability Analysis

Profit before income tax reached Rs. 2,655 million in FY 2025/26, a Rs. 1,197 million 82.1% increase over the prior year. After accounting for income tax expense of Rs. 1,080 million (with an effective tax rate of approximately 40.7%), net profit after tax was Rs. 1,575 million, compared to Rs. 852 million in FY 2024/25, an 84.9% year-on-year increase. This performance translates to a Basic Earnings Per Share (EPS) of Rs. 6.07, compared to Rs. 3.53 in the prior year, reflecting both the growth in profitability and the dilution effect of the Rights Issue during the year.

The Tax on Financial Services (VAT on Financial Services) rose to Rs. 988 million from Rs. 587 million, reflecting the higher taxable income base. This levy, along with corporate income tax, resulted in a combined tax charge of Rs. 2,068 million, representing a significant regulatory burden. Yet, the Company's pre-tax profitability was more than sufficient to deliver record post-tax earnings.

Profitability



Operating Expenses and Cost Efficiency

Total operating expenses (personnel, depreciation, and other operating expenses) amounted to Rs. 4,461 million in FY 2025/26, compared to Rs. 3,239 million in FY 2024/25, an increase of Rs. 1,222 million (37.7%).

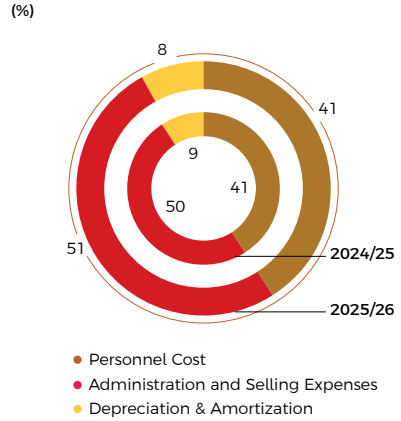
Personnel expenses grew by 37.0% to Rs. 1,819 million, reflecting talent investments, salary increments, and headcount additions to support the Company's expanding operations.

Other operating expenses grew by 41.8% to Rs. 2,284 million, attributable to increased marketing spend, digital infrastructure investments, branch expansion costs, and higher credit-related administrative expenses.

Depreciation and amortisation rose by 19.2% to Rs. 358 million, reflecting capital expenditure in property, technology, and right-of-use assets.

Cost-to-income ratio improved significantly despite growth in expenses, reflecting the strong operating leverage generated through robust growth in operating income. As operating income grew by 54.0% compared to total expense growth of 37.7%, the Company achieved meaningful improvements in cost efficiency as scale efficiencies continued to strengthen.

Operating Expense Composition



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Other Comprehensive Income

Other comprehensive income for FY 2025/26 was a negative of Rs. 49 million, compared to a gain of Rs. 36 million in the prior year. This was primarily driven by an actuarial loss of Rs. 70 million on the defined benefit obligation (gratuity plan), partially offset by a deferred tax credit of Rs. 21 million.

The actuarial loss reflects revised assumptions on discount rates and staff turnover, aligned to prevailing market conditions. Total comprehensive income for the year, after accounting for other comprehensive income, was Rs. 1,526 million, compared to Rs. 888 million in FY 2024/25, a Rs. 638 million of 71.8% improvement.

Financial Position: Balance Sheet Analysis

Singer Finance's Statement of Financial Position as at 31 March 2026 reflects a transformed balance sheet, with total assets reaching Rs. 96,749 million; increasing 69.4% from Rs. 57,117 million at the end of the previous financial year. This growth was driven by an unprecedented expansion in the lending portfolio and a commensurate mobilisation of funding through deposits and borrowings.

The balance sheet now crosses the Rs. 97 billion milestone, positioning Singer Finance among the larger NBFIs in Sri Lanka.

Horizontal Analysis of SOFP for the Past Five Years

	CAGR	2026		2025		2024		2023		2022	
		Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%
ASSETS											
Cash and Cash Equivalents	16%	1,690	-8%	1,830	-52%	3,825	51%	2,537	203%	838	-18%
Placement with Banks	160%	290	-90%	2,777	993%	254	-82%	1,414	699%	177	190%
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	-	-	-	-	-100%	464	100%	-	-	-	-
Hire Purchase Receivables	-	-	-	-	-	-	-	-	-	-	-
Finance Lease Receivables	6%	20,609	20%	17,210	57%	10,936	23%	8,887	-31%	12,955	-6%
Loans and Advances	42%	67,452	122%	30,407	80%	16,864	10%	15,387	14%	13,480	81%
Financial Assets Measured at Fair Value through Other Comprehensive Income	19%	2	0%	2	0%	2	0%	2	100%	-	0%
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	36%	3,700	32%	2,813	13%	2,479	23%	2,014	43%	1,413	74%
Due from Related Companies	-51%	81	224%	25	100%	-	-	-	-	-	-
Deferred Tax Assets	165%	340	38%	246	165%	93	-18%	113	43%	79	1,480%
Intangible Assets	17%	113	36%	83	-6%	88	10%	80	16%	69	57%
Property, Plant & Equipment	18%	858	21%	711	11%	638	2%	624	41%	444	19%
Right-of-Use Assets / Lease Assets	2%	892	40%	638	-9%	698	4%	674	4%	646	11%
Other Assets	23%	722	93%	375	48%	253	17%	217	34%	162	-2%
Total Assets	23%	96,749	69.39%	57,117	56.08%	36,594	15%	31,949	6%	30,263	23%

	CAGR	2026		2025		2024		2023		2022	
		Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%
LIABILITIES											
Other Financial Liabilities											
Due to Customers	28%	41,278	46%	28,315	28%	22,180	16%	19,196	56%	12,295	16%
Interest Bearing Loans & Borrowings	27%	40,796	109%	19,507	184%	6,870	13%	6,066	-44%	10,779	44%
Lease Laibilities	6%	1,045	32%	790	-6%	839	11%	758	5%	722	17%
Due To Related Companies	-56%	10	-41%	17	-84%	105	-9%	116	61%	72	-84%
Bank Overdraft	32%	975	8%	906	70%	532	13200%	4	-99%	600	99%
Current Tax Liabilities	20%	519	29%	403	338%	92	-60%	229	-12%	260	33%
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-	-
Retirement Benefit Obligations	14%	243	75%	139	-14%	162	26%	129	28%	101	22%
Other Liabilities	12%	2,245	140%	936	56%	600	26%	476	-28%	659	12%
Total Liabilities	26%	87,111	70.76%	51,013	62.57%	31,380	16%	26,974	6%	25,488	25%
EQUITY											
Stated Capital	0%	4,005	101%	1,996	0%	1,996	0%	1,996	0%	1,996	0%
Reserve Fund	26%	820	62%	506	51%	336	32%	255	9%	235	16%
Fair Value Reserve of Financial Assets at FVOCI	19%	2	0%	2	0%	2	0%	2	100%	-	-
Regulatory Loss Allowance Reserve	-	-	-	-	-100%	51	100%	-	-	-	-
Retained Earnings	14%	4,811	34%	3,600	27%	2,829	4%	2,722	7%	2,544	20%
Total Equity	9%	9,638	58%	6,104	17%	5,214	5%	4,975	4%	4,775	11%
Total Liabilities & Equity	23%	96,749	69.39%	57,117	56.08%	36,594	15%	31,949	6%	30,263	23%

The horizontal analysis of the Company's Statement of Financial Position demonstrates strong, sustained balance sheet expansion over the past five years, with a Compound Annual Growth Rate (CAGR) of 23% for Total Assets. During FY 2025/26, Total Assets grew significantly by 69.4% to Rs. 96.75 billion, marking a transformative year of scale.

The growth was primarily driven by robust lending activities. Loans and Advances recorded an impressive 42% CAGR (over five years) and surged 121.8% year-on-year to Rs. 67.45 billion. Finance Lease Receivables grew by 20% to Rs. 20.609 billion, contributing to a total lending portfolio of approximately Rs. 88.06 billion. Strategic investments in technology and infrastructure were evident through increases in Property, Plant & Equipment (+21%), Intangible Assets (+36%), and Right-of-Use Assets (+40%).

On the liabilities side, Customer Deposits grew at a 28% CAGR over the five year period, and rose 46% during the year to Rs. 41.28 billion, reinforcing the Company's retail funding franchise.

Interest-Bearing Loans and Borrowings increased by 109% to Rs. 40.80 billion, supporting asset growth through diversified wholesale funding.

Equity capital was significantly strengthened with Total Equity growing 58% to Rs. 9.64 billion, largely due to the successful Rights Issue which doubled Stated Capital to Rs. 4.005 billion, complemented by strong profit retention.

This healthy expansion across assets, liabilities, and equity reflects Singer Finance's ability to scale its balance sheet profitably while maintaining a balanced and resilient financial structure; further solidifying its position as The Strength Behind Every Flight.

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Vertical Analysis of SOFP for the Past Five Years

	2026		2025		2024		2023		2022	
	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%	Rs. Mn	%
ASSETS										
Cash and Cash Equivalents	1,690	2%	1,830	3%	3,825	10%	2,537	8%	838	3%
Placement with Banks	290	0%	2,777	5%	254	1%	1,414	4%	177	1%
Financial assets measured at fair value through profit or loss (FVTPL)	-	0%	-	0%	464	1%	-	0%	-	0%
Hire Purchase Receivables	-	0%	-	0%	-	0%	-	0%	-	0%
Finance Lease Receivables	20,609	21%	17,210	30%	10,936	30%	8,887	28%	12,955	43%
Loans and Advances	67,452	70%	30,407	53%	16,864	46%	15,387	48%	13,480	45%
Financial assets measured at fair value through other comprehensive income	2	0%	2	0%	2	0%	2	0%	-	0%
Financial assets at amortised cost- Debt and other financial instruments	3,700	4%	2,813	5%	2,479	7%	2,014	6%	1,413	5%
Due From Related Companies	81	0%	25	0%	-	0%	-	0%	-	0%
Deferred Tax Assets	340	0%	246	0%	93	0%	113	0%	79	0%
Intangible Assets	113	0%	83	0%	88	0%	80	0%	69	0%
Property, Plant & Equipment	858	1%	711	1%	638	2%	624	2%	444	1%
Right-of-use assets / Lease assets	892	1%	638	1%	698	2%	674	2%	646	2%
Other Assets	722	1%	375	1%	253	1%	217	1%	162	1%
Total Assets	96,749	100%	57,117	100%	36,594	100%	31,949	100%	30,263	100%
LIABILITIES										
Other Financial Liabilities Due to Customers	41,278	43%	28,315	50%	22,180	61%	19,196	60%	12,295	41%
Interest Bearing Loans & Borrowings	40,796	42%	19,507	34%	6,870	19%	6,066	19%	10,779	36%
Lease Laibilities	1,045	1%	790	1%	839	2%	758	2%	722	2%
Due To Related Companies	10	0%	17	0%	105	0%	116	0%	72	0%
Bank Overdraft	975	1%	906	2%	532	1%	4	0%	600	2%
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Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-
Retirement Benefit Obligations	243	0%	139	0%	162	0%	129	0%	101	0%
Other Liabilities	2,245	2%	936	2%	600	2%	476	1%	659	2%
Total Liabilities	87,111	90%	51,013	89%	31,380	86%	26,974	84%	25,488	84%
EQUITY										
Stated Capital	4,005	4%	1,996	3%	1,996	5%	1,996	6%	1,996	7%
Reserve Fund	820	1%	506	1%	336	1%	255	1%	235	1%
Fair Value Reserve of Financial Assets at FVOCI	2	0%	2	0%	2	0%	2	0%	-	0%
Regulatory Loss Allowance Reserve	-	0%	-	0%	51	0%	-	0%	-	0%
Retained Earnings	4,811	5%	3,600	6%	2,829	8%	2,722	9%	2,544	8%
Total Equity	9,638	10%	6,104	11%	5,214	14%	4,975	16%	4,775	16%
Total Liabilities & Equity	96,749	100%	57,117	100%	36,594	100%	31,949	100%	30,263	100%

The vertical analysis of Singer Finance's Statement of Financial Position as at 31 March 2026 highlights a clear shift toward a more lending-centric and growth-oriented balance sheet.

Total Assets stood at Rs. 96.749 billion. The lending portfolio became even more dominant, with Loans and Advances constituting 70% of total assets (up from 53% in FY 2024/25), and Finance Lease Receivables contributing 21%. Together, lending assets accounted for approximately 91% of the total asset base (compared to 83% for prior year), underscoring the Company's focus on core financing activities.

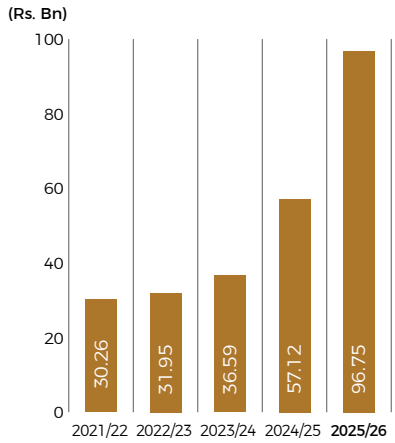
Liquid assets (Cash & Cash Equivalents and Placements with Banks) declined sharply as excess funds were strategically deployed into higher-yielding lending opportunities. Investments in Property, Plant & Equipment, Intangible Assets, and Right-of-Use Assets reflect ongoing commitment to technological infrastructure and branch network expansion.

Customer Deposits represented 43% of total assets (down from 50% in the previous year), while Interest-Bearing Loans and Borrowings increased to 42% (from 34% in previous year), reflecting the active use of wholesale funding to support rapid asset growth. This diversified funding mix enhances the Company's flexibility while it maintains a stable retail deposit base.

Total Equity accounted for 10% of the balance sheet, with absolute equity growing substantially to Rs. 9.64 billion following the successful Rights Issue and strong profit retention. This structure demonstrates prudent leverage while preserving a solid capital foundation.

Overall, the vertical analysis confirms Singer Finance's successful transformation into a larger, more lending-focused institution with an efficient and balanced funding structure, further reinforcing its position as The Strength Behind Every Flight.

Total Assets



Assets

Lending Portfolio – Loans and Advances

Loans and advances grew by an exceptional 121.8% to Rs. 67,452 million from Rs. 30,407 million the previous year, becoming the dominant asset on the balance sheet, accounting for approximately 69.7% of total assets. This surge was driven by aggressive retail lending, SMEs financing, and the expansion of the gold loan portfolio.

The Company significantly scaled its personal loan and micro-credit products during the year under review, taking advantage of the economic recovery environment and the growing demand for formal credit. The Company maintains the quality of this portfolio through robust credit underwriting, real-time credit bureau integration, and a multi-tiered approval framework.

Finance Lease Receivables

Finance lease receivables grew by 19.8% to Rs. 20,610 million from Rs. 17,209 million the prior year. The growth was driven by sustained demand for vehicle leasing, particularly for electric vehicles (EVs) and hybrid vehicles, which have gained traction following government incentives. The Company's green vehicle leasing segment continued to expand, reinforcing Singer Finance's positioning as a responsible lender aligned to sustainable development. Finance leases represent 21.3% of total assets.

Investments and Liquid Assets

Placements with banks declined significantly to Rs. 290 million from Rs. 2,777 million, reflecting the deliberate redeployment of excess liquidity into higher-yield lending assets in response to a strong credit demand environment. Financial assets at amortised cost (debt and other financial instruments) increased to Rs. 3,700 million from Rs. 2,813 million. Cash and cash equivalents decreased modestly to Rs. 1,691 million from Rs. 1,831 million. The combined liquid assets position continues to support compliance with CBSL's prudential liquidity norms.

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Other Assets

Right-of-use assets grew to Rs. 892 million from Rs. 638 million during the year, reflecting the Company's expanded branch network and renewed lease agreements. Property, Plant and Equipment increased to Rs. 858 million from Rs. 711 million, driven by technology infrastructure investments and branch fitouts. Deferred tax assets rose to Rs. 340 million from Rs. 246 million, reflecting higher impairment provisions. Intangible assets reached Rs. 113 million from Rs. 83 million, primarily comprising capitalised software development costs. Dues from related companies increased to Rs. 81 million from Rs. 25 million.

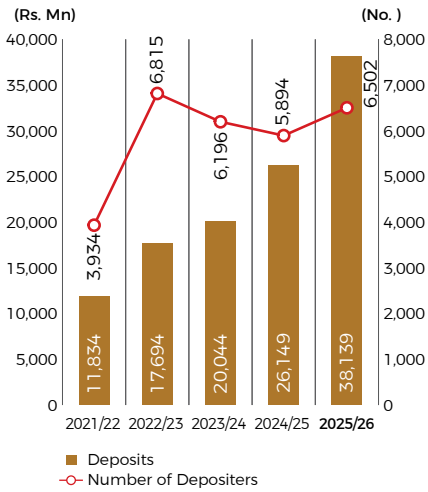
Asset (Rs. Mn)	FY 2025/26	FY 2024/25	YoY %	% of Total Assets
Cash & Cash Equivalents	1,691	1,831	-7.6%	1.7%
Placements with Banks	290	2,777	-89.6%	0.3%
Finance Lease Receivables	20,610	17,209	+19.8%	21.3%
Loans and Advances	67,452	30,407	+121.8%	69.7%
Debt & Other Financial Instruments	3,700	2,813	+31.5%	3.8%
Other Assets (incl. PPE, ROU, Intangibles, Deferred Tax)	3,006	2,081	+44.5%	3.1%
TOTAL ASSETS	**96,749**	**57,117**	**+69.4%**	**100.0%**

Liabilities

Customer Deposits

Customer deposits grew by 45.8% to Rs. 41,279 million from Rs. 28,314 million, representing the largest single funding source for Singer Finance and accounting for approximately 47.4% of total liabilities. Fixed deposits continued to dominate the deposit mix, reflecting the company's strength in the term deposit market across retail and corporate segments. The deposit franchise was nurtured through targeted interest rate strategies, digital onboarding campaigns, relationship-based deposit mobilisation, and seasonal loyalty programmes. The strong renewal ratio maintained during the year underscores the confidence customers place in Singer Finance as a safe and rewarding savings institution.

Growth in Customer Deposits



Interest-Bearing Loans and Borrowings

Interest-bearing loans and borrowings more than doubled to Rs. 40,796 million from Rs. 19,508 million, reflecting the company's strategic decision to aggressively leverage institutional funding channels to finance portfolio growth. This included new bank loans of Rs. 33,550 million secured during the year and a subordinated debenture issuance of Rs. 4,000 million. Securitisation facilities of Rs. 17,416 million were also drawn during the year, net of repayments, diversifying the funding base with longer-tenor, asset-backed instruments.

Other Liabilities

Other financial liabilities grew substantially year-on-year to Rs. 1,686 million from Rs. 649 million, reflecting higher other trade obligations arising from the larger balance sheet. Other non-financial liabilities were Rs. 558 million. Lease liabilities increased to Rs. 1,045 million from Rs. 790 million, reflecting new lease agreements for branch expansions.

Current tax liabilities rose to Rs. 519 million from Rs. 403 million on account of higher taxable income. Retirement benefit obligations increased to Rs. 243 million from Rs. 139 million, driven by headcount growth and revised actuarial assumptions. Bank overdraft at period end was Rs. 975 million (vs. Rs. 906 million prior year) and was used for short-term operational liquidity.

Key Financial Ratios and Performance Metrics

Singer Finance's key financial ratios reflect the transformational performance of FY 2025/26 and the company's strong positioning for continued growth. The following metrics are derived from the audited financial statements for the year ended 31 March 2026

Asset (Rs. Mn)	FY 2025/26	FY 2024/25	YoY %
Return on Assets (ROA) [Net Profit / Average Total Assets]	2.05%	1.82%	▲
Return on Equity (ROE) [Net Profit / Average Equity]	20.01%	15.05%	▲
Net Interest Margin (NIM) [NII / Average Interest-Earning Assets]	Enhanced	Improving	▲
Cost-to-Income Ratio [OPEX / Total Operating Income]	52.5%	58.7%	▲
Basic Earnings Per Share (EPS)	Rs. 6.07	Rs. 3.53	▲
Net Assets Per Share	Rs. 34.69	Rs. 30.21	▲
Loan Portfolio Growth	+121.8% (Loans)	+71.0%	▲
Deposit Growth	+45.8%	+31.9%	▲
Equity Multiplier (Total Assets / Total Equity)	10.04%	9.36%	◀
Loan-to-Deposit Ratio	213%	169%	◀

▲ Improved ◀ Monitored for optimal balance

Asset Quality and Credit Risk Management

Singer Finance's approach to credit risk management centres on disciplined underwriting, proactive portfolio monitoring, and a strong recovery infrastructure. The company deploys a multi-layered credit assessment framework that integrates real-time credit bureau data, internal scoring models, and human judgement to ensure that lending decisions are both commercially sound and appropriately calibrated to each borrower's risk profile.

The Expected Credit Loss (ECL) model under Sri Lanka Financial Reporting Standard (SLFRS 9) remains central to the company's provisioning methodology. The ECL model is calibrated with forward-looking macroeconomic variables, including GDP growth projections, inflation, and unemployment trends, ensuring that provisioning levels are responsive to changes in the economic environment.

For FY 2025/26, the company's impairment charges for loans and receivables were Rs. 389 million, up from Rs. 233 million in the prior year. This reflected the significant portfolio growth and a more conservative provisioning stance adopted during the year.

Stage 1, Stage 2, and Stage 3 provisions were reviewed and recalibrated during the year to reflect the expanded portfolio, updated probability of default (PD) models, and revised loss given default (LGD) estimates. The increase in Stage 1 provisions reflects the portfolio's absolute growth, while Stage 2 movements indicate early-stage credit deterioration being proactively identified and managed. Stage 3 provisions reflect the company's focus on resolving long-standing non-performing accounts through legal enforcement and restructuring.

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The company's Non-Performing Loans (NPL) management framework continues to deliver results. Through a combination of automated early warning systems, digital repayment reminders, field collection teams, and legal enforcement mechanisms, Singer Finance has maintained its asset quality even as the lending portfolio more than doubled. Recovery of written-off accounts and settlement of contested accounts are actively pursued through the company's legal and collections unit.

The ageing profile of the lending portfolio reflects a healthy concentration of short-to-medium tenure assets, which reduces structural duration risk and ensures the portfolio self-liquidates within reasonable timelines. Diversification across product lines – vehicle leasing, personal loans, gold loans, SMEs credit, and consumer finance – provides natural segmentation of risk and reduces concentration to any single product or borrower cohort.

Liquidity Management and Funding Strategy

Liquidity Framework

Maintaining adequate liquidity is a cornerstone of Singer Finance's risk management philosophy. The Company's liquidity management is governed by the Asset-Liability Committee (ALCO), which meets regularly to review the liquidity position, approve funding strategies, and stress test the balance sheet against adverse scenarios.

CBSL's regulatory liquidity requirements are monitored daily, with internal policies setting more conservative buffers to provide additional headroom.

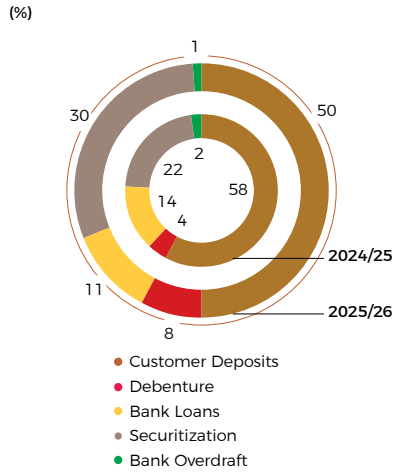
Cash and cash equivalents as at 31 March 2026 stood at Rs. 1,691 million, while bank placements were Rs. 290 million. The combined liquid assets base, including short-dated government securities and treasury bills, is managed to ensure compliance with CBSL's liquid assets to total assets requirements. The Company also maintains standby credit lines with banking institutions as part of its contingency liquidity planning framework.

Funding Diversification

Singer Finance has developed a well-diversified funding structure that balances retail deposits, institutional borrowings, and securitisation, thereby mitigating concentration risk in any single funding channel. Customer deposits remain the primary funding source, contributing Rs. 41.28 billion or approximately 47% of total funding. The Company's successful track record in deposit mobilisation, underpinned by competitive interest rates, a trusted brand and effective outreach, continues to attract and retain depositors across multiple demographics and geographies.

Institutional funding – comprising bank term loans, securitisation facilities, and subordinated debentures – constitutes the second pillar of Singer Finance's funding strategy. During FY 2025/26, the Company executed a Rs. 4,000 million subordinated debenture issuance, Rs. 17,416 million in net securitisation drawdowns, and Rs. 33,550 million in new bank borrowings, partially offset by loan repayments of Rs. 31,387 million. This reflects the Company's access to diverse institutional capital markets and its ability to structure funding solutions tailored to its balance sheet needs.

Fund Composition



Cash Flow Analysis

Net cash used in operating activities was Rs. 23,095 million in FY 2025/26, reflecting the significant investment in loan disbursements and the cash absorption of the rapidly expanding portfolio. This is consistent with a high-growth lending business model, where the growth of receivables is funded through borrowings and deposits rather than operating cash flows.

Cash flows from financing activities generated Rs. 21,309 million, primarily from net new borrowings and the Rights Issue proceeds. Cash flows from investing activities provided Rs. 1,577 million, mainly from the redeployment of bank placements into lending assets. Net cash and cash equivalents at the end of the year were Rs. 716 million.

Statement of Changes in Equity

The changes in equity during FY 2025/26 were driven by three key transactions:

(1) the Rights Issue of ordinary shares raising Rs. 2,008 million, substantially strengthened the stated capital.

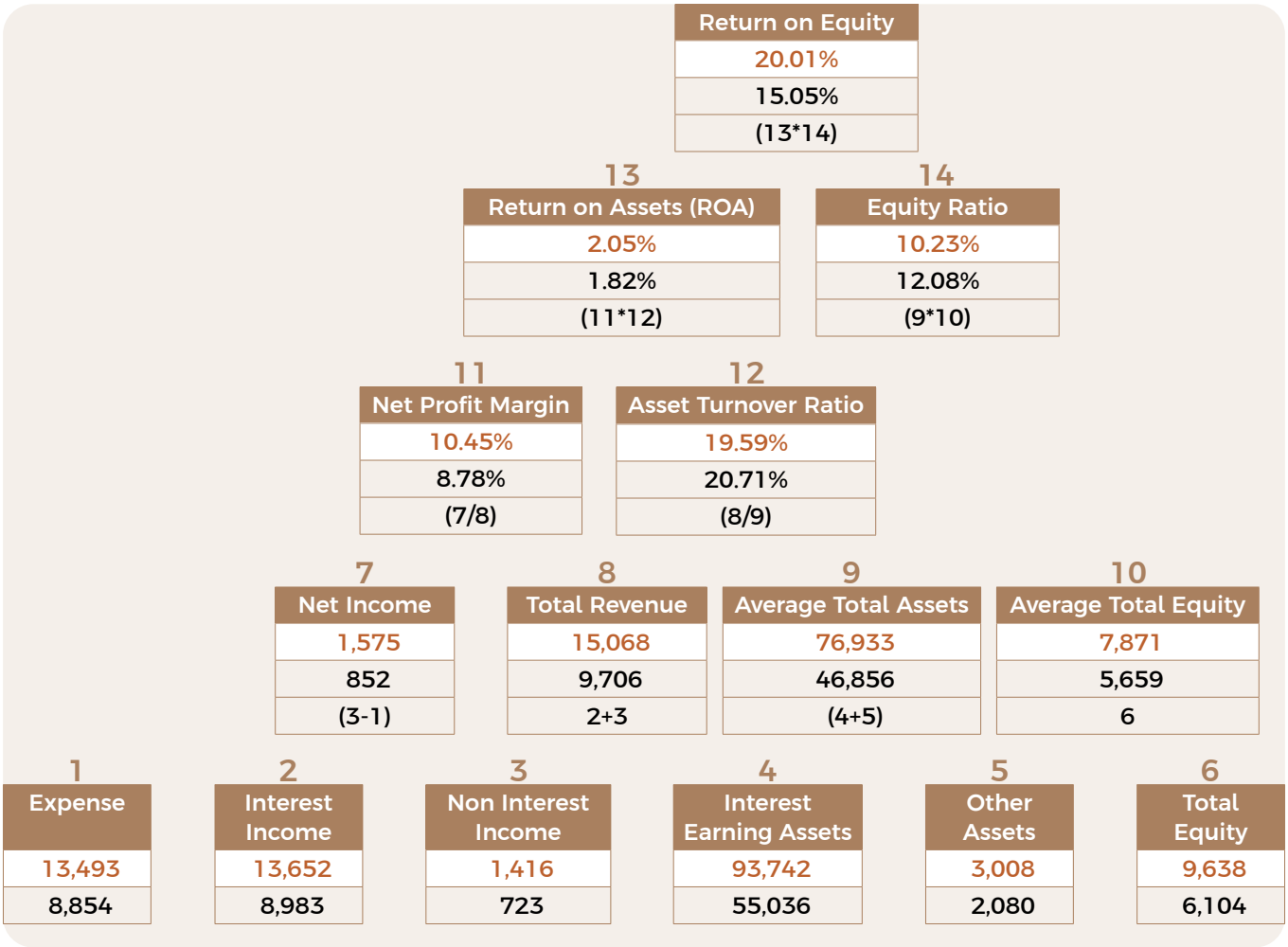
(2) Total comprehensive income of Rs. 1,526 million comprising net profit of Rs. 1,575 million and other comprehensive loss of Rs. 49 million (actuarial losses net of deferred tax).

(3) A transfer of Rs. 315 million to statutory reserves from retained earnings, in compliance with the Finance Business Act and CBSL regulations.

The decision not to declare dividends for the second consecutive year reinforces the Board's commitment to internal capital generation as the primary driver of equity growth. This approach is well-suited to a company like Singer Finance in a high-growth phase, where reinvesting earnings into the business yields superior risk-adjusted returns compared to distributing capital to shareholders. The Board will continue to review the dividend policy as the Company's capital position stabilises relative to its growth trajectory.

Dupont Analysis

The financial framework of DuPont analysis breaks down the Company's Return on Equity (ROE) into the distinct components of operating efficiency, asset use efficiency, and financial leverage. The goal is to help stakeholders pinpoint exactly why a company's ROE is going up or down



FINANCIAL CAPITAL

Strategic Priorities and Forward Outlook

Singer Finance enters FY 2026/27 from a position of exceptional financial strength, with a record Rs. 1.58 billion in net profit, a strengthened balance sheet of Rs. 96.75 billion, freshly recapitalised equity base following the Rights Issue. The Company is well-positioned to sustain its growth momentum while managing the risks that accompany rapid balance sheet expansion.

Capital Management and Adequacy

Preserving capital adequacy ratios comfortably above CBSL's regulatory minimums remains a priority for Singer Finance. The company will continue to target strong earnings retention, supplemented by proactive assessment of future capital requirements against the projected risk-weighted asset growth trajectory.

The Company will enhance ICAAP stress testing to incorporate more granular macroeconomic scenarios, particularly those involving interest rate normalisation, credit quality pressures in key lending segments, and potential deposit volatility.

Profitability and Revenue Diversification

The Company will target continued improvement in Return on Equity and Return on Assets through two levers: sustained growth in the high-yield lending portfolio and further diversification of non-interest income.

Fee and commission income, which has demonstrated explosive growth – up 118.3% in FY 2025/26 – will be a key focus area for strategic investment. New digital financial products, insurance distribution partnerships, and transaction-based fee streams are expected to contribute to an increasingly diversified revenue base.

Asset Quality and Provisioning

With the lending portfolio more than doubling in scale, maintaining rigorous credit quality standards is paramount. Singer Finance will continue to invest in credit risk technology, including AI-driven scoring models and early warning systems, to proactively identify credit deterioration before it escalates to the non-performing stage. The company's ECL provisioning framework will be further refined to incorporate sectoral risk assessments and individual borrower monitoring, ensuring adequate provisioning at all stages of the credit cycle.

Funding Optimisation and Liquidity

The funding strategy for FY 2026/27 will focus on rebalancing the funding mix towards lower-cost, longer-tenor instruments. Growing the retail deposit base – particularly in semi-urban and rural geographies where Singer Finance has a competitive advantage – will help reduce dependence on institutional borrowings and improve the overall cost of funds.

The ALCO will pursue a coordinated asset-liability management strategy to ensure duration alignment between funding and lending assets, to protect the net interest margin against interest rate movements.

Digital Transformation

Singer Finance will accelerate its digital transformation agenda, leveraging technology to reduce operational costs, improve customer experience, and drive growth in under-penetrated markets. The development of a comprehensive mobile banking application, enhanced digital lending workflows, and the integration of Open Banking-compatible interfaces will position the company as a digital-first financial services provider. These investments are expected to generate measurable improvements in cost efficiency and customer acquisition rates.

FY 2025/26 marks a watershed year in Singer Finance (Lanka) PLC's continuing corporate journey. The Company delivered its highest-ever revenues, profits, and asset base, demonstrating the compounding returns of its multi-year strategic investment in people, technology, branch infrastructure, and the brand. The successful completion of a Rights Issue doubled the stated capital, reinforcing the Company's capacity to sustain its growth momentum on a robust equity foundation.

At the same time, the Company remains mindful of the responsibilities that accompany sustained growth and expanding scale. Preserving asset quality amid a rapidly growing portfolio, managing funding costs within a dynamic interest rate environment, maintaining prudent capital adequacy buffers, and ensuring operational resilience continue to remain key management priorities. Singer Finance's disciplined approach to risk governance, transparent financial stewardship, and stakeholder-focused value creation framework provide confidence in the Company's ability to navigate evolving challenges with the same prudence, resilience, and consistency that have long underpinned its performance.

Singer Finance is committed to building on this exceptional performance to create enduring value for its shareholders, depositors, employees, regulators, and the broader communities it serves. The financial capital built through years of prudent management, disciplined growth, and strategic reinvestment now stands as the most powerful platform the Company has ever had; and the Board and management are resolute in deploying it responsibly, sustainably, and profitably in the years ahead.

FINANCIAL CAPITAL



Way Forward

Singer Finance enters the new financial year from a position of considerable strength, underpinned by robust capitalisation, improved profitability, and growing operational scale. However, sustainable growth in an evolving financial services landscape requires more than balance sheet strength it demands disciplined capital stewardship, diversification, digital agility, and forward-looking risk management.

Accordingly, the Company's strategic priorities are structured across both immediate execution horizons and longer-term transformation objectives. In the near term, the focus remains on protecting financial resilience, optimising profitability, strengthening asset quality, and enhancing funding efficiency. Over the medium to long term, the ambition is to evolve Singer Finance into a more diversified, digitally empowered, and structurally resilient financial institution capable of delivering enduring value across economic cycles.

Short-Term Priorities

Maintain capital buffers comfortably above regulatory thresholds through disciplined earnings retention, prudent balance sheet expansion, and proactive capital planning aligned with portfolio growth. Strengthen stress-testing frameworks to account for interest rate normalisation, credit deterioration scenarios, and macroeconomic volatility.

Drive improved returns through growth in high-yield lending segments, optimisation of portfolio mix, and expansion of fee-based income streams. Prioritise investment in digital financial products, insurance distribution partnerships, and transaction-led services to reduce reliance on conventional interest income.

Strengthen underwriting discipline through enhanced credit analytics, AI-driven scoring models, and refined Early Warning Systems (EWS). Continuously recalibrate Expected Credit Loss (ECL) methodologies to reflect sector-specific risks and borrower behaviour in a shifting credit environment.

Rebalance the funding mix toward lower-cost and longer-tenor instruments, expand retail deposit mobilisation, and optimise institutional borrowing strategies to reduce cost of funds and enhance liquidity resilience.

Accelerate digitalisation of customer journeys, internal workflows, and credit processes to improve speed, convenience, and cost efficiency. Deploy automation across operational functions to enhance productivity and decision quality.

Consolidate market presence in high-potential customer segments while leveraging brand strength, branch reach, and ecosystem synergies to deepen customer acquisition and retention.

Maintain disciplined governance oversight amid economic recovery, with strong focus on credit quality, liquidity discipline, regulatory compliance, and enterprise risk management.

Medium-Term Priorities

Build a resilient capital architecture capable of supporting sustained growth, business diversification, and strategic investments, while ensuring agility to respond to regulatory evolution and changing economic cycles.

Transition toward a more diversified and balanced earnings model, where non-interest income becomes a stronger contributor to profitability, supported by scalable digital ecosystems, embedded finance solutions, and new partnership-led revenue streams.

Develop a future-ready risk intelligence framework powered by predictive analytics, automation, and dynamic portfolio monitoring to sustain strong asset quality while enabling prudent scaling across new customer segments and products.

Establish a structurally efficient funding platform with diversified capital market access, stronger retail deposit franchises, and enhanced treasury sophistication to support sustainable long-term expansion.

Evolve into a digitally integrated financial institution where technology serves as a strategic differentiator—enabling scalable growth, superior customer engagement, data-led decision-making, and lean operating models.

Expand into broader underserved and emerging customer segments through digitally enabled distribution, ecosystem partnerships, and differentiated propositions that strengthen market leadership.

Build institutional resilience through adaptive governance, integrated risk intelligence, and strategic foresight, ensuring long-term sustainability through evolving market and regulatory cycles.

HUMAN CAPITAL

The Wings That Empower Every Flight



At Singer Finance, we recognise that aspirations take flight only when nurtured within an environment of trust, support, and opportunity. Just as a bird draws strength from the safety of its nest before spreading its wings toward new horizons, our people are empowered through a culture that fosters growth, belonging, and purpose.

Through continuous learning, leadership development, employee wellbeing, and a values-driven culture, we are strengthening the wings that carry our organisation forward. We believe that when our people are supported, inspired, and connected by a shared purpose - they become catalysts for transformation, delivering exceptional experiences, and creating lasting impact across every customer journey.

Our Human Capital is a nurturing force that enables ambitions to rise, strengthens the bonds of trust, and ensures that every journey, whether of our employees, customers, or communities, is supported by the confidence to soar.

Empowering People and Enabling Sustainable Growth

Driven by a collective passion, expertise, and resilience, our employees bring our vision to life each day. By cultivating a nurturing and inclusive workplace, we create an ecosystem where individuals are encouraged to learn, evolve, and realise their fullest potential. In turn, this empowerment extends outward to the customers and communities we serve, enabling them to pursue their own ambitions with confidence.

Therefore, human capital remains one of the most critical enablers of long-term value creation, operational resilience, and sustainable business growth. As a people-centric financial institution operating in a rapidly-evolving environment, we are committed to develop a capable, engaged, and future-ready workforce aligned our strategic priorities.

Management Approach

During the financial year under review, the Human Resources function continued to evolve beyond its traditional administrative role, operating as a strategic partner in driving organizational performance, workforce productivity, leadership capability, employee engagement, governance, and cultural transformation. Through disciplined people practices and a strong focus on capability enhancement, we strengthened our ability to attract, retain, and develop talent while fostering a high-performance and values-driven organizational culture.

The year was marked by a continued emphasis on strengthening employee capability development, enhancing workforce productivity, supporting digital transformation initiatives, and improving employee experience across the organisation.

Simultaneously, the Company continued to strengthen workforce optimisation initiatives while maintaining robust governance and compliance standards across all HR practices. Enhanced alignment between business objectives and people strategies enabled the organization to improve operational effectiveness while sustaining employee engagement and organizational stability across its branch network and support functions.

Strategic Priority	Focus Area	Key Objective
A safe, inclusive workplace	Promoting gender equality and inclusion	Enabling equal opportunity through strong policies and practices
	Fostering health, safety and well-being	Ensuring a safe, supportive, and wellness-focused workplace
A talented, engaged team	Attracting and retaining the right talent	Nurturing a well-rounded, future-ready workforce
	Supporting learning and development	Driving capability development aligned to strategic transformation
	Nurturing a performance-oriented workforce	Encouraging results through consistent appraisals and competitive remuneration
	Creating a strong engagement culture	Strengthening employee engagement and communication
Nurturing fair, ethical principles	Upholding fair labour practices and human rights	Upholdig dignity, respect, and equitable working conditions
	Strengthening ethical culture and governance	Reinforcing integrity through strong values and a code of conduct



HUMAN CAPITAL

Human Capital Linkage Diagram

Strengthening Connections That Create Shared Value

STRATEGIC DRIVERS

- Talent Development
- Culture
- Leadership
- Employee Well-being

HUMAN CAPITAL

(People, Leadership, Culture & Organisational Energy)

TALENT DEVELOPMENT

- Training
- Upskilling
- Career growth
- Capability building

CULTURE & ENGAGEMENT

- Inclusive culture
- Collaboration
- Employee engagement

LEADERSHIP & PERFORMANCE

- Succession planning
- Accountability
- Strategic alignment

EMPLOYEE WELL-BEING & SAFETY

- Workplace safety
- Mental and physical well-being
- Employee support initiatives

BUSINESS ENABLERS

- Higher productivity
- Service excellence
- Stronger customer relationships
- Agile and resilient workforce

CUSTOMER & BUSINESS OUTCOMES

- Improved customer trust and satisfaction
- Enhanced operational performance
- Stronger employee retention and morale
- Sustainable organisational growth

VALUE CREATION OUTCOMES

- Future-ready workforce
- High-performance culture
- Strong leadership pipeline
- Long-term organisational resilience
- Sustainable stakeholder value

SDG ALIGNMENT LAYER



Material Matters

- Talent Attraction and Retention
- Employee well-being
- Diversity, Equity and Inclusion
- Labour rights and Ethical practices

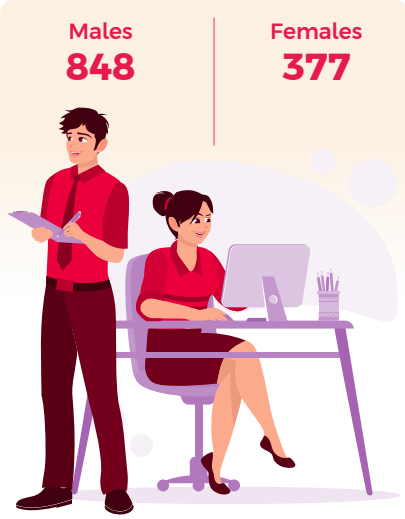
Total Team – **1,225** Outsourced Staff- **197** Investment in Training **Rs. 24 Mn**	Male to Female ratio **69:31≈2:1** Training Hours : **28,146**	No of recruitments : **438** Leadership Training - **22**	No of promotions : **301** Value of benefits granted **Rs. 50.7 Mn**

Team Profile

Commitment to Diversity

GRI 2-7

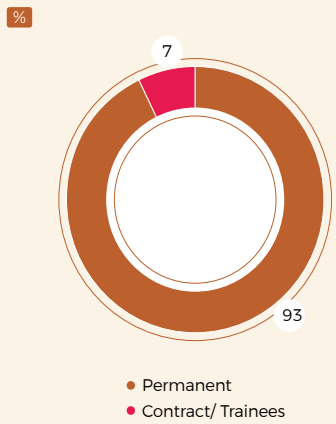
At Singer Finance, our people remain the driving force behind our success. With a team of 1,225 Full time employees across our branch network and Head Office, we have cultivated a dynamic workforce that blends youthful energy and fresh perspectives with the wisdom and expertise of seasoned professionals.



Our inclusive and diverse culture creates equal opportunities for all employees to grow, contribute, and thrive. By fostering collaboration, continuous learning, and mutual respect, we nurture a workplace where talent is empowered, innovation is encouraged, and individuals are inspired to achieve their full potential.

Supported by strong people practices and a commitment to fairness and well-being, our team continues to strengthen Singer Finance's ability to serve customers effectively while driving sustainable growth and long-term value creation.

Employees by Type



Employee Type

Employment Type	No. of Employees
Permanent	1136
Contract / Trainees	89
Total Full Time Employees	**1225**

Gender / Province Wise Permanent Employees

Region	Gender		Total
	Male	Female	
Central	59	21	80
Eastern	41	16	57
North Central	37	10	47
North Western	72	26	98
Northern	48	22	70
Sabaragamuwa	34	15	49
Southern	67	18	85
Uva	20	3	23
Western	401	226	627
Grand Total	**779**	**357**	**1,136**

Gender / Province Wise Contract / Trainees Employees

Region	Gender		Total
	Male	Female	
Central	10	-	10
Eastern	7	1	8
North Central	4	-	4
North Western	4	1	5
Northern	8	-	8
Sabaragamuwa	3	-	3
Southern	7	2	9
Uva	2	-	2
Western	24	16	40
Grand Total	**69**	**20**	**89**

Contractual Employees

GRI 2-8

In addition to our permanent workforce, Singer Finance is supported by an outsourced team of 197 employees engaged across operational support functions including recovery operations, logistics, call centre operations, janitorial services, and security services. While externally contracted, we consider these individuals an integral part of our extended workforce, contributing directly to the consistent delivery of customer-focused service standards across the organisation.

All outsourced personnel operate under clearly-defined contractual arrangements, with working conditions and compliance requirements closely monitored to ensure alignment with our ethical workplace standards. As many of these employees interact directly with customers and stakeholders, they are provided with relevant training and operational guidance to uphold the Company's service expectations and professional values.

HUMAN CAPITAL

To promote inclusivity and accessibility, important information, policies, and workplace communications are made available in both Sinhala and Tamil wherever applicable. Grievance escalation mechanisms are also maintained to ensure concerns can be raised and addressed fairly and transparently.

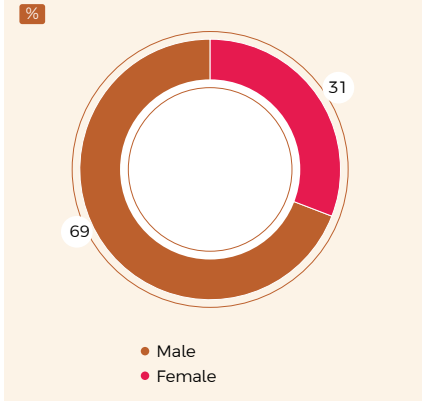
These practices reinforce our commitment to fostering a safe, inclusive, and ethical working environment for all individuals connected to our operations.

Outsourced Employees Location	No of Employees	%
Call Centre - Union Place	27	14%
Head Office – Recovery	6	3%
Kayjay (Security)	78	39.5%
CareKleen (Cleaning)	79	40%
Admin (Driver)	1	0.5%
Group Sales	5	2.5%
Operations	1	0.5%
Total Outsourced Employees	**197**	**100%**

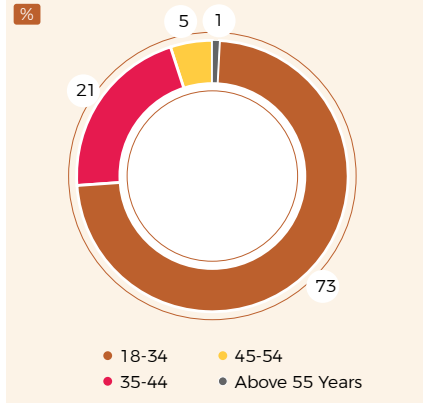
Age Diversity of Employees

Age Bucket	No. of Employees
18-24	268
25-29	363
30-34	271
35-39	153
40-44	100
45-49	47
50-54	14
Above 55 years	9
Total Employees	**1,225**

Total Employees - Gender Composition



Total Employees - Age Composition



Age/ Gender Analysis by Staff Category GRI 405-1

Employee Grade	<29		30-49		>50		%	
	Female	Male	Female	Male	Female	Male	Female	Male
Key Management	-	-	-	1	-	1	0%	0%
Senior Management	-	-	1	6	2	4	1%	0%
Assistant General Management	-	-	1	2	-	-	0%	0%
Senior Middle Management	-	-	1	5	-	1	0%	0%
Middle Management	-	-	-	27	-	1	2%	0%
Senior Grade of Junior Management		1	2	34	-	2	3%	0%
Junior Management	2	4	1	29	1	1	3%	0%
Senior Executive	-	-	3	34	-	1	3%	0%
Executive	1	6	8	68	1	2	6%	1%
Junior Executive	4	7	11	22	-	-	2%	1%
Non - Executive	248	354	87	232	3	3	48%	28%
Total Employees	255	372	115	460	7	16	69%	31%
Age Wise %	20.8%	30.4%	9.4%	37.6%	0.6%	1.2%		

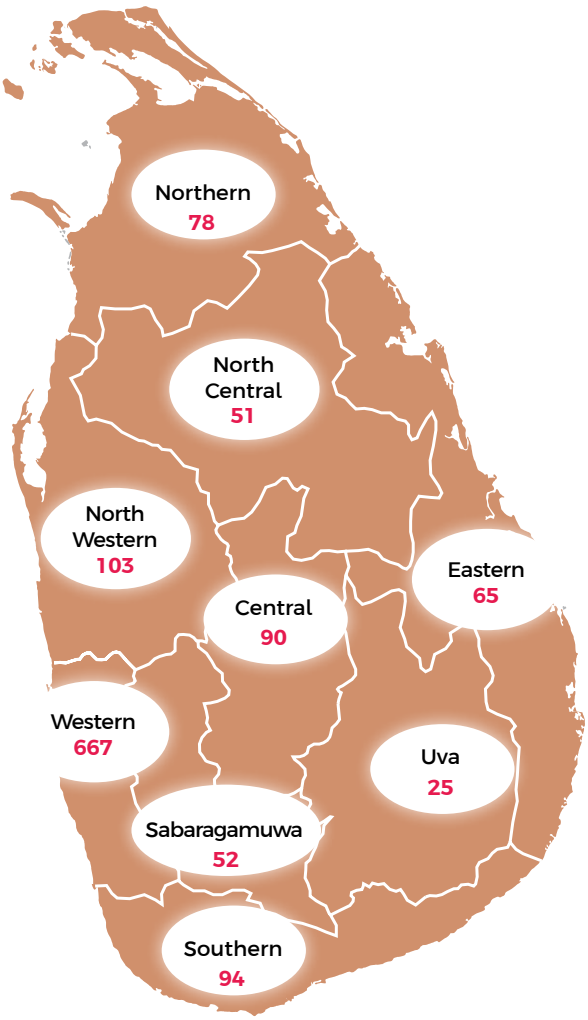
Age / gender – Analysis of Directors

Age Category	<29		30-49		>50		Total Directors	%	
	Female	Male	Female	Male	Female	Male		Female	Male
Director	-	-	-	1	2	6	9	22%	78%
Age Wise %	0%	0%	0%	11%	22%	67%			

Geographical Dispersion of Employees

Province	No. of Employees
Western	667
Southern	94
Northern	78
Eastern	65
Central	90
North Western	103
Sabaragamuwa	52
Uva	25
North Central	51
Total Employees	**1,225**

Map with Employees Province-wise



Gender Equality and Inclusion

GRI 405-2

Aligned with the principles of the United Nations Global Compact and the UN Women Women's Empowerment Principles, Singer Finance remains committed to fostering a workplace built on equality, dignity, and inclusion. Our policies strictly prohibit discrimination in all forms while promoting gender equity across recruitment, remuneration, career progression, and leadership opportunities. The Company continues to strengthen diversity and inclusion across its workforce while promoting equal opportunity and merit-based career advancement. Also in FY 2025/26, our remuneration policy maintained a 1:1 ratio of basic salary and total remuneration between women and me, ensuring transparency and fairness in compensation.

69% Males | **31%** Females

29% New recruits Females

13% Females in Supervisory and Managerial Roles

30% Promotions of Females

Collective Bargaining Agreements GRI 2-30

The Company has no collective bargaining agreements.

Total Employees - Designation Level

Designation Level	No of Employees
Management	130
Executive	168
Non- Executive	927
Total Employees	1,225

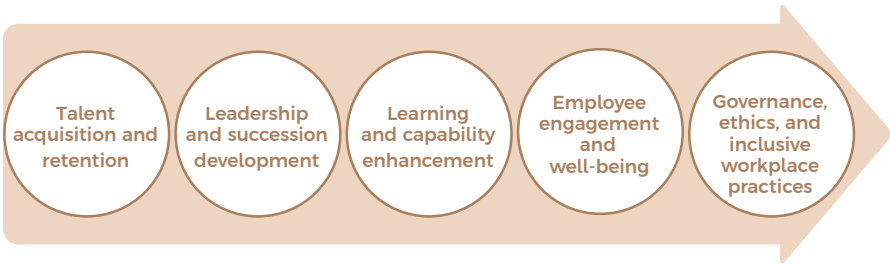
HUMAN CAPITAL

We continue to promote inclusive workplace practices through fair recruitment systems, internal mobility opportunities, leadership development programs, and employee awareness initiatives.

To reinforce accountability, we utilise a broad range of tracking mechanisms and inclusion indicators to monitor progress and strengthen equitable workplace practices. During the year, we maintained a 1:1 remuneration ratio between women and men, reflecting our commitment to fair and unbiased compensation practices across the organisation.

Building a High-Performance Workforce

The Company's people strategy is anchored on five core pillars:



These pillars collectively support the creation of a resilient and future-ready workforce capable of adapting to changing customer expectations, technological advancement, regulatory developments, and broader economic challenges.

The HR function continued to focus on strengthening workforce planning practices, enhancing productivity across operational functions, and ensuring the availability of skilled talent to support business expansion and service excellence initiatives.

These pillars collectively support the creation of a resilient and future-ready workforce capable of adapting to changing customer expectations, technological advancement, regulatory developments, and broader economic challenges.

The HR function continued to focus on strengthening workforce planning practices, enhancing productivity across operational functions, and ensuring the availability of skilled talent to support business expansion and service excellence initiatives.

Strategic Role of Human Resources

Human Resources continued to play an instrumental role in aligning employee performance with organisational goals through structured performance management systems, leadership development initiatives, succession planning practices, and employee engagement programs.

Key strategic priorities during the year included:

- Strengthening performance-driven HR practices
- Enhancing employee capability through structured training programs
- Supporting digital transformation through HRIS-driven processes
- Building internal leadership pipelines
- Improving employee engagement and workplace culture
- Supporting workforce productivity optimization initiatives
- Reinforcing governance, compliance, and ethical employment practices

The Company's continued investment in digital HR processes through the Oracle HRIS platform further strengthened operational efficiency, workforce analytics capability, and employee experience across the organisation.

Human Capital Risks and Opportunities

Operating within a competitive financial services environment presents both workforce-related risks and strategic opportunities. During the reporting period, we identified several key HR-related focus areas requiring ongoing management attention.

Key Human Capital Risks	Human Capital Strategic Opportunities
• Talent retention challenges within the competitive financial services labour market • Emerging skill gaps associated with digital transformation and evolving regulatory requirements • Dependency on critical talent within specialized operational functions • Maintaining consistent productivity and performance standards across the branch network • Workforce capability alignment with future business and technology requirements	• Expanding digital HR transformation initiatives • Leveraging workforce analytics for improved decision-making • Enhancing leadership development and succession readiness • Strengthening employee engagement and culture-building initiatives • Building future-ready digital and customer-centric competencies • Expanding internal mobility and career development pathways

To mitigate these risks, the Company continued to strengthen internal development programs, succession planning initiatives, employee engagement practices, and structured performance management processes.

The Company also identified several opportunities to strengthen long-term workforce sustainability and organizational capability, including:

These initiatives are expected to support sustainable productivity improvement, stronger employee retention, and long-term organizational resilience.

Workforce Planning and Talent Acquisition GRI 401-1

The Company follows a structured and governance-driven recruitment framework designed to attract, assess, and onboard talent aligned with organizational requirements and cultural expectations.

The recruitment process begins with workforce planning and role definition, followed by candidate sourcing, structured screening, competency-based interviews, and where applicable, technical or behavioral assessments. Final candidates undergo comprehensive background verification procedures including employment history validation, reference checks, qualification verification, and medical examinations prior to onboarding.

438 No of new recruitments

313 Males | **125** Females

Recruitment by Gender GRI 401-1

Gender	No of Employees	%
Male	313	71%
Female	125	29%
Total Employees	**438**	**100%**

Recruitment by Age

Age Wise	No of Employees	%
<29	341	78%
>50	3	1%
30-49	94	21%
Total Employees	**438**	**100%**

Recruitments by Province

Province	No of Employees	%
Western	28	6%
Southern	47	10%
Northern	12	3%
Eastern	35	8%
Central	35	8%
North Western	34	8%
Sabaragamuwa	35	8%
Uva	11	3%
North Central	201	46%
Total Employees	**438**	**100%**

HUMAN CAPITAL

Multi-Channel Talent Sourcing

Singer Finance adopts a diversified sourcing strategy to ensure access to a broad and qualified talent pool. Key sourcing channels include:

- Internal job postings and internal talent pools
- Employee referral programs
- External recruitment portals
- Social media recruitment platforms
- Campus recruitment initiatives
- Industry networking engagements
- Specialist recruitment agencies for niche positions
- Walk-in interviews conducted across regions

Priority is consistently given to developing internal talent and supporting career mobility opportunities across the organisation. Screening and assessment are carried out through a structured, competency-based approach to ensure the selection of candidates who are closely aligned with role requirements. The process begins with an initial review of CVs against predefined job criteria, followed by structured interviews designed to evaluate technical knowledge, relevant experience, and behavioural competencies.

Depending on the nature and complexity of the role, candidates may also be required to complete role-specific assessments, including aptitude and numerical reasoning tests, credit and risk awareness evaluations, and customer service competency assessments. This multi-layered evaluation framework ensures a fair, consistent, and merit-based selection process across all levels of recruitment.

Background verification is conducted as part of the final selection stage to uphold compliance, integrity, and candidate suitability. This includes reference checks, identity and qualification verification, and confirmation of prior employment history in accordance with organisational policies and applicable regulatory requirements.

In addition, medical examinations are undertaken for all selected candidates to ensure fitness for duty and to support employee health and well-being. Collectively, these measures reinforce a robust, transparent, and compliant recruitment process aligned with governance and risk management standards.

Performance Management and Career Development

GRI 404-3

The Company maintains a structured performance management framework applicable across both Executive and Non-Executive employee categories. The framework is designed to align individual performance with organisational objectives through clearly-defined Key Performance Indicators (KPIs), behavioural expectations, and competency standards. All permanent staff members are fully evaluated under the appraisal system of the company.

Performance evaluations are conducted bi-annually through:

- Mid-year performance reviews
- Year-end appraisals



No. of employees eligible for appraisal
1,034

No. of employees promoted
301

No. of Females promoted-
90

Total Promotions (Internal)
301
Total Recruitments (External)
438
Ratio
68.7%

The appraisal framework supports:

- Continuous performance monitoring
- Development-focused feedback discussions
- Training needs identification
- Career progression planning
- Succession readiness assessment

We ensure that performance outcomes are directly linked to salary increments, promotions, and

incentive schemes, reinforcing a performance-driven organisational culture supported by structured moderation and governance review processes.

Internal Mobility and Succession Planning

Developing future leaders internally remains a strategic priority. The Company actively promotes internal mobility and structured career progression opportunities to strengthen employee retention and leadership continuity.

Approximately 60% of new branch openings and replacement positions were filled through internal talent during the year, reflecting the effectiveness of the Company's internal talent development approach.

Succession planning practices focus on:

- Identification of critical roles
- Assessment of leadership readiness
- Talent mapping and succession pipelines
- Structured development interventions
- Job rotations and interim assignments
- Mentoring and coaching programs

These initiatives collectively support long-term leadership sustainability and organizational continuity.

Learning and Capability Development

GRI 404-2

Continuous learning remains central to the Company's human capital philosophy. During the year, significant emphasis was placed on strengthening employee capability through structured technical, operational, leadership, and compliance-related training programs.

The Company achieved an average of 23 training hours per employee during the financial year - the highest level recorded in its history demonstrating our strong commitment toward workforce capability enhancement.

Total investment in Learning and Development

LKR 24.1 Mn

No. of training Hours

28,146

Training Hours per Employee

22.98

Technical Training
Investment - **LKR 10.8Mn**
Training Hours - **851**

Soft Skills Development
Investment - **LKR 4.7 Mn**
Training Hours - **181**

Leadership Development
Investment - **LKR 0.55 Mn**
Training Hours - **109**

Average Training Hours

GRI 404-1

Gender-wise	Average Training Hours
Male	22.06
Female	25.03

Category-wise	Average Training Hours
Non-Executive	15.2
Executive	33.57

The Company continues to foster a strong learning culture that supports both immediate business requirements and long-term workforce readiness.

Training interventions during the year were strategically designed to strengthen both technical expertise and behavioural competencies across the organisation, ensuring employees remain agile, future-ready, and aligned with evolving industry dynamics. Particular emphasis was placed on equipping teams with up-to-date technical knowledge to keep abreast of changing market conditions, regulatory developments, emerging technologies, and evolving customer expectations, while simultaneously empowering employees with leadership, communication, collaboration, and other essential soft skills required to thrive in a dynamic business environment.

Training interventions focused on:

- Leadership development and succession readiness
- Technical and functional capability enhancement to keep pace with industry and technological advancements
- Soft skills development including communication, collaboration, adaptability, and problem-solving
- Customer service excellence and relationship management
- Compliance, governance, and ethical awareness
- Credit and risk management competencies
- Digital capability enhancement and technology adoption
- Operational productivity and process improvement

HUMAN CAPITAL

We strive to foster a strong culture of continuous learning and professional development that supports immediate business priorities while building a resilient, skilled, and future-ready workforce capable of sustaining long-term organisational growth and transformation.

Employee Engagement and Workplace Culture

Singer Finance continued to strengthen employee engagement through a broad range of structured and informal initiatives aimed at improving workplace culture, employee motivation, recognition, and well-being.

Employee Recognition and Engagement Initiatives

Key initiatives implemented during the year included:

- Employee of the Month recognition programs
- Annual Service Awards
- MD's Challenge Trophy Indoor Cricket Tournament
- CSR engagement projects
- Leadership-driven engagement activities
- Cross-functional team awards

In addition, several cultural and wellness initiatives were conducted across the organisation, including:

- Vesak Dansala initiatives
- Annual picnics
- Movie nights
- Holiday programs
- Halloween celebrations
- Religious and cultural observances
- International Women's Day celebrations
- Valentine's Day engagement activities





















Strengthening Communication and Employee Voice GRI 402-1

The Company maintains multiple communication platforms to strengthen transparency, collaboration, and employee engagement across the organization.

Key communication channels include:

- Branch and departmental meetings
- Coffee with MD sessions at branches
- Leadership town halls
- Executive Committee meetings
- HR circulars and email communications
- Department-level communications
- The "Do You Know" awareness flyer series
- The newly-introduced Singer Finance intranet platform



The launch of the Company's intranet platform significantly enhanced internal communication efficiency and centralized employee access to policies, updates, and engagement content.

Sufficient Notice period is given for staff to imcorporate operational changes. This advocates our commitment to transparent communication.

Employee feedback is gathered through:

- Employee surveys and pulse checks
- One-to-one discussions
- Grievance handling channels
- Suggestion mechanisms
- Exit interviews

Feedback is jointly reviewed by HR and management teams to ensure timely action and continuous organizational improvement.

Employer Brand and Workplace Recognition

During the year, the Company strengthened its employer brand through continued investment in workplace culture and employee engagement practices. These recognitions reflect strong employee trust, workplace satisfaction, and organizational culture standards.





HUMAN CAPITAL

Employee Well-Being and Benefits GRI 401-2, GRI 403-5, GRI 403-6

The Company provides a comprehensive employee benefits framework designed to support employee well-being, financial security, and work-life balance.

Key Employee Benefits

Benefits available to full-time employees include:

- OPD medical benefits
- Hospitalisation insurance coverage
- Group life insurance
- Gratuity, MSPS, and ETF retirement benefits
- Employee loan schemes
- Performance-based incentives
- Educational assistance schemes
- Employee sales schemes
- Holiday plans
- Death donation benefits
- Employee engagement and wellness initiatives

The Company also provides disability coverage under its group insurance arrangements and maintains structured financial assistance programs including staff loans and distress support facilities.

Medical Expenses Reimbursed	Educational Assistance Granted	Retirement Benefits	Insurance and Disability Benefits
Rs 42.6 Mn	**Rs 21 Mn**	**Rs. 8.3 Mn**	**Rs 43 Mn**

Parental Leave and Family Support GRI 401-3

Singer Finance remains committed to supporting employees through family-related responsibilities and life events.

All eligible employees are entitled to parental leave benefits in line with organizational policy and applicable labour regulations.

Maternity Benefits

Maternity leave provisions include:

- 100 working days for first and second confinements
- 50 working days for subsequent confinements
- Nursing intervals until the child reaches one year of age
- Additional provisions relating to stillbirth and medical circumstances

Paternity Benefits

Male employees are entitled to:

- Three days of paid paternity leave for each newborn child During the year:
- 100% of employees were eligible for parental leave
- Eight female employees utilized maternity leave
- Return-to-work rate following maternity leave remained at 100%
- Retention rate after return from maternity leave stood at 50%

Maternity Benefits Details

No. of employees eligible for maternity leave	**377**
No. of employees who granted maternity leave	**8**
No. of employees who returned to work after maternity leave	**4**
Retained After 12 Months	**3**

Employee Turnover and Attrition

Employee turnover was minimised during the year and was primarily driven by natural attrition, including personal career progression, retirement, and individual circumstances. The Company continued to maintain strong employee retention through a supportive work environment, career development opportunities, and employee engagement initiatives.

Reason for Resignation	No of Employees
Migration	7
Termination	9
Volunteer	184
Grand Total	200

Turnover Details

Total Resignations/Attritions	200
Beginning Head Count	1,008
Year End Head Count	1,225
Average Annual Head Count	1,116.5
Turnover Ratio/Attrition Ratio	18%

Turnover by Gender / Province

Province	Total Employees	Resignation	Turnover rate %	Total Employees	Resignation	Turnover rate %
	Female	Female	Female	Male	Male	Male
Central	21	2	10%	69	11	16%
Eastern	17	3	18%	48	7	15%
North Central	10	1	10%	41	6	15%
North Western	27	6	22%	76	13	17%
Northern	22	8	36%	56	19	34%
Sabaragamuwa	15	4	27%	37	6	16%
Southern	20	5	25%	74	13	18%
Uva	3	0	0%	22	3	14%
Western	242	27	11%	425	66	16%
Total Employees	**377**	**56**		**848**	**144**	

Turnover by Age

Age Category	Total Employees	Resignation	Turnover rate %
<29	631	129	20%
30-49	571	68	12%
>50	23	3	13%
Total Employees	**1,225**	**200**	

Average Length of Service

Tenure Bucket	Number of Employees
Below 1 year	394
1 to 5 years	490
5 to 15 years	295
15+	46
Total	**1,225**

Health, Safety, and Employee Protection

GRI 403-1, GRI 403-2, GRI 403-5

The Company maintains a structured health and safety framework designed to support employee well-being and operational safety across branches and office locations.

All locations are equipped with:

- Fire alarm systems
- Panic alarm systems
- CCTV surveillance systems
- Fire extinguishers

The HR & admin departments jointly carried out periodic training programms on fire evacuation, safe workpalce practices and first-aid related training.

Key workplace risks identified include:

- Ergonomic-related workplace risks
- Operational and cash-handling risks
- Electrical and fire safety risks
- Travel and field operation exposure
- Employee stress and wellness-related concerns

HUMAN CAPITAL

Risk mitigation measures include:

- Fire drills and safety training
- Workplace safety inspections
- Ergonomic improvements
- Awareness and compliance programs
- Operational safety procedures

Regular HR audits, internal audits, and risk management reviews further support proactive risk identification and mitigation.

Governance, Ethics, and Responsible Employment

GRI 2-23, GRI 2-25

The Company maintains strong governance and ethical employment standards supported through formal HR policies, compliance frameworks, and oversight mechanisms.

The Company maintains policies relating to:

- Child labour prohibition
- Human rights protection
- Equal opportunity employment
- Gender equality and anti-discrimination
- Anti-corruption and ethical conduct
- Whistleblowing and grievance management

A confidential whistleblowing mechanism enables employees to report unethical conduct or policy violations through established governance channels.

Non-Discrimination GRI 406-1

No incidents of discrimination or harassments were reported during the year 2025/26 financial year.

During the reporting year:

- Three employee grievances were formally reported and resolved
- One medium-level case was handled through established governance procedures

Supporting Employees During Economic Challenges

Despite prevailing economic pressures, the Company maintained workforce stability without implementing significant restructuring or workforce reduction initiatives.

Employee support measures during the year included:

- Continuation of employee benefits
- Financial assistance programs
- Leadership communication initiatives
- Employee engagement support mechanisms
- Job security and workload management measures

During the severe December 2025 adverse weather conditions, the Company redirected the budget allocated for annual Christmas celebrations toward employee welfare assistance. Over LKR 6 million was distributed among 78 affected employees as direct financial support, reinforcing the organization's commitment to employee care during times of crisis.



Way Forward

Looking ahead, the Company's human capital strategy will continue to focus on building a resilient, digitally enabled, and future-ready workforce capable of supporting long-term business growth.

Short-Term Priorities

- Strengthening talent acquisition and retention
- Enhancing HR digitalization initiatives
- Expanding leadership development programs
- Strengthening KPI-driven performance culture

Medium-Term Priorities

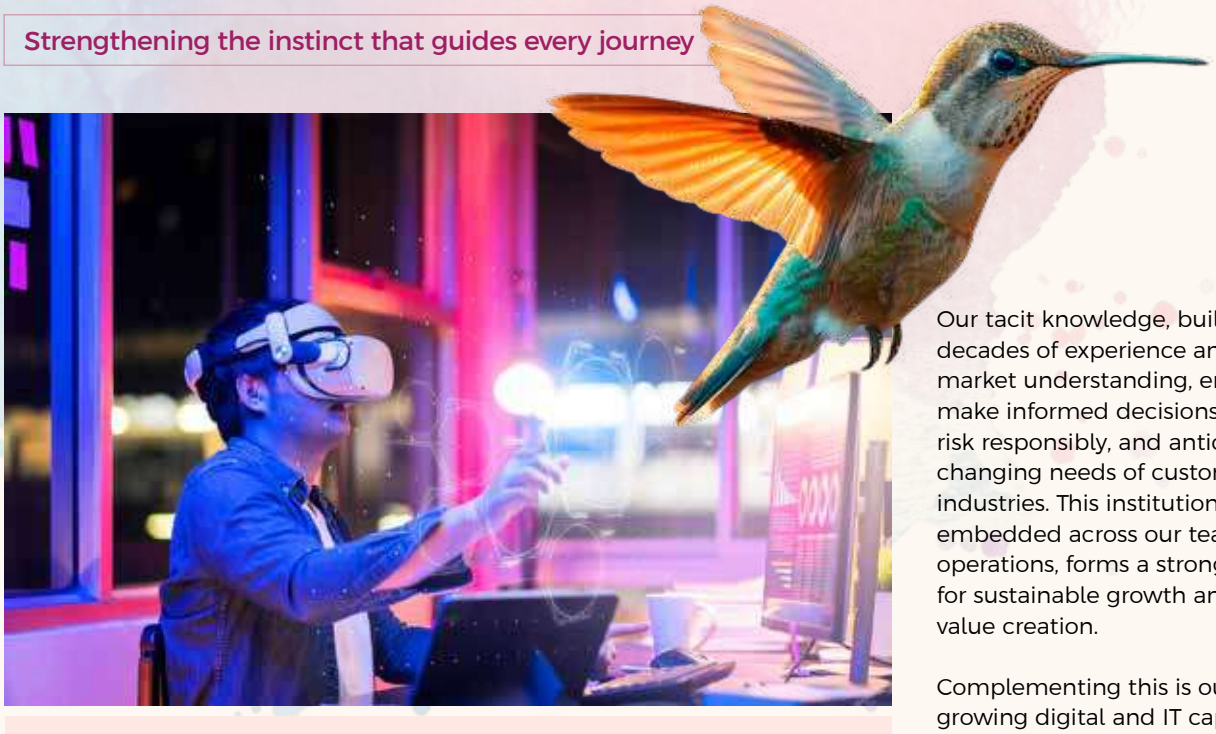
- Building future-ready workforce capabilities
- Expanding internal mobility and succession pipelines
- Enhancing workforce analytics and HR insights
- Strengthening continuous learning culture
- Advancing diversity and inclusion initiatives

Long-Term Strategic Goals

- Developing a fully integrated digital HR ecosystem
- Establishing sustainable leadership continuity
- Positioning Singer Finance as an employer of choice
- Embedding a high-performance and values-driven culture
- Achieving workforce sustainability aligned with long-term business growth

INTELLECTUAL CAPITAL

Strengthening the instinct that guides every journey



A bird's ability to navigate changing skies is shaped not only by strength, but by instinct, awareness, adaptability, and intelligence. These unseen capabilities enable it to respond to uncertainty, identify opportunities, and move forward with confidence and precision.

At Singer Finance, our Intellectual Capital represents the knowledge, systems, digital capabilities, strategic insight, and innovation that strengthen every stage of our journey. It is the intelligence behind our decisions, the agility that enables us to adapt to evolving customer expectations, and the foresight that helps us navigate an increasingly dynamic financial landscape. By continuously strengthening our technological capabilities, data-driven decision-making, governance frameworks, and institutional expertise, we cultivate the instinct that guides sustainable progress, empowering us to support our customers with confidence as they pursue greater horizons.

Management Approach

At Singer Finance, our Intellectual Capital represents the collective knowledge, expertise, innovation, and digital intelligence that strengthen the instinct guiding our journey. It is the thinking framework behind our progress empowering us to navigate an evolving financial landscape with agility, foresight, and resilience.

Our tacit knowledge, built through decades of experience and deep market understanding, enables us to make informed decisions, manage risk responsibly, and anticipate the changing needs of customers and industries. This institutional wisdom, embedded across our teams and operations, forms a strong foundation for sustainable growth and long-term value creation.

Complementing this is our growing digital and IT capability architecture that enhances the way we connect, analyse, innovate, and deliver. Through data-driven insights, integrated systems, process automation, cybersecurity enhancements, and digital platforms, we are building smarter and more responsive pathways that improve accessibility, elevate customer experiences, and strengthen operational efficiency.

Together, human insight and technological capability create a powerful ecosystem of intelligence one that enables Singer Finance to continuously evolve while remaining firmly guided by purpose, trust, and responsibility.

Much like the instinct that allows birds to navigate vast and unpredictable journeys, our intellectual capabilities provide the clarity and direction needed to move confidently toward the future.

Because enduring progress is achieved not only through movement, but through the wisdom, intelligence, and adaptability that guide every journey.

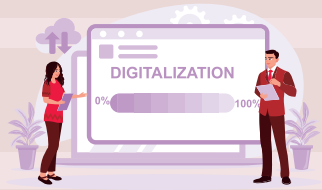
Intellectual Capital Linkage Diagram

Strengthening the Intelligence that Guides Every Journey



STRATEGIC DRIVERS

- Innovation
- Digitalisation
- Customer Expectations
- ESG



INTELLECTUAL CAPITAL

(Knowledge, Systems, Innovation & Organisational Insight)

DIGITAL CAPABILITIES

- ERP systems
- Automation
- Data systems
- Analytics

ORGANISATIONAL KNOWLEDGE

- Industry expertise
- Institutional learning

INNOVATION & PROCESS EXCELLENCE

- Product innovation
- Digital service enhancement

LEARNING & DEVELOPMENT

- Continuous employee upskilling
- Leadership development
- Knowledge-sharing culture

BUSINESS ENABLERS

- Faster decision-making
- Operational agility
- Improved customer responsiveness
- Scalable digital transformation

CUSTOMER & BUSINESS OUTCOMES

- Enhanced customer experience
- Smarter and faster service delivery
- Improved operational efficiency
- Stronger innovation capability

VALUE CREATION OUTCOMES

- Sustainable competitive advantage
- Future-ready operating model
- Stronger organisational resilience
- Continuous innovation culture
- Data-driven growth

SDG ALIGNMENT LAYER

INTELLECTUAL CAPITAL



Governance

IT and digital operations are governed through a structured framework of policies, procedures, risk management practices, and oversight mechanisms aligned with regulatory and industry requirements. Governance is maintained through regular management and committee-level reviews, including technology and cybersecurity oversight forums, to ensure alignment with business objectives, risk management practices, and regulatory expectations. The organization maintains formal processes covering information security, access management, change management, business continuity, disaster recovery, and operational risk management to support secure and resilient technology operations. Regular internal reviews, audits, and monitoring activities are also conducted to strengthen governance and ensure adherence to established standards and controls.

Compliance with regulatory requirements, including guidelines issued by the Central Bank of Sri Lanka, is ensured through the implementation of internal controls, policies, monitoring mechanisms, and periodic compliance reviews. The organization works closely with risk, compliance, and audit functions to ensure that technology and digital operations align with applicable regulatory expectations and industry best practices. Regular security assessments, audit reviews, vulnerability management activities, and disaster recovery exercises are conducted to strengthen compliance and operational resilience. Staff awareness initiatives and governance processes are also maintained to support compliance with information security, data protection, and operational risk management requirements.

The organization tracks key performance indicators such as system uptime and availability, and cybersecurity incidents to assess IT and digital performance. These KPIs are regularly reviewed at the Information Risk Management Committee (IRMC) and monitored through the monthly Security Steering Committee meetings, ensuring alignment with risk management priorities and the organization's intellectual capital objectives.

Our approach GRI 3-3

Singer Finance takes a structured and forward-looking approach to Intellectual Capital management, emphasizing the following key aspects.

Brand heritage and trust:	Building on the legacy of the Singer brand and the strength of Hayleys PLC to deepen stakeholder confidence.
Digital transformation:	Driving digital initiatives to strengthen operational agility and customer convenience.
Cybersecurity and data governance:	Upholding robust systems to ensure data integrity, privacy, and regulatory compliance.
Innovation and process improvement:	Fostering a culture of continuous improvement to enhance service delivery and competitiveness.
Customer-centricity:	Delivering empathetic, flexible solutions tailored to evolving customer needs.
Operational excellence:	Streamlining processes to increase efficiency and improve the overall service experience.
Long-term value creation:	Aligning all intellectual capital efforts with sustainable growth and ethical business practices.

Strengths and Competencies

The intellectual capital of Singer Finance has evolved over the time with the support of several key strategic capabilities.

Brand and Corporate Support

Being a subsidiary of Hayleys PLC - one of Sri Lanka's well-recognized conglomerates, Singer Finance stands out in the industry through long-established reputation and trust in society. Singer, its parent company was awarded the People's Brand of the Year for the 20th Consecutive time at SLIM-KANTAR People's Awards 2026, reflecting the deep and lasting relationship which has been built with Sri Lankans across generations. Singer Finance was recognized with the Gold Award for Excellence in Annual Reporting under the Finance Companies category (Assets base between LKR 25Bn – LKR 75Bn) at CA Sri Lanka TAGS Awards 2025, ensuring the transparency of reporting.

Singer Finance always adopts customer first approach, ensuring their needs are addressed through the value creation process. The Company always ensures that it adopts dynamically changing customer behaviours when customizing their offerings. With the strategic and operational support from Hayleys PLC, including shared services, governance oversight, and financial stability, the Company remains well-positioned to deliver long-term value while maintaining its identity as a trusted and empathetic financial partner.





	Target (Monthly)	Actual Performance	
Reach – Facebook	2.5 Mn	2.5 Mn	
Engagement - Facebook	250 K	300 K	
Conversion Rate - Facebook	5%	30%	
Sales value - Facebook	Rs. 50 Mn	Rs. 53 Mn	
Conversion Rate - SMS	5%	4%	
Number of leads - SMS	800	1,400	
Sales value - SMS	Rs. 20 Mn	Rs. 10 Mn	
Followers - TikTok	100k by the end of 2025/2026	54 K	

INTELLECTUAL CAPITAL







Workforce & Operational Excellence

We sustain operational consistency through a dual focus on people and process. Our employees' diverse skill sets drive tailored outcomes, while our commitment to shared knowledge and structured workflows ensures that our standard of excellence is maintained with precision.

People-Powered Value

Our workforce serves as the cornerstone of our intellectual capital, bringing together a wealth of industry experience and specialized technical expertise. These professionals are dedicated to a culture of continuous improvement, ensuring that their deep knowledge of the financial landscape translates into innovative, customer-centric solutions. By blending traditional financial acumen with a forward-thinking mindset, our employees embody the trust and empathy at the heart of our brand, consistently delivering value to our stakeholders through their collective wisdom and professional excellence.

Knowledge Management

The organization continues to drive operational excellence by developing and customizing proprietary reporting, monitoring, and analytics solutions that empower data-driven decision-making. Our suite of internally developed business intelligence dashboards, automated reporting tools, and data integration processes provides comprehensive visibility into portfolio performance. Furthermore, the implementation of rule-based alerting mechanisms and customized workflow automations has streamlined internal processes and fortified risk management across all business functions.

To ensure seamless institutional alignment, knowledge is shared through structured reporting, collaborative discussions, and cross-functional training sessions. Centralized reporting platforms provide consistent access to critical operational and management information, supporting a unified approach across departments. This commitment to intellectual and digital capital is further underscored by the organization's formal trademark for its mobile e-wallet brand name.

Resilient IT Systems and Infrastructure

The evolution of our technological landscape is centered on a high-performance digital framework designed to drive operational agility and secure data management. The organization's technology landscape is supported by a suite of integrated core systems that enable efficient operations, regulatory compliance, and enhanced customer engagement.

Key systems in operation include:

Core Banking System – Serves as the backbone of all financial operations, supporting transactions, customer account management, and product processing across the organization.

Anti-Money Laundering (AML) Solution – Regulatory compliance through transaction monitoring, suspicious activity detection, and reporting in line with applicable guidelines.

Data Warehousing & Analytics Platform – Enables centralized data management and advanced analytics, supporting business intelligence, reporting, and data-driven decision-making across functions.

Customer Relationship Management (CRM) System – Facilitates customer lifecycle management, sales tracking, and improved service delivery through better customer insights.

Internet Banking Platform – Provides customers with secure, convenient digital access to banking services, supporting the organization's digital channel strategy.

Debit Card Management System – Supports card issuance, transaction processing, and integration with payment networks, ensuring seamless and secure customer transactions.



The organization maintained a high level of availability across critical systems and digital platforms during the year, ensuring stable and reliable service delivery for both internal operations and customer-facing channels.

This performance was supported through proactive system monitoring, infrastructure enhancements, and established incident management and support processes aimed at minimizing service disruptions and strengthening operational resilience.

Key Initiatives in 2025/26

1. Core banking hardware infrastructure was upgraded to a modern, enterprise-grade platform. This improved system performance, capacity, and reliability.

2. Selected subsystems, such as device management, were migrated from on-premise environments to a managed cloud service provider (MSP). This shift improved scalability, operational efficiency, and system accessibility, while supporting the organization's gradual transition towards a more modern, cloud-enabled architecture.

Disaster Recovery and Business Continuity

The organization maintains a robust Disaster Recovery (DR) and Business Continuity framework to ensure operational resilience and service continuity. A dedicated DR environment is in place to support the recovery of critical systems within defined recovery time and recovery point objectives.

An annual disaster recovery drill is conducted to validate the effectiveness of recovery procedures, system readiness, and team responsiveness. The outcomes are reviewed and used to continuously strengthen the DR and business continuity capabilities.

Technology and Innovation

Information Technology, digital transformation, and innovation play a critical role in enabling the organization's strategic objectives by driving operational efficiency, enhancing customer experience, strengthening digital service delivery, and supporting sustainable business growth. Through the adoption of digital technologies, process automation, and system integrations, the organization continues to improve service accessibility, streamline operations, and enhance decision-making capabilities. Innovation initiatives also support the development of customer-centric digital solutions and strengthen the organization's ability to adapt to evolving market and customer expectations.

INTELLECTUAL CAPITAL

At Singer Finance, our IT and Digital function is a vital driver of our intellectual capital, leveraging advanced capabilities in digital solution delivery and systems integration to redefine customer experience. By maintaining robust technological infrastructure and rigorous cybersecurity oversight, the team ensures the highest standards of data integrity and operational resilience. Beyond core systems management, the function acts as a strategic partner to our business units, identifying opportunities for digital innovation and process automation that enhance our service delivery and deepen our digital customer engagement in an evolving financial landscape.

Risks	Opportunities
Cybersecurity threats	Expanding digital service offerings
Evolving regulatory and compliance requirements	Enhancing customer experience through automation and digital channels
Operational risks associated with system integrations and digital platforms	Leveraging data-driven insights for improved decision-making
Challenges of managing legacy systems alongside new digital initiatives	Strengthening operational efficiency through process digitization and ecosystem integrations

Strategic Alignment with ESG, Risk Management and Business

The IT strategy is closely aligned with the organization's overall business strategy by enabling digital growth, operational efficiency, customer-centric service delivery, and long-term sustainability objectives. Technology initiatives are implemented with consideration for governance, cybersecurity, operational resilience, and regulatory compliance requirements to support effective risk management practices. From an ESG perspective, digitalization initiatives contribute towards reducing paper-based processes, improving operational efficiency, and promoting more sustainable and accessible service delivery models. The organization also continues to strengthen governance and cybersecurity practices to support responsible and secure digital operations.

Data Analytics, AI and Automation

At Singer Finance, data-driven intelligence is fundamental to our commitment to operational excellence and customer satisfaction. By harnessing advanced analytical tools, we transform vast streams of information into actionable insights that allow us to better understand market trends and individual customer needs. This analytical rigor enables us to refine our decision-making processes, optimize service delivery, and proactively develop financial solutions that are both precise and impactful. Our focus on data intelligence ensures that we not only respond to the current financial landscape but also anticipate future requirements, consistently delivering superior value to our stakeholders.

Data quality and governance are ensured through a combination of system controls, validation processes, structured data management practices, and controlled access mechanisms. Data from core business systems is consolidated into a centralized data warehouse environment, where validation checks, reconciliation processes, and standardized transformation procedures are applied to improve data consistency and accuracy.

Data Analytics Ecosystem

Data analytics are widely used across the organization to support operational, strategic, financial, and risk-related decision-making. A centralized data warehouse built on Microsoft SQL Server consolidates data from multiple business systems, providing a reliable foundation for analytics and reporting across the organization. Pre-built business intelligence dashboards developed using Tableau are utilized across multiple business functions, including operations, collections, fixed deposits, savings, gold loans, leasing, group sales, finance, and senior management. These dashboards provide timely insights into business performance, portfolio trends, operational efficiency, and customer behaviour, enabling faster and more informed decision-making. In addition to structured dashboards, ad-hoc analysis is regularly performed using Microsoft Excel to support business investigations, trend analysis, and management reporting requirements. The organization has also implemented automated alerting mechanisms based on predefined business and risk rules, enabling proactive monitoring and timely identification of operational exceptions, risk indicators, and critical business events requiring immediate attention.



Operational Excellence through Machine Learning

The organization has strategically integrated machine learning (ML) to enhance decision-making and risk management, with a primary focus on optimizing the Gold Loan portfolio. We have developed a proprietary customer scoring model that evaluates creditworthiness alongside gold holdings to facilitate personalized loan offerings and identify eligibility for higher credit limits. Furthermore, advanced ML algorithms are now utilized in impairment analysis, leveraging repayment behaviour and historical risk indicators to provide more precise estimations of potential credit losses across the lending portfolio.

Our commitment to data-driven customer engagement is underscored by the implementation of a sophisticated churn prediction model, which identifies attrition risks and enables proactive retention strategies. These analytics and AI initiatives provide deep behavioural insights, allowing for more personalized lending decisions and targeted interventions. By leveraging these advanced technologies, the organization continues to strengthen its risk management framework while delivering a superior, highly tailored experience for our customers.

Elevating the Customer Journey through Digital Transformation

The organization continues to progress its digital transformation roadmap through the phased implementation of digital platforms, process automation initiatives, infrastructure enhancements, and customer-centric digital services. Key initiatives are being executed in alignment with business priorities, operational efficiency goals, and evolving customer expectations, while maintaining a strong focus on governance, security, and scalability.

A significant portion of the organization's customer-facing services are now available through digital channels and integrated platforms. Customers can access services through the online banking platform, submit applications online for selected products and services, make digital payments via the Integrated Payment Gateway (IPG), and interact with the organization through the chatbot platform for support and engagement. In addition, third-party integrations with platforms and institutions such as mCash, NDB Bank, Nations Trust Bank, and Singer Sri Lanka have further enhanced digital payment collection capabilities and improved customer convenience through multiple digital payment touchpoints.

Key Initiatives in 2025/26

During the year, the organization implemented several key digital transformation initiatives focused on process automation, digital payments integration, operational efficiency, and enhanced customer experience.

1. Automation of the Gold Loan higher advance process to improve operational turnaround times and service efficiency

INTELLECTUAL CAPITAL

2. Implementation of a Face Recognition System to strengthen digital verification and security capabilities

3. Introduction of Hyper Marketing Automation to enable data-driven customer engagement and targeted campaigns.

4. Multiple strategic integrations were completed to enhance digital payment and collection capabilities

- Integration with PayMedia for bill payments
- Integration with DFCC Bank for branch cash payment facilitation
- Real-time integration with Singer for payment collections

Digital Advancement Benefits

The digital transformation initiatives implemented during the year delivered improvements in operational efficiency, service delivery, and customer experience.

1. Process automation initiatives reduced manual intervention and improved turnaround times for key operational processes, enabling faster and more efficient service delivery.

2. Digital payment integrations and online service channels enhanced customer convenience by providing multiple accessible and seamless transaction touchpoints.

Customer feedback is gathered through multiple channels including customer service interactions, branch and contact center feedback, operational monitoring, and direct customer communications. Feedback received through these channels is reviewed to identify service improvement opportunities and enhance the overall digital customer experience.

Key Challenges Encountered

Key challenges encountered during the digital transformation journey included integration complexities across multiple systems and external partners, change management and user adoption challenges, and the need to balance rapid digitalization with regulatory, security, and operational requirements. Ensuring seamless integration with legacy systems while maintaining service continuity and cybersecurity standards also remained an important focus area throughout the implementation process.

Strategic Digital Innovation and Process Transformation

Innovation initiatives are driven through collaboration between business units, operations, risk, and technology teams. Ideas are evaluated based on business value, operational efficiency improvements, customer impact, regulatory considerations, and strategic alignment. Selected initiatives are implemented through structured project management, stakeholder collaboration, and governance review processes.

The organization continues to collaborate with strategic partners and financial ecosystem participants to support innovation and digital service expansion. Key collaborations include partnerships with Singer, Commercial Bank of Ceylon PLC, PayMedia, NDB Bank, NTB and DFCC Bank to support digital payments, banking integrations, and the expansion of digital financial services capabilities.

Key Initiatives in 2025/26

1. Implementation of the Visa debit card program,

2. Enhancements to digital payment integrations

3. Expansion of digital onboarding capabilities, workflow automation initiatives,

4. Development of the organization's mobile e-wallet platform.

5. Continuous progress of initiatives focused on data analytics, machine learning, and business intelligence

6. Integration of DFCC Bank iConnect for automated cash reimbursement processes

7. Real-time payment integrations with Singer PLC and the digital channels of NDB Bank to enable faster and more seamless payment processing

Cybersecurity Framework

During the financial year 2025/26, we strengthened Singer Finance's cybersecurity and information security posture through a series of key initiatives that align with regulatory requirements and the ever-evolving threat landscape.

Our strategic focus remains on achieving full compliance with the Central Bank of Sri Lanka (CBSL) Technology Risk Management requirements, while aligning with international best practices. A key priority is the adoption and certification of ISO 27001 by 2027, alongside strengthening data privacy practices in line with the Sri Lanka Personal Data Protection Act (PDPA). Our roadmap will continue to be driven through a balanced approach covering governance, process,

and technology enhancements, supported by ongoing assurance activities and structured risk reporting to provide better visibility to senior management and the Board. Collectively, these initiatives are aimed at enhancing cyber resilience, safeguarding customer trust, and enabling secure and sustainable business growth

Key Initiatives in 2025/26

1. Appointment of a Chief Information Security Officer (CISO), which in turn reinforces governance and oversight of cybersecurity and data protection.

2. Implementation of Privileged Access Management (PAM) solution to enhance control over critical systems,

3. Deployment of a Cloud Web Application Firewall (WAF) to strengthen application security

4. Enhancement of Security Operations Centre (SOC) monitoring capabilities to improve threat detection and response

5. Revamped our information security policies and procedures to align with emerging risks and regulatory expectations.

6. Continuous improvement of key capabilities including vulnerability assessment and patch management, incident management practices, Third-Party Risk Management (TPRM), External Attack Surface Management (EASM), and data protection initiatives such as data classification and Data Loss Prevention (DLP).

7. Regular awareness programs for staff, senior management, and customers further support the development of a strong security culture.

Longstanding Relationships

Our institutional strength is deeply integrated into the transparent, trust-based relationships we cultivate with our employees, customers, and the wider ecosystem. These connections form the essential groundwork for enduring brand loyalty and the delivery of sustained organizational performance.

Leveraging a Legacy of Trust

We continue to draw strength from the extensive brand equity of our parent companies, Singer and Hayleys PLC. These household names are synonymous with service excellence and reliability in Sri Lanka, providing a foundation that:

- Enhances customer acquisition and retention by reinforcing stakeholder trust.
- Provides strategic direction and governance strength, elevating our overall institutional credibility through shared services and Group alignment.

Maximizing Group Synergies

Membership within the Hayleys Group allows us to access a vast reservoir of operational support and institutional knowledge. We drive internal efficiency through:

- **Adopting Best Practices:** Integrating Group-wide standards for HR management, IT governance, and sustainability reporting.
- **Operational Consistency:** Utilizing shared training platforms, procurement frameworks, and compliance systems to ensure cost efficiency and streamlined operations.
- **Collaborative Innovation:** Engaging in cross-functional initiatives that facilitate better knowledge sharing and drive innovative solutions across the organization.

Marketing Campaigns in 2025/26

Strengthening the Connection Behind Every Flight

At Singer Finance, marketing and branding are not viewed merely as communication functions, but as strategic enablers that strengthen relationships, build trust, and create meaningful customer connections. In line with the Annual Report theme, "The Strength Behind Every Flight," the Company's marketing efforts during 2025/26 reflected its role as the trusted support system behind the aspirations of individuals, families, entrepreneurs, and businesses. Every campaign, activation, partnership, and customer engagement initiative was designed to reinforce Singer Finance as a financial partner that understands customer needs, supports ambitions, and enables customers to move forward with confidence.

During the year, the Company continued to evolve its marketing strategy through a balanced combination of emotional branding, product-led positioning, digital engagement, customer experience enhancement, and business-focused communication. This approach enabled Singer Finance to strengthen brand visibility, deepen customer engagement, support business growth priorities, and enhance long-term brand equity in an increasingly competitive financial services landscape.

INTELLECTUAL CAPITAL

Building a Relationship-Driven Brand

Singer Finance continued to strengthen its positioning as a relationship-driven and customer-focused financial institution through the continued expansion of its empathy-led thematic platform, "We Feel You." The campaign reflected a more human-centred approach to financial services communication, focusing on understanding customer aspirations, challenges, and financial journeys. Rather than positioning the Company solely as a provider of financial products, the platform reinforced Singer Finance as a supportive and dependable partner standing beside customers throughout every stage of their lives.

The success of this transformation in brand communication was externally recognized during the year when Singer Finance received a prestigious Effie Award under the Most Innovative Campaign category. The Company was also recognized among the Top 10 Most Loved Financial Brands and ranked as the No. 2 finance company in customer service by LMD, reflecting growing customer trust, emotional connection, and confidence in the brand.

Supported by the longstanding legacy and credibility of SINGER and Hayleys, Singer Finance continued to strengthen its reputation as a reliable, trustworthy, and customer-centric financial institution. The association with two of Sri Lanka's most respected corporate groups provided a strong foundation for brand credibility while enabling the Company to maintain a differentiated position within the financial services industry.

Strategic Shift Towards Product-Led Positioning

During the year, Singer Finance adopted a more focused product-led branding strategy aimed at strengthening category leadership and improving customer recall across key product segments. This strategic shift reflected the evolving dynamics of the financial services market, where customers increasingly seek clarity, relevance, and differentiated value propositions.

The most prominent initiative under this direction was the introduction of the "Your #1 Leasing Partner" proposition, which positioned Singer Finance as a trusted and reliable partner for vehicle financing solutions. The campaign emphasized speed, flexibility, convenience, superior service, and the Company's ability to provide tailored financing solutions for customers seeking hassle-free vehicle ownership.

The campaign was executed through a fully integrated marketing approach incorporating television advertising, social media engagement, outdoor branding, dealer boards, trade activations, and branch-level visibility initiatives. This enabled Singer Finance to significantly strengthen its leasing market visibility while reinforcing customer confidence in the Company's expertise and service capabilities within the leasing segment.

In parallel, other product categories were also strategically positioned to align with specific customer needs and market expectations. Draft facilities were positioned around convenience and accessibility for customers requiring immediate financial support, while gold loans emphasized trust, speed, and high granting value. Fixed deposits were promoted under the positioning "Stay Steady with the Leader," reinforcing financial stability, trust, and long-term security for deposit customers.

Customer Engagement and Brand Visibility

The Company continued to strengthen direct customer engagement through a series of on-ground activations, exhibitions, sponsorships, and experiential marketing initiatives conducted across the country. These initiatives enabled Singer Finance to create stronger personal interactions with customers while enhancing brand visibility within target markets.

Singer Finance actively participated in major motor shows and trade exhibitions during the year, including the Colombo Motor Show and the EV Motor Show. These activations created opportunities to directly engage with customers, promote vehicle financing solutions, and reinforce the "Your #1 Leasing Partner" positioning through experiential brand interactions.

The "Electrify Your EV Dreams" campaign further strengthened the Company's positioning within the growing electric vehicle financing segment. Through targeted engagement with environmentally conscious customers and EV-focused audiences, the campaign aligned both business growth priorities and sustainability objectives while reinforcing Singer Finance's commitment towards supporting greener mobility solutions.

The Company also strengthened customer engagement through participation in culturally significant initiatives such as the Rupavahini Avurudu Event. This initiative created awareness around key financial products including leasing, savings, fixed deposits, gold loans, and children's savings products while enabling the Company to maintain

strong emotional relevance with customers during an important festive period.

Financial Inclusion and Community-Centric Branding

Singer Finance continued to integrate financial inclusion and community engagement into its branding and customer engagement approach. One of the most significant initiatives during the year was "Muthu Piyawara," a financial literacy programme designed to educate children on financial discipline, savings habits, and responsible financial management from an early age.

The programme represented an industry-first initiative and reflected the Company's broader commitment towards empowering future generations through financial education and awareness. Beyond product promotion, the initiative demonstrated the Company's intention to create meaningful social impact while strengthening long-term relationships with communities and families.

In addition, the Company carried out awareness campaigns relating to Agro Financing solutions, supporting visibility among agricultural and rural customer segments. These campaigns enabled Singer Finance to expand engagement beyond urban markets while supporting customers operating within the agriculture sector and related industries.

Digital Marketing and Customer Lifecycle Engagement

Digital engagement continued to play a critical role in the Company's marketing strategy during the year as customer behaviour increasingly shifted towards digital-first interactions and content consumption. Singer Finance strengthened its presence across digital and social media platforms through targeted engagement strategies focused on relevance, personalization, and customer interaction.

The Company utilized a combination of social media campaigns, paid advertising strategies, engagement-led content, short-form videos, customer stories, and product explainers to strengthen audience engagement and improve communication effectiveness. Marketing efforts were increasingly aligned with evolving customer preferences for interactive, authentic, and video-led content formats.

Singer Finance also strengthened Customer Lifecycle Marketing (CLM) capabilities through targeted SMS-based campaigns and personalized communication strategies. By leveraging customer segmentation, behavioural insights, and product usage patterns, the Company enhanced the relevance of customer engagement while supporting more targeted lead generation and campaign conversion efforts.

Telemarketing and direct customer engagement capabilities were also strengthened during the year, enabling more personalized interactions and improving customer responsiveness. Through the integration of data-driven marketing practices, the Company continued to refine campaign targeting, resource allocation, and customer communication effectiveness across multiple product categories.

Strengthening Customer Experience and Service Culture

Customer experience remained a key pillar of the Company's brand strategy during the year. Singer Finance continued to strengthen internal service excellence initiatives aimed at improving consistency, responsiveness, empathy, and service quality across all customer touchpoints.

The "7 Golden Rules of Service" workshop series was conducted for branch staff to strengthen front-line customer engagement and reinforce the Company's customer-centric culture. The initiative focused on embedding service excellence principles across branch operations while enhancing the quality of customer interactions and relationship management practices.

The internal "Make People Feel Great" initiative further strengthened this direction by reinforcing a people-first mindset across the organization. Through these initiatives, the Company ensured that the values and emotional positioning communicated externally through branding campaigns were consistently reflected in the actual customer experience delivered across branches, contact centres, and operational teams.

Customer feedback mechanisms also continued to be strengthened during the year through QR-based customer satisfaction systems, call quality monitoring processes, Google reviews, and structured customer complaint management procedures. Feedback collected through these channels enabled the Company to identify service improvement opportunities, enhance customer responsiveness, and continuously refine customer engagement practices.

Strategic Partnerships and Ecosystem Synergies

Singer Finance continued to leverage the strength of the wider SINGER and Hayleys ecosystem to strengthen business growth, market presence, and customer accessibility. Cross-promotional initiatives and ecosystem collaborations enabled the Company to expand its reach

INTELLECTUAL CAPITAL

while reinforcing shared values of trust, reliability, and customer-centricity.

During the year, the Company entered into strategic partnerships and Memorandums of Understanding with leading automotive players including Toyota, Hayleys Mobility, DIMO, Sathosa Motors, and Indra Traders. These collaborations strengthened the Company's presence within the leasing market while enhancing customer access to vehicle financing solutions through integrated dealership partnerships.

In addition, agreements were established with jewellery partners to support instalment-based gold purchasing solutions, creating additional customer convenience and supporting broader product-linked engagement opportunities.

The Company also continued to benefit from synergies within the Hayleys and SINGER Sri Lanka ecosystem through collaborative activations, regional outreach programmes, and integrated customer engagement initiatives that enhanced operational efficiency and brand visibility.

Responsible and Sustainable Marketing

Singer Finance continued to maintain high standards of governance, responsibility, and compliance across all marketing and branding activities. All marketing communications were carried out in alignment with applicable regulatory requirements, internal brand guidelines, and structured approval processes involving relevant departments including Compliance, Treasury, Finance, and product owners.

The Company ensured accuracy, transparency, and responsible communication across all product advertisements, disclosures, and promotional materials. Continuous reviews and centralized approval mechanisms helped maintain consistency across all communication channels while protecting customer interests and strengthening trust.

ESG principles also remained integrated within the Company's marketing strategy during the year. Marketing communications actively promoted sustainability-focused financial solutions such as solar financing and electric vehicle leasing, supporting environmentally responsible customer choices and reinforcing the Company's sustainability commitments.

Sustainability messaging was also integrated into community programmes, digital platforms, and customer engagement initiatives, enabling Singer Finance to communicate its broader social and environmental commitments while building stronger stakeholder awareness and engagement.



Way Forward

Short-Term Priorities

- Strengthening digital customer engagement through enhanced interaction and personalized user experiences.
- Fortifying cybersecurity and operational resilience to ensure secure and robust technology operations.
- Advancing data-driven decision-making capabilities by leveraging sophisticated analytics and machine learning tools.
- Increasing process automation to drive operational efficiency and streamline internal workflows.
- Enhancing digital product offerings through the strategic expansion of digital onboarding and customer self-service capabilities.
- Strengthening infrastructure reliability to maintain high standards of system uptime and availability.
- Augmenting fraud monitoring and risk management through proactive detection and enhanced monitoring mechanisms.
- Optimizing reporting and business intelligence platforms to provide consistent, actionable insights across all business functions.

Medium-Term Priorities

- Modernizing the digital ecosystem by expanding financial services and data platforms.
- Increasing automation for both operational and customer-facing processes.
- Strengthening cybersecurity maturity to enhance organizational protection.
- Scaling core technology to improve platform resilience.
- Expanding AI and machine learning for predictive insights and risk management.

Long-Term Strategic Goals

- Establishing a digital, data-driven ecosystem for seamless and secure customer experiences across all channels.
- Accelerating digital adoption and agility by leveraging emerging technologies to enhance engagement and risk management.
- Building a scalable digital platform to drive innovation and rapid delivery of products and services.
- Advancing data intelligence while maintaining rigorous governance, security, and regulatory compliance.

MANUFACTURED CAPITAL GRI 3-3

The enduring strength that carries every journey





At Singer Finance, we believe every aspiration deserves the opportunity to rise. Our role is to provide the strength beneath those wings, creating the foundation, reach, and stability that empower individuals and businesses to move forward with confidence.

For a bird in flight, endurance is not defined by instinct alone. It is made possible by the strength of its wings, the precision of its structure, and the resilience that allows it to move through shifting winds and uncertain skies without losing direction.

At Singer Finance, our Manufactured Capital represents this enduring strength in tangible form consisting of the infrastructure, operational systems, branch network, and digital platforms that form the backbone of our organisation. It is the foundation that ensures continuity, stability, and confidence in every interaction, enabling us to serve customers with consistency across time, place, and circumstance.

Our Infrastructure of Ambition

Our Manufactured Capital is the infrastructure represented by the physical and technological ecosystem that transforms possibility into progress, enabling customers to navigate their financial journeys with assurance and ease. Much like a bird relies on the safety of its nest and the strength of its environment before taking flight, our customers rely on dependable systems, accessible networks, and secure platforms that support them at every stage of their journey.

Through our strategically positioned branch network, modern service environments, and continuously evolving digital capabilities, we bring financial solutions closer to the communities we serve. Each branch represents more than a location - it is a point of connection, trust, and empowerment, ensuring that customers across Sri Lanka have access to guidance, opportunity, and support whenever they need it most.

At the same time, we continue to strengthen the technological foundations that drive agility, efficiency, and resilience across our operations. By investing in secure digital platforms, integrated systems, and future-ready infrastructure, we are creating a seamless and responsive ecosystem designed for an increasingly connected world. These investments not only enhance convenience and accessibility, but also reinforce the confidence our stakeholders place in us.

Our Manufactured Capital is therefore far more than buildings, systems, and networks. It is the launchpad for ambition. It is the infrastructure that enables dreams to gain momentum, businesses to expand horizons, and communities to progress with confidence. Above all, it reflects our enduring commitment to empowering every journey strengthening the instinct to rise, adapt, and soar toward a future filled with possibility.

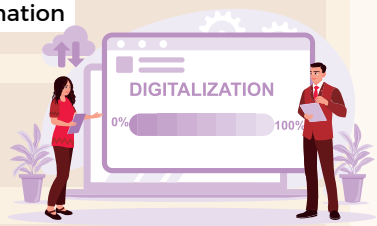
Manufactured Capital Linkage Diagram

The Infrastructure that Enables the Flight of Financial Inclusion

STRATEGIC DRIVERS



- Demand
- Demographics
- ESG
- Digital Transformation



MANUFACTURED CAPITAL

(Physical & Digital Infrastructure Ecosystem)

BRANCH NETWORK & EXPANSION	SMART BRANCHES & DIGITAL NODE	INFRASTRUCTURE MODERNISATION
63 branches	Self-service	ERP integration
7 new additions	Hybrid model	Refurbishments
9 provinces	Omnichannel	Equipment upgrades



SUSTAINABILITY INTEGRATION

- Solar installations
- Energy efficient infrastructure
- ESG aligned branch development

OPERATIONAL ENABLERS

- Facility management
- Workplace safety systems
- Service continuity during upgrades

CUSTOMER & MARKET OUTCOMES

- Improved accessibility across all provinces
- Faster, seamless service delivery
- Enhanced customer experience
- Financial inclusion in underserved regions

VALUE CREATION OUTCOMES

- Stronger regional penetration
- Brand visibility & consistency
- Scalable service delivery model
- Enhanced operational efficiency
- Sustainable infrastructure base

SDG ALIGNMENT LAYER



No of branches	No of branches opened in 2025/26	Capital Expenditure incurred in 2025/26	Investment in IT Infrastructure
63	**7**	Rs. **86** Mn	Rs. **47** Mn

MANUFACTURED CAPITAL

Management Approach

Singer Finance's management approach to Manufactured Capital is centered on establishing a robust and inclusive physical and digital infrastructure that serves as the strength behind every flight of our customers. We govern our assets through a systematic framework that integrates strategic capital investment with a deep commitment to socio-economic accessibility and environmental stewardship.

By prioritising the modernisation of our network and the resilience of our operational environments, we ensure our infrastructure remains a steadfast catalyst for regional growth and financial inclusion. This proactive management strategy allows us to adapt to evolving market dynamics while delivering enduring value through high-security, sustainable facilities that provide the stability and reach necessary for our stakeholders' aspirations to take wing.

Over the years, we have continuously strengthened this foundation through disciplined investment in technology, process excellence, and service infrastructure. Our integrated systems and digital capabilities enhance efficiency and responsiveness, while ensuring that access to financial services remains seamless and reliable. Alongside this, our physical presence across communities continues to anchor trust, accessibility, and long-standing relationships.

Together, these physical and digital dimensions form a resilient and adaptive ecosystem - one that does not merely support operations, but sustains them through change.
It enables us to remain steady in uncertainty, agile in transformation, and present where it matters most.

Like wings shaped not only for movement but for endurance, our manufactured capital ensures that progress is not episodic, but continuous. It carries our purpose forward with stability and strength, allowing every journey we support to move with assurance and direction.

Because true progress is not defined by movement alone, but by the enduring structures that make movement possible into the future.

Singer Finance's Manufactured Capital strategy is built on five major pillars.

- Branch Network and Expansion
- Infrastructure Modernisation & Branch Transformation
- Rebranding and Customer Experience Enhancements
- Security Infrastructure and Operational Resilience
- Sustainability Integration

Governance and Oversight

Singer Finance maintains a rigorous governance framework centered on accountability and disciplined capital allocation. It is governed by a robust Capital Expenditure approval process, where significant investments and the disposal of assets require formal Board approval to ensure alignment with our long-term strategic vision. This oversight is supported by a comprehensive procurement policy and strict approval requirements for budget overruns, ensuring that every investment in our branch network or technological infrastructure is utilised with maximum efficiency.

We maintain a holistic view of the asset lifecycle through the synergistic collaboration of our Finance, Administration, Operations, and IT functions.

This multi-disciplinary approach ensures that our infrastructure oversight is truly cross-functional:



Finance maintains fiscal discipline



Administration manages physical procurement and assets



Operations ensure the customer experience remains seamless



IT secures the digital resilience of our network.

These efforts are reinforced through meticulous asset identification and verification protocols and the maintenance of detailed asset registers. By integrating these specialized perspectives, Singer Finance ensures that the infrastructure is managed responsibly and transparently, providing a secure and resilient environment that supports the evolving aspirations of customers.

Infrastructure Investments and Services Supported

GRI 203-1

Singer Finance views its manufactured capital not merely as physical assets, but as essential infrastructure that facilitates national economic participation. Our investments in branch expansion and modernization serve as the foundational strength that allows the aspirations of our customers to take flight, particularly in regions where financial infrastructure has historically been a barrier to progress.

Through a calculated capital expenditure program, we have strategically expanded our footprint into semi-urban and rural corridors. Furthermore, through transforming traditional office spaces into high-functioning financial hubs, we provide the structural reliability required to support a sophisticated "flight" toward customer goals. Expansion of physical presence in rural and semi-urban communities also serves as a major initiative, through which we catalyze local commerce, stimulate entrepreneurship, and provide the liquidity necessary for regional economic development.

Significant Indirect Economic Impacts

GRI 203-2

The Company's direct empowerment of customer aspirations to reach significant heights through strategically extending our physical infrastructure into underserved regions, creates a ripple effect of prosperity that transcends direct financial transactions. The presence of our branch network acts as a catalyst for localised economic activity, stimulating the growth of small and medium enterprises (SMEs) and fostering secondary employment opportunities within these areas. This enhanced physical accessibility improves the overall economic productivity of rural and semi-urban corridors, allowing local ambitions to scale and integrate more effectively into the broader national economy. Through these infrastructure-led multipliers, we ensure that our manufactured assets contribute to the long-term resilience and upward mobility of the nation's diverse economic landscape.

Branch Network and Expansion

Our commitment to being the strength behind every flight is exemplified through the strategic expansion of our geographical footprint, aimed at bringing financial empowerment to every corner of the island. A central pillar of this growth has been the strategic strengthening of our presence in the Eastern Province, alongside a focused drive to expand accessibility into rapidly emerging regions. By establishing a physical footprint within previously underserved locations, we are dismantling geographical barriers and significantly improving community reach to create the nest where future aspirations could take successful flights. These investments not only bolster our visibility across Sri Lanka but also ensure that Singer Finance remains a proximate and dependable partner, providing the structural support necessary for our customers' ambitions to take wing and soar.

07 New branch openings in 2025/26

63 Branches as at 31.03.2026

Presence across 21 districts and 9 provinces







MANUFACTURED CAPITAL





Branch Selection Criteria

1 Accessibility & Visibility
- High Visibility
- Prime Street Presence
- Easy Vehicle & Pedestrian Access
- Clear Branding

2 Demographic Potential
- Growing Population
- Target Audience Analysis
- Income Level Assessment
- Spending Power

3 Customer Convenience
- Proximity to Residential Areas
- Public Transport Links
- Convenient Locations
- Ample Parking

4 Regional Potential
- High-Growth Regions
- Broader Economic Contribution
- Strategic Positioning
- Emerging Markets

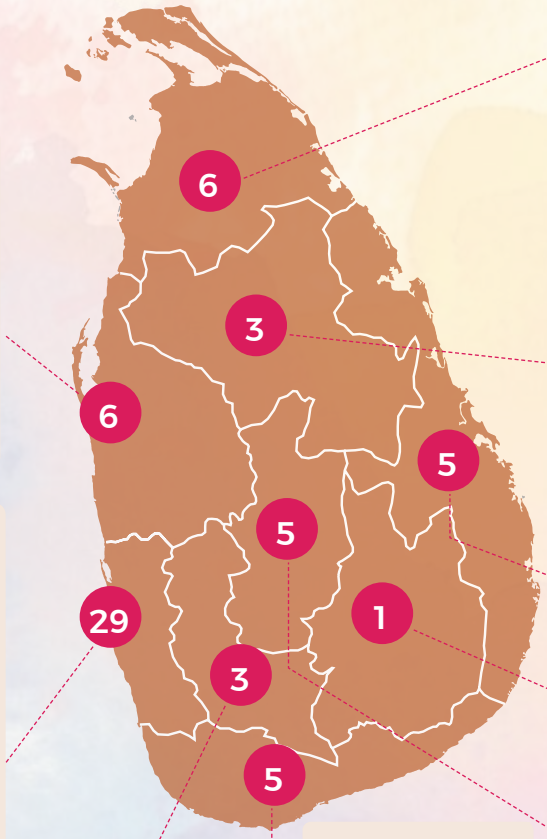
5 Local Market Accessibility
- Integration with Local Economy
- Proximity to Commerce Hubs
- Leverage Existing Markets
- Enhanced Local Presence

6 Location Suitability
- Modern Facilities Standards
- Secure Environment
- Robust Infrastructure
- Future-Ready Setup

Branch Network

GRI 2- 6

63
Branches



Northern
- Chunnakam
- Jaffna
- Jaffna City
- Kilinochchi
- Nelliady
- Vavuniya

North Central
- Anuradhapura
- Medawachchiya
- Thambuttegama

North Western
- Giriulla
- Kuliyapitiya
- Kurunegala
- Kurunegala - City
- Nikaweratiya
- Wennappuwa

Eastern
- Ampara
- Kalmunai
- Trincomalee
- Batticaloa
- Akkaraipattu

Western
- Dehiwela
- Gampaha
- Grandpass
- Horana
- Homagama
- Ja-Ela
- Kaduwela
- Kalutara
- Kadawatha
- Kiribathgoda
- Kochchikade
- Kohuwala
- Kollupitiya-Corporate
- Kotahena
- Maharagama
- Malabe
- Maradana
- Negombo
- Nittambuwa
- Nugegoda
- Panadura
- Piliyandala
- Rajagiriya
- Union Place
- Wattala
- Wellawatte
- Delgoda
- Minuwangoda
- Moratuwa

Uva
- Mahiyanganaya

Sabaragamuwa
- Embilipitiya
- Kegalle
- Rathnapura

Southern
- Galle
- Matara
- Tissamaharama
- Ambalangoda
- Tangalle

Central
- Dambulla
- Gampola
- Kandy
- Kandy - City
- Nuwara Eliya

MANUFACTURED CAPITAL

Challenges in Network Expansion: Navigating the Flight Path

Expanding our physical reach as the strength behind every flight requires navigating a complex landscape of operational and strategic hurdles. As we pursue an inclusive financial ecosystem, the following challenges remain central to our manufactured capital management:

- Securing suitable premises: Identifying and acquiring prime locations that meet our stringent standards for visibility and structural integrity is a significant challenge, particularly in high-demand urban and semi-urban corridors.
- Balancing accessibility and investment: We must continuously strike a delicate equilibrium between establishing a presence in premium, high-traffic regions and maintaining disciplined capital allocation to ensure long-term economic viability.
- Parking and customer convenience: In densely populated areas, providing adequate parking and seamless physical access is increasingly difficult, requiring creative spatial solutions to maintain our commitment to customer-centricity.
- Operational feasibility: Ensuring each new site is equipped with robust IT connectivity, sophisticated security systems, and resilient infrastructure is essential to maintaining the ground support our customers depend on for their financial progress.

Through rigorous governance and cross-functional collaboration, we proactively address these constraints to ensure our infrastructure remains a stable and reliable foundation for national economic development.

Future Expansion Plans

- Opening of 25 new branches during 2025/26
- Establishment of a Premier Centre

Infrastructure Investments and Modernisation

At Singer Finance, we view infrastructure investment and modernisation as a vital, long-term commitment to the resilience and accessibility of our financial ecosystem. By prioritising the continuous refinement of our physical and digital assets, we enhance customer engagement and create a future-ready environment capable of navigating evolving market dynamics. These investments represent more than just corporate growth; they are a dedication to building a secure and inclusive infrastructure that empowers our stakeholders and drives national economic progress.

Key Initiatives of Infrastructure Investment and Modernization

- LKR 340 million invested in infrastructure and facilities
- Modernization of selected branches
- Branch upgrades and refurbishment
- Infrastructure enhancements
- Improvements to branch environments
- Improvements to physical operational infrastructure
- Upgraded furniture and fittings



Outcomes of Infrastructure Investment and Modernization

- Improved customer comfort
- Stronger accessibility
- Modernized branch environments
- Enhanced physical customer experience
- Improved operational readiness
- Stronger nationwide infrastructure capability

Rebranding and Customer Experience Enhancements

Our strategic focus on manufactured capital has been defined by a comprehensive 'Rebranding and Customer Experience Enhancement' program designed to deepen our market presence and stakeholder trust. A cornerstone of this initiative is the seamless integration of ATL branding across our branch network, which has significantly strengthened our visibility and established a more cohesive and recognizable branch identity nationwide. Modernisation of our customer interaction spaces is commenced to complement the initiative, where we have transitioned toward more open, engagement-centric environments that prioritize professional transparency and comfort. Ultimately, these physical enhancements ensure that every branch is in perfect alignment with our "We Feel You" identity, creating a physical atmosphere that mirrors our commitment to providing an empathetic, accessible, and deeply customer-centric service experience.



Key Initiatives in 2025/26

Matara Branch Transformation

- The Matara Branch, which previously operated across the ground and first floors with separate gold loan and cashier counters, was transformed into a consolidated single ground floor operation with:
  - Integrated customer services
  - VIP counter
  - Enhanced accessibility
  - Improved customer convenience
  - Seamless service flow

Branch Rebranding Initiatives

- The rebranding of the Anuradhapura and Thambuththegama branches during the year reflected Singer Finance's continued focus on strengthening its physical presence in line with the Company's evolving corporate identity. These branch enhancements improved the overall customer experience while creating a modern and consistent brand environment across the network.

Head Office Enhancements

- During the year, Singer Finance undertook a reorganisation of key Head Office departments including Finance, Treasury, IT, Legal, and Human Resources to create a more efficient and collaborative working environment. The enhancements were focused on improving seating capacity, modernizing workspaces, and optimizing departmental layouts to support evolving operational needs. These improvements contributed to better coordination across functions while enhancing employee comfort and productivity.

Security Infrastructure and Operational Resilience

At Singer Finance, the security of our physical assets and the safety of our stakeholders are fundamental pillars of our Manufactured Capital strategy, representing a proactive investment in institutional resilience and branch reliability. We recognize that robust security infrastructure provides the essential ground support necessary for our customers to pursue their financial goals with complete peace of mind. By modernizing our security posture, we have cultivated a comprehensive ecosystem of safety and protection that fosters deep customer confidence in our data and transaction standards, ensures seamless operational continuity by minimizing potential disruptions, and reinforces our institutional integrity as a stable and resilient financial partner dedicated to supporting the broader national economy.



MANUFACTURED CAPITAL



Strengthening Our Protective Foundation

During FY 2025/26, we directed significant capital toward hardware deployment and strengthened branch protection to ensure a 24-hour safety mechanism across our network. Our comprehensive security infrastructure now includes:

- Integrated Surveillance: High-definition CCTV systems provide continuous oversight of branch perimeters and internal interaction spaces.
- Rapid Response Systems: The installation of panic alarm systems and advanced security sensors ensures immediate notification and intervention in the event of a security breach.
- On-Site Protection: Professional security personnel are stationed across our branches to maintain a vigilant and welcoming presence.
- Advanced Asset Protection: We have implemented the installation of time-lock safes at selected branches, adding a robust layer of physical security to our high-value assets and cash reserves.

Operational Monitoring and Risk Control

Our security framework is deeply integrated into our daily workflow, to enhance operational continuity. We have enhanced risk control measures through systematic operational incident monitoring, focusing on high-sensitivity areas:

- Real-Time Oversight: Activity at cashier counters and gold loan sections is strictly monitored through our CCTV systems to ensure procedural compliance and the safety of both employees and customers.
- Evidence-Based Resolution: Our surveillance systems serve as a critical tool for evidence support, allowing for the swift and accurate resolution of any operational incidents or discrepancies.



Sustainability Integration into Infrastructure

As a core component of our Manufactured Capital, Singer Finance is committed to the Sustainability Integration into Infrastructure, an initiative that serves as a physical manifestation of our ESG Roadmap 2030: Where Dreams Take Flight. This integration is centered on enhancing energy efficiency and reducing our environmental footprint by transitioning to a low-carbon operational model.

Key internal measures include the systematic deployment of LED lighting to reduce energy costs and the 100% adoption of energy-efficient appliances - including inverter AC systems - across our branch network by 2030. This objective is a cornerstone of our roadmap's target to reduce energy intensity by 30%.

Beyond internal efficiency, we are prioritizing operational continuity during outages through the implementation of solar-powered backup systems and broader renewable energy integration. This includes the standard installation of solar panels at newly opened branches to ensure greener infrastructure development from the ground up. Our commitment to sustainable branch operations extends to our product portfolio via Green Finance, where we aim to scale EV financing to 8% of our lending portfolio and expand rooftop solar financing to a target of Rs. 700 Mn by 2030. By aligning our physical and financial infrastructure with the Hayleys Lifecode and the CBSL Roadmap for Sustainable Finance, we ensure that our growth remains purposeful and resilient, creating a future where financial empowerment and environmental stewardship go hand-in-hand.

Towards New Horizons

Our roadmap for Manufactured Capital is centered on ensuring that our physical and operational network evolves in tandem with the ambitions of our customers. Looking ahead, our strategic focus will be directed toward the following key pillars:

- **Strengthening Nationwide Accessibility:** We will continue to expand our footprint, with a specific focus on strengthening our regional presence in emerging economic hubs and underserved locations. By dismantling geographical barriers, we ensure that the strength behind every flight is proximate and available to all Sri Lankans.
- **Building Future-Ready Infrastructure:** Our investment strategy will transition toward creating a hybrid service model that seamlessly integrates modernized physical branches with high-speed digital capabilities. This future-ready infrastructure will be designed to handle evolving transaction volumes while maintaining the personal touch that defines our brand.
- **Enhancing Customer Convenience:** The next phase of our branch modernization program will prioritize intuitive design and streamlined interaction spaces. By focusing on customer convenience, we aim to reduce service turnaround times and create an environment where financial engagement is both effortless and empowering.
- **Sustainable Expansion:** In alignment with our ESG Roadmap 2030, our network expansion will be inherently "green." This includes a commitment to expanding sustainably through the mandatory integration of solar power in new branches, the retrofitting of existing facilities with energy-efficient technologies, and the continued promotion of eco-friendly financing solutions.
- **Strengthening Operational Resilience:** To safeguard our stakeholders' interests, we will further enhance our operational resilience by investing in advanced surveillance, disaster recovery protocols, and climate-resilient building standards. These measures ensure that our branches remain stable and reliable service hubs, regardless of external volatility.

Through these focused initiatives, Singer Finance will ensure that its Manufactured Capital remains a robust and reliable foundation - a launchpad from which the dreams of our nation can continue to take flight with confidence.



MANUFACTURED CAPITAL



Way Forward

Looking ahead to the 2025/26 financial year, Singer Finance is set to significantly enhance its Manufactured Capital by evolving its physical footprint into a high-tech, sustainable, and customer-centric network. Our future priorities are designed to ensure our infrastructure remains the strength behind every flight for our stakeholders.

Building the infrastructure for the next horizon

As Singer Finance continues to strengthen its role as a trusted financial partner across Sri Lanka, our Manufactured Capital priorities for 2025/26 are focused on creating a future-ready physical ecosystem that supports growth, accessibility, sustainability, and customer empowerment. Much like a bird preparing for longer and more ambitious journeys, we are strengthening the infrastructure that enables every flight with confidence, resilience, and reach.

Our future investments in Manufactured Capital are not merely about expanding physical presence; they are about building intelligent, sustainable, and customer-centric environments that connect communities, unlock opportunities, and elevate experiences across the country.

Expanding our reach across Sri Lanka

In the year ahead, Singer Finance will embark on an ambitious network expansion strategy with the addition of 25 new branches and service points across the island. This expansion reflects our commitment to bringing financial solutions closer to underserved communities, emerging commercial centres, and high-growth economic regions.

By extending our physical footprint, we aim to improve accessibility, strengthen regional connectivity, and ensure that more Sri Lankans can engage with Singer Finance conveniently and confidently. Each new location will serve as a gateway to opportunity, empowering individuals, entrepreneurs, and businesses with the financial support required to progress toward their aspirations.

Alongside expansion, we will also strategically relocate selected branches to more prominent and high-traffic locations. These relocations are designed to improve customer convenience through enhanced accessibility, improved parking facilities, greater visibility, and more welcoming environments, while also optimising operational effectiveness and market presence.

Elevating customer experiences through smart infrastructure

As customer expectations continue to evolve in an increasingly digital world, Singer Finance is reimagining the role of the physical branch. Our future branch network will blend the assurance of human interaction with the agility and efficiency of technology-driven experiences.

A key priority for 2025/26 is the launch of a dedicated Premier Centre, designed to deliver a more personalised and elevated service experience for customers seeking specialised financial solutions. This flagship facility will combine sophistication, comfort, and efficiency within a premium environment tailored to the evolving needs of a diverse clientele.

At the same time, our branch modernisation programme will continue across the network, upgrading interiors, furniture, fittings, and customer engagement spaces to align with a contemporary and unified corporate identity. These refreshed environments are intended to create more welcoming, professional, and experience-driven spaces that reinforce trust and confidence.

We are also introducing the concept of “Smart Branches,” integrating advanced digital touchpoints and automated workflows within physical spaces. These next-generation branches will feature interactive customer interfaces, streamlined service processes, and enhanced digital integration to minimise wait times and improve service efficiency.

Complementing this transformation will be the development of self-service customer environments within branches. These dedicated zones will empower customers to independently perform routine transactions, access information, and engage with services more conveniently and securely. By combining digital autonomy with physical support, Singer Finance aims to create seamless and flexible customer journeys that align with modern lifestyles.

Advancing sustainable and responsible infrastructure

Sustainability remains a central pillar of our long-term infrastructure strategy. In alignment with our ESG Roadmap 2030, all future infrastructure developments will prioritise environmentally responsible design, operational efficiency, and resource conservation.

Our future branches and facilities will incorporate energy-efficient technologies such as LED lighting systems, inverter-based climate control solutions, and environmentally-friendly building materials. These initiatives will help reduce energy consumption while creating healthier and more efficient operational environments.

We also aspire to introduce a dedicated “Green Branch” concept, where renewable energy becomes an integral component of branch operations. These branches are expected to feature rooftop solar installations and solar-powered backup systems, enabling greater energy independence, operational continuity, and a meaningful reduction in our carbon footprint.

Beyond energy efficiency, Singer Finance is committed to embedding broader environmental considerations into future infrastructure planning. This includes sustainable waste management practices, water-saving technologies, and environmentally conscious operational processes that support responsible growth and long-term resilience.

Through these initiatives, we aim to position Singer Finance as a forward-thinking financial institution that actively contributes to greener infrastructure development within Sri Lanka’s financial sector.

Creating the foundation for future growth

By executing these priorities, Singer Finance is building far more than branches and facilities; we are creating a resilient and intelligent infrastructure ecosystem that supports long-term growth, customer empowerment, and sustainable progress.

Our investments in Manufactured Capital will strengthen regional presence, improve operational agility, enhance service accessibility, and reinforce the reliability that customers have come to trust. Most importantly, these developments will continue to serve as the stable launchpad from which our customers can pursue their ambitions, navigate changing environments, and move confidently toward a brighter future.

SOCIAL AND RELATIONSHIP CAPITAL

Nurturing Connections that Inspire Every Flight





Each meaningful flight begins with trust, security, and a foundation of enduring support. Much like a nest that nurtures growth before the first flight, Social and Relationship Capital represents the trusted ecosystem within which customer aspirations are cultivated, strengthened, and ultimately empowered to soar.

For a financial institution, relationships extend far beyond transactional engagement; they are built on confidence, reliability, empathy, and the assurance that individuals, families, entrepreneurs, and businesses have a dependable partner standing behind their ambitions Over the last two decades Singer Finance has been a source of quiet strength creating the environment where dreams are protected, opportunities are nurtured, and aspirations are given the confidence to take flight.

By fostering meaningful connections with customers, communities, partners, regulators, and wider stakeholders, the Company continues to build an ecosystem grounded in trust and shared progress. These relationships are the invisible yet essential strength behind every journey of growth enabling aspirations to rise toward new horizons with confidence.

Our Approach to Social and Relationship Capital GRI 3-3

Enduring institutions are built on the strength of relationships they cultivate and the trust they inspire. Behind every aspiration whether of an individual seeking financial security, an entrepreneur pursuing growth, or a business investing in its future lies the need for confidence, stability, and a dependable ecosystem of support. In this context, Social and Relationship Capital represents the strength of the relationships that enable aspirations to take shape, grow with confidence, and ultimately soar.

For Singer Finance, this strength is amplified by the enduring legacy and institutional credibility of two of Sri Lanka's most respected corporate names the Hayleys Group and Singer Sri Lanka. This association provides the Company with a distinct strategic advantage, reinforcing customer confidence through a heritage of trust, market leadership, operational excellence, and deep-rooted national presence. It is a foundation that extends beyond brand recognition; it represents a powerful ecosystem of credibility, reach, and resilience that enhances the Company's ability to build meaningful, enduring stakeholder relationships.

Within this ecosystem, relationships are not viewed as transactional touchpoints, but as strategic assets that underpin sustainable value creation. Customers, communities, business partners, regulators, and broader stakeholders collectively shape the Company's social infrastructure an interconnected network that strengthens relevance, expands accessibility, and supports long-term resilience in an evolving financial landscape.

As a trusted financial partner, the Company's role extends beyond enabling access to financial solutions. It is to create the confidence, accessibility, and collaborative strength that empower progress transforming aspirations into achievement. By leveraging the trust embedded within the Hayleys and Singer legacy, while continuously deepening stakeholder engagement through responsive service and meaningful partnerships, Singer Finance continues to build a relationship ecosystem that serves as the enduring strength behind every journey of growth.

In this way, Social and Relationship Capital is not simply a measure of stakeholder trust—it is a strategic foundation that powers inclusion, strengthens resilience, and creates the conditions for aspirations to rise higher.

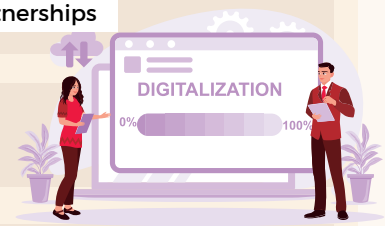
SOCIAL AND RELATIONSHIP CAPITAL Linkage Diagram

Strengthening Connections That Create Shared Value



STRATEGIC DRIVERS

- Trust
- Inclusion
- Customer
- Engagement
- Partnerships



SOCIAL & RELATIONSHIP CAPITAL

(Stakeholder Relationships, Trust & Community Impact)

CUSTOMER RELATIONSHIPS	SMART BRANCHES & DIGITAL NODE	INFRASTRUCTURE MODERNISATION
Customer engagement	Financial inclusion	Strategic alliances
Trust-based service	Community outreach	Vendor & ecosystem
Accessibility	Economic empowerment	Collaboration



BRAND & REPUTATIONAL STRENGTH

- Brand visibility
- Market confidence
- Long-term stakeholder trust

BUSINESS ENABLERS

- Customer loyalty
- Expanded market reach
- Stronger stakeholder collaboration
- Sustainable ecosystem growth

CUSTOMER & SOCIETAL OUTCOMES

- Improved financial accessibility
- Greater customer confidence and engagement
- Stronger community relationships
- Positive social and economic contribution

VALUE CREATION OUTCOMES

- Sustainable stakeholder trust
- Stronger customer retention
- Enhanced corporate reputation
- Inclusive and responsible growth
- Long-term relationship-driven value

SDG ALIGNMENT LAYER



Strong brand equity	Customer – centric engagement	Empathetic brand identity	Agile marketing team
Digital Infrastructure to support service excellence	Grass root presence	Supplier network of **872**	Proactive community engagement

SOCIAL AND RELATIONSHIP CAPITAL

Strengths and Competencies

Our Social and Relationship Capital is strengthened through a powerful combination of trusted brand equity, deep customer engagement, regional accessibility, digital capability, responsible marketing, employee advocacy, and enduring stakeholder relationships.

Our brand equity continued to draw significant strength from the longstanding trust and legacy associated with the parent companies; Singer and Hayleys - two institutions deeply embedded in the hearts and minds of Sri Lankans. Building on this formidable foundation, our own brand positioning evolved to create a more emotional and human connection with customers through the "We Feel You" and "We Feel Your Heartbeat" platforms, reinforcing our understanding of customer aspirations, challenges, and everyday realities.

This customer-centric brand philosophy was brought to life through meaningful engagement initiatives designed to build trust beyond transactions, positioning the Company not merely as a financial services provider, but as a trusted partner in customers' financial journeys. The effectiveness of this approach was affirmed through notable external recognition during the year, including the following prestigious awards:





Effie Award Most Innovative Campaign category

Together, these achievements reflect more than marketing success they signify the strength of relationships we continue to cultivate with customers and communities, reinforcing the Company's reputation as a dependable, empathetic, and forward-looking financial institution.

The Company's Social and Relationship Capital continued to strengthen through a dynamic and increasingly integrated customer engagement strategy, designed to deepen brand affinity, broaden market reach, and foster meaningful connections across diverse stakeholder segments.

Brand visibility and customer engagement were consistently amplified through a multi-channel marketing approach spanning Above-the-Line (ATL), Below-the-Line (BTL), outdoor branding, dealer boards, social media, and on-ground activations reinforcing the Company's leadership position within its category while ensuring sustained relevance in an increasingly competitive marketplace.

A series of purpose-driven campaigns enabled the Company to connect with customers across both emotional and product-led dimensions. Initiatives such as "Electrify Your EV Dreams" reflected responsiveness to evolving consumer aspirations and emerging mobility trends, while experiential engagements including Colombo Motor Show activations and the SLRC Avurudu event enhanced public visibility and direct customer interaction. Sector-focused initiatives such as the Agro Finance campaign demonstrated the Company's commitment to addressing the unique financing needs of key economic segments, while the Muthu Piyawara financial literacy programme reinforced its broader social commitment by empowering communities with knowledge to make informed financial decisions.







Digital Engagement

Digital engagement also gained significant momentum during the year, reflecting the Company's continued adaptation to shifting customer behaviours and communication preferences. with younger, digitally native audiences through relatable, educational, and short-form content.

Platform
Facebook

Reach / Audience Size
Average monthly reach of approx. 2.5 million

Key Performance Indicator
Engagement value estimated at around **Rs. 59 million**

Outcome / Impact
Strong brand visibility and sustained audience engagement

Platform
SMS Campaigns

Reach / Audience Size
Targeted customer outreach

Key Performance Indicator
Generated approximately **1,400 qualified leads**

Outcome / Impact
Effective direct response marketing and lead generation

Platform
TikTok

Reach / Audience Size
54,000 followers

Key Performance Indicator
Growing community presence

Outcome / Impact
Strengthened engagement with younger digital audiences and enhanced brand awareness

Collectively, these initiatives reflect a deliberate strategy to build stronger, more enduring customer relationships leveraging both traditional and digital touchpoints to create trust, relevance, and meaningful engagement, while reinforcing the Company's position as a customer-centric and socially responsive financial institution.

Metrics

During the year, Singer Finance continued to preserve the key relationship capital metrics that reflect the scale of our stakeholder ecosystem:

Metric	Performance
Customers	157,088
Business Partners	872
Financial Solutions	236,500
Investment in CSR Projects	Rs. 2.74 Mn
Paid to Government Taxes	Rs. 2,383.93 Mn

These indicators reflect the breadth of relationships that support our business and the wider contribution we make to society, enterprise development, public revenue and financial inclusion.

Customer Trust, Engagement and Experience

Customer trust remained the bedrock of our social and relationship capital, underpinning the long-term value we create across our stakeholder ecosystem. In an increasingly competitive and rapidly evolving financial services landscape, Singer Finance continued to distinguish itself through a service philosophy anchored in empathy, responsiveness, accessibility, and meaningful relationship-building reinforcing its position as a trusted financial partner in the aspirations of customers.

During the year, the Company continued to deepen customer engagement through its "We Feel You" platform, which evolved beyond conventional transactional messaging to foster a stronger emotional connection with customers. By placing understanding, care, and partnership at the heart of communication, this platform helped

SOCIAL AND RELATIONSHIP CAPITAL

reshape the brand's perception rom being viewed solely as a provider of financial solutions to a more customer-centric, relationship-driven institution. This positioning was reinforced through compelling storytelling campaigns, product explainers, short-form digital content, and highly localised branch-level engagement initiatives that brought the brand closer to customers and communities.

Customer communication became increasingly personalised and insight-led, supported by Customer Lifecycle Marketing initiatives, data-driven targeting, SMS-based outreach, telemarketing engagement, and tailored promotional campaigns aligned with customer profiles, preferences, and product needs. The Company also strengthened its digital engagement footprint, leveraging social media platforms such as Facebook, TikTok, and Instagram not merely as promotional tools, but as interactive channels for financial awareness, education, lead generation, and real-time engagement particularly among digitally connected customer segments.

Service excellence remained a critical priority in strengthening customer trust and satisfaction. The Company enhanced its feedback ecosystem through QR-enabled branch feedback mechanisms, Google reviews, structured call centre rating systems, and a formal complaint resolution framework designed to ensure prompt escalation, accountability, and continuous service improvement. These efforts created a more responsive customer experience model, enabling the Company to capture real-time insights and translate feedback into measurable service enhancements.

Internally, service culture was further strengthened through capability-building initiatives aimed at embedding customer centricity across the organisation. Programmes such as the "7 Golden Rules of Service" workshop series and the internally driven "Make People Feel Great" initiative reinforced the behavioural foundations of exceptional service delivery encouraging empathy, professionalism, and consistency across every customer touchpoint. Complementing this were enhanced call quality measurement frameworks, staff recognition initiatives, and targeted training programmes designed to elevate service standards across the branch network.

Collectively, these initiatives reflect our commitment to building enduring customer relationships that extend well beyond transactions creating trust-based partnerships that support sustainable growth, strengthen brand equity, and reinforce the Company's social and relationship capital over the long term.

Responsible Marketing and Product Communication

Singer Finance remains committed to fostering responsible, meaningful, and technology-enabled engagement with its customers and stakeholders. As customer expectations continue to evolve in an increasingly digital-first environment, the Company has strategically accelerated its transformation agenda to enhance accessibility, convenience, and responsiveness across every interaction.

During the year under review, Singer Finance made significant progress in advancing its digital transformation journey, strengthening both operational efficiency and customer experience through a series of targeted initiatives. A key milestone was the automation of the Gold Loan higher advance process, enabling faster turnaround times, improved process consistency, and a more seamless customer experience in one of the Company's core business segments.

The Company also significantly expanded its digital payments ecosystem through strategic integrations with leading payment and financial service platforms, including PayMedia, DFCC Bank, Singer, NDB Bank, and other ecosystem partners. These collaborations have broadened payment accessibility and convenience for customers, while reinforcing the Company's ability to deliver frictionless financial interactions across multiple touchpoints.

Further strengthening its digital service architecture, Singer Finance introduced enhanced digital payment capabilities, online banking access, debit card services, and integrated payment gateway solutions collectively creating a more connected, convenient, and customer-centric financial experience. These enhancements not only simplify customer transactions but also support the Company's broader ambition of building a digitally agile and future-ready financial institution.

Beyond infrastructure enhancements, data analytics continued to play an increasingly strategic role in customer engagement and relationship management. By leveraging customer insights and behavioural data, the Company executed targeted marketing campaigns, product suitability initiatives, lead prioritisation frameworks, and lifecycle communication strategies

designed to deliver more relevant, personalised, and timely customer interactions.

The use of advanced analytics extended across multiple operational domains, including business intelligence dashboards, customer segmentation, portfolio decision-making, cross-selling opportunities, collections optimisation, financial planning, and senior management decision support. This growing data intelligence capability is enabling Singer Finance to transition from reactive service delivery to a more predictive and insight-led engagement model.

Looking ahead, the Company is exploring the integration of machine learning and predictive analytics to further strengthen customer understanding, enhance risk assessment capabilities, and proactively identify engagement opportunities particularly within dynamic portfolio segments such as gold loans. These capabilities will support more personalised service delivery, stronger portfolio management, and deeper long-term customer relationships.

Collectively, these initiatives reflect Singer Finance's strategic commitment to harnessing digital innovation and data intelligence not merely as operational tools, but as enablers of stronger customer relationships, sustainable growth, and long-term competitive differentiation.

Customer Data Protection

Responsible Data Stewardship and Customer Privacy

As digital engagement becomes increasingly central to the delivery of financial services, Singer Finance remains steadfast in its commitment to the fair, ethical, and secure stewardship of customer data. In an environment where digital channels, automated processes, and data-driven customer engagement are expanding rapidly, safeguarding customer trust through strong governance and robust information security has become a strategic imperative.

The Company recognises that customer data is not merely an operational asset, but a responsibility that must be managed with the highest levels of integrity, accountability, and care. Accordingly, Singer Finance continues to strengthen its data governance architecture, ensuring that customer information is collected, accessed, processed, and retained within clearly defined governance frameworks aligned with business necessity, regulatory expectations, and evolving best practices in information security.

Access to customer data remains tightly controlled through structured authorisation protocols, continuous monitoring mechanisms, and role-based access management to ensure confidentiality and prevent unauthorised use. These safeguards are complemented by progressively enhanced cybersecurity measures designed to strengthen organisational resilience against an increasingly complex and dynamic digital threat landscape.

As the Company advances its digital transformation journey and expands the use of automation, analytics, and technology-enabled customer engagement, data protection remains embedded at the core of operational decision-making. This proactive approach reflects Singer Finance's recognition that long-term digital trust is built not only through convenience and innovation, but through unwavering confidence in the security and ethical handling of personal information.

Importantly, during the year under review, the Company recorded no substantiated complaints relating to breaches of customer privacy or losses of customer data reflecting the effectiveness of its governance controls and its disciplined approach to protecting stakeholder trust.

Through responsible data stewardship, Singer Finance continues to reinforce customer confidence, strengthen digital trust, and safeguard one of the most critical foundations of sustainable relationship capital in an increasingly connected financial ecosystem.

Health, Safety, and Service Assurance

The health, safety, and security of customers across our branch network remain a fundamental priority, reflecting our commitment to providing a safe, reliable, and trusted service environment. Every branch is equipped with essential safety and security infrastructure, including fire extinguishers, CCTV surveillance systems, fire alarm mechanisms, panic alarm systems, and, where required, trained security personnel to ensure the protection and well-being of all visitors and employees.

This commitment extends beyond infrastructure through a disciplined governance framework that emphasises proactive risk management and continuous oversight. Branch facilities are subject to regular internal reviews, HR assessments, operational audits, and enterprise risk management evaluations to identify, mitigate, and address any potential health, safety, or security concerns in a timely and effective manner.

By embedding these safeguards into day-to-day operations, the Company reinforces customer confidence while ensuring uninterrupted access to financial services within a secure and professionally managed environment.

SOCIAL AND RELATIONSHIP CAPITAL

During the reporting period, the Company recorded zero incidents of non-compliance with applicable regulations or voluntary codes relating to the health and safety impacts of its services, reflecting the effectiveness of its controls and its steadfast commitment to responsible operational practices.

Strategic Partnerships and Suppliers

GRI 2-6, GRI 204-1

A Strategic Ecosystem of Partnerships that Extends Value Creation

Singer Finance's relationship ecosystem extends far beyond its customer base, encompassing a diverse and strategically important network of business partners, suppliers, vendors, outsourced service providers, and specialist collaborators who collectively strengthen the Company's operating model and customer proposition. This broader ecosystem plays a critical role in enabling business continuity, operational agility, and service excellence across the organisation.

Supported by a network of 872 business partners, the Company leverages a well-established external ecosystem spanning key functions such as marketing execution, technology implementation, branch operations, facilities management, logistics, and customer acquisition.

In the Financial Year 2025/26, over 99% of our supplier payments were made to Sri Lankan entities, reinforcing our role in supporting domestic industries and minimizing supply chain carbon intensity.

These partnerships are not merely transactional in nature, but form an integral part of the Company's broader value creation framework, enabling operational efficiency, scalability, and consistent service delivery across its expanding footprint.

The Company's engagement with its partner network is underpinned by clear principles of fairness, transparency, accountability, legal compliance, and mutual value creation. Supplier and partner selection processes are governed by rigorous evaluation criteria that consider pricing competitiveness, product and service quality, operational capability, compliance track record, reliability, and ethical business conduct. In line with its commitment to supporting domestic economic development, the Company continues to prioritise local suppliers wherever feasible, strengthening local enterprise participation while improving supply chain responsiveness and resilience.

A particularly important dimension of the Company's relationship capital lies in its strategic commercial alliances, which directly enhance customer access and business growth. During the year, partnerships with leading automotive brands including Toyota, Hayleys Mobility, DIMO, Sathosa Motors, and Indra Traders were further strengthened, creating a powerful mobility ecosystem that supports the Company's leasing growth ambitions. These alliances enable customers to access trusted mobility solutions through seamless financing pathways, while reinforcing the Company's positioning within an ecosystem of established and credible brands.









Beyond mobility, the Company also deepened collaborations with jewellery business partners, supporting instalment-based gold purchasing solutions that offer customers greater affordability, convenience, and flexibility. Collectively, these partnerships demonstrate how Singer Finance's social and relationship capital extends beyond conventional stakeholder engagement serving as a strategic enabler of customer value, market access, and sustainable business growth.

Employees as Relationship Ambassadors

Employees form the heart of the Company's Social and Relationship Capital, serving as the driving force behind its continued growth, service excellence, and transformation journey. Their dedication, expertise, and customer-centric mindset are fundamental to sustaining operational excellence, fostering innovation, and strengthening the trust that stakeholders place in the organisation. As the custodians of the Singer Finance brand promise, employees play a critical role in shaping customer experiences, driving business performance, and advancing the Company's long-term strategic aspirations.

Recognising that sustainable success is built on empowered people, the Company continued to make significant investments in talent development throughout the year. A total of 23 training hours per employee were dedicated to strengthening technical competencies, leadership capabilities, and professional effectiveness. This commitment reflects a strong belief in nurturing a future-ready workforce equipped to navigate a rapidly evolving financial services landscape.

Training and development initiatives were strategically aligned with both business priorities and individual growth aspirations. Programmes focused on critical areas such as service excellence, leadership development, regulatory awareness, and digital capability enhancement. The performance appraisal framework continued to support structured career progression through individual objective setting, regular evaluations, and development-focused feedback, reinforcing a culture of continuous improvement and accountability.

Employee engagement remained a priority, with the Company fostering a workplace culture rooted in recognition, communication, wellness, and inclusivity. Key engagement initiatives included the Frontline Force Awards, CSR participation, leadership-driven engagement programmes, Cross Functional Team Awards, annual picnics, movie nights, New Year celebrations, Valentine's Day events, and other cultural activities designed to strengthen team cohesion and organisational belonging.







Open and transparent communication continued to underpin employee engagement efforts. The launch of the Singer Finance intranet significantly enhanced internal connectivity, providing a centralised platform for updates, policies, knowledge sharing, and employee engagement content. This was further complemented by regular communication initiatives such as the "Do You Know?" knowledge-sharing series and department-level communication forums that promoted collaboration, alignment, and organisational awareness.

SOCIAL AND RELATIONSHIP CAPITAL

The Company also maintained active employee listening mechanisms to better understand workforce sentiment and strengthen workplace responsiveness. Feedback channels included pulse surveys, vibe checks, one-to-one discussions, grievance handling processes, and direct engagement with employees, ensuring that employee voices remained central to workplace decision-making.

Singer Finance's commitment to people development was further demonstrated through its support for professional advancement. Employees were actively encouraged to pursue higher education and industry-recognised certifications, with the Company taking pride in celebrating milestones such as a team member being recognised as a Great Place to Work advocate, reflecting the strength of its people-first culture.

During times of national adversity, this people-centric philosophy was especially evident. In the aftermath of severe weather conditions linked to Cyclone Ditwah, the Company acted swiftly to support affected employees through direct financial assistance. Over Rs. 8.6 million was disbursed among 78 employees, reinforcing the Company's unwavering commitment to employee wellbeing and demonstrating that care for its people extends far beyond the workplace.

Through these collective efforts, Singer Finance continues to cultivate a resilient, engaged, and future-ready workforce recognising that its people are not only a source of operational strength, but a strategic asset that underpins enduring value creation.

Membership Associations

GRI 2-28

The company is a member of the Finance House Association and also the Leasing Association of Sri Lanka.

Community Impact Through Sathkara

Singer Finance's community engagement agenda reflects a deliberate commitment to creating meaningful and measurable social value beyond financial services. Through its CSR platform, Sathkara, the Company channels its resources toward initiatives that address pressing community needs while reinforcing its purpose as a responsible corporate citizen. These interventions span education, social welfare, community resilience, and emergency relief, demonstrating a thoughtful approach to creating long-term societal impact while strengthening stakeholder trust.



CSR Initiative	Strategic Focus Area	Description of Initiative	Stakeholders Benefited	Impact Delivered	Approximate Investment	SDG Alignment
School Donation Programme 2025	Education & Youth Empowerment	Conducted at Pairimaduwa Vidyalaya, Galkulama, Anuradhapura in October 2025 in line with Children's Day. Students from Grades 1–6 received stationery packs and Singer Finance branded school bags to support learning continuity and educational participation.	School children, teachers, families, local community	Enhanced access to essential educational resources, reduced financial burden on families, encouraged school attendance and student motivation	**Rs. 54,000+**	
Vesak Ice Cream Dansala 2025	Community Wellbeing & Social Cohesion	Organised on 16th May 2025 in front of the Singer Finance Head Office as part of Vesak celebrations, serving over 5,000 individuals.	General public, employees, surrounding communities	Fostered goodwill, strengthened community relationships, promoted cultural harmony and social connection	**Rs. 190,000+**	
Portable Sound System Donation 2025	Community Development & Inclusion	Donation of a Bluetooth speaker and portable sound system to the Department of Social Services under the Ministry of Rural Development, Social Security and Community Empowerment to support community outreach and development initiatives.	Community organisations, vulnerable groups, social service beneficiaries	Improved outreach effectiveness and strengthened community engagement capabilities	**Rs. 50,000+**	
Cyclone Ditwah Relief Support	Disaster Response & Humanitarian Relief	Relief assistance extended to families affected by severe flooding and destruction in the Neebalamma village following Cyclone Ditwah.	Displaced families, affected communities	Immediate humanitarian support for vulnerable households facing displacement and loss of essentials	Community Relief Initiative	

SOCIAL AND RELATIONSHIP CAPITAL

Creating Value Beyond Finance

Singer Finance recognises that sustainable value creation extends beyond financial performance into the broader wellbeing of the communities it serves. Its social investment initiatives are designed not as isolated acts of philanthropy, but as purposeful interventions that strengthen resilience, empower individuals, and reinforce inclusive progress.

Community Relationships as Social Capital

By actively investing in education, social inclusion, cultural engagement, and emergency response, the Company continues to deepen its social and relationship capital—building stronger emotional connections with communities while reinforcing trust in the Singer Finance brand.

Aligned with Shared National Priorities

The Company's CSR initiatives remain aligned with broader national development priorities and the UN Sustainable Development Goals, ensuring that every intervention contributes meaningfully to long-term societal advancement.

Across all CSR initiatives, the Company continued to ensure that community investments were need based, practical and aligned with real social priorities. No operations with significant actual or potential negative impacts on local communities were reported during the year.

Investor Relations and Shareholder Value Creation

Singer Finance's relationships with regulators are anchored in integrity, transparency, and disciplined compliance. The Company remains steadfast in adhering to the regulatory frameworks established by the Central Bank of Sri Lanka and other relevant authorities governing licensed finance companies. Throughout the year, rigorous internal controls, policy oversight, compliance monitoring, and governance review mechanisms ensured that operations remained aligned with all applicable regulatory requirements. This robust compliance culture extended across marketing communications, technology operations, and customer data management, reinforcing the Company's commitment to responsible and ethical business conduct. Notably, Singer Finance reported zero compliance incidents or penalties related to IT and digital operations during the year, reflecting the strength of its governance and risk management framework.

Shareholders remain a cornerstone of Singer Finance's stakeholder ecosystem, with the Company maintaining a relationship founded on trust, accountability, and transparent communication. Strategic execution, prudent governance, and timely disclosures continue to foster investor confidence, while sustained profitability and disciplined capital management support long-term value creation. As a trusted member of the Hayleys Group and carrying the enduring legacy of the iconic Singer brand, the Company benefits from significant institutional strength, governance excellence, and market credibility further reinforcing shareholder confidence in its long-term trajectory.

The Company's ongoing expansion, strengthened brand equity, digital transformation initiatives, and enhanced customer engagement strategies are all geared towards delivering sustainable value for shareholders. As Singer Finance advances its growth agenda, it remains committed to balancing strategic ambition with sound governance, ensuring that shareholder interests remain central to its journey of sustainable progress.

Trends, Risks, Challenges and Opportunities

The stakeholder landscape during 2025 continued to evolve rapidly, shaped by changing consumer expectations, accelerating digital adoption, and heightened sensitivity around trust and service quality. Customers increasingly sought seamless omnichannel engagement, personalised digital experiences, and faster service delivery, making technological agility a critical competitive differentiator. Simultaneously, growing awareness around data privacy, cybersecurity, and ethical business practices elevated stakeholder expectations around corporate responsibility and governance.

The operating environment also presented a range of challenges, including reputational risks arising from service inconsistencies, intensified competition across both digital and traditional financial channels, pricing sensitivities in a cautious economic climate, and the ever-present threat of cyber risks in an increasingly digitised financial ecosystem. Against this backdrop, maintaining trust, responsiveness, and operational resilience remains essential to sustaining strong stakeholder relationships and long-term value creation.



Way Forward

As Singer Finance continues to strengthen its Social and Relationship Capital, the way forward is centred on deepening trust, enhancing customer engagement, and creating sustainable long-term value for all stakeholders. The Company's near-term priorities focus on strengthening customer connectivity, brand visibility, and service excellence, while its longer-term ambitions are directed toward building a purpose-led, digitally enabled, and socially impactful relationship ecosystem that reinforces enduring stakeholder confidence.

Short-Term Horizon

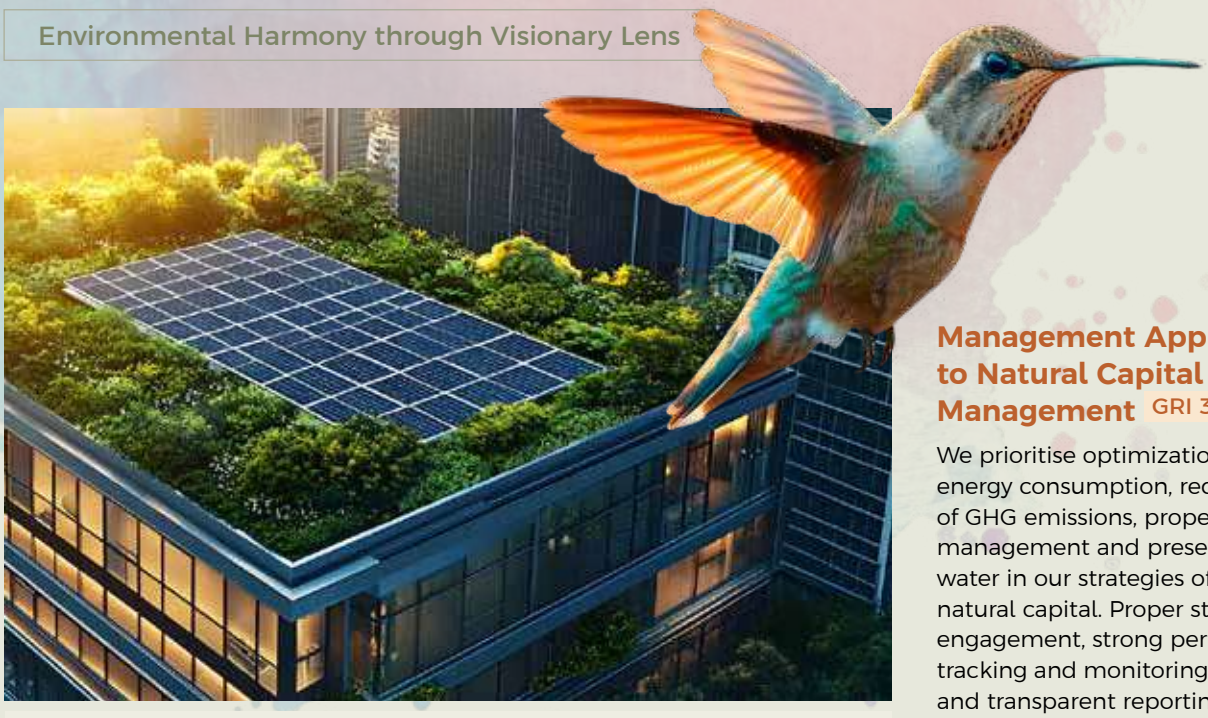
- Enhance customer lifecycle engagement through improved service touchpoints, responsiveness, and personalised interactions
- Sustain brand visibility through focused communication campaigns, storytelling, and targeted outreach initiatives
- Roll out localised CSR initiatives to strengthen grassroots community relationships and visibility
- Improve digital communication channels and customer accessibility across platforms
- Expand financial literacy and service access initiatives to underserved customer segments
- Strengthen stakeholder communication through transparency, responsiveness, and consistent engagement
- Refine service processes to improve efficiency, convenience, and consistency
- Introduce stronger measurement frameworks for community and stakeholder initiatives
- Reinforce relationship-led culture across teams and customer-facing functions

Medium to Long-Term Horizon

- Build a seamless, digitally integrated customer experience ecosystem that strengthens loyalty, retention, and advocacy
- Position Singer Finance as a benchmark purpose-driven financial brand synonymous with trust, accessibility, and reliability
- Establish long-term community development platforms that create measurable social impact and deepen brand trust
- Develop an advanced relationship management ecosystem leveraging digital intelligence, automation, and data-driven engagement
- Become a recognised enabler of inclusive financial empowerment, improving long-term economic participation
- Build enduring trust capital through responsible governance, ethical conduct, and sustained stakeholder stewardship
- Create a highly agile service model that supports evolving customer expectations and scalable growth
- Build an integrated social impact measurement and reporting framework aligned with sustainability and value creation goals
- Embed purpose-driven leadership as a defining organisational capability supporting long-term relevance and resilience

NATURAL CAPITAL

Environmental Harmony through Visionary Lens



Natural Capital is the living foundation that enables progress, growth, and possibility. It encompasses the air we breathe, the water that sustains us, and the ecosystems that support every form of economic and social activity.

For Singer Finance, Natural Capital is not only a resource to be managed, but a responsibility to be protected and strengthened. As we move forward, we remain committed to using resources responsibly, reducing our environmental footprint, and supporting a future where economy and sustainability progress in harmony enabling every dream to take flight on a healthier, more resilient planet.

Environmental stewardship has become an essential responsibility for all business entities, as the failure to safeguard nature directly impacts organizational resilience and long-term sustainability. As an environmentally responsible institution, Singer Finance has recognized the protection and preservation of natural resources as a key driver of sustainable value creation since inception. We view natural capital as a strategic asset that requires disciplined management extending beyond regulatory compliance. Through structured environmental management practices, continuous stakeholder engagement, and a culture of accountability, we strive to create long-term environmental and business resilience.

Management Approach to Natural Capital Management GRI 3-3

We prioritise optimization of energy consumption, reduction of GHG emissions, proper waste management and preservation of water in our strategies of managing natural capital. Proper stakeholder engagement, strong performance tracking and monitoring mechanisms and transparent reporting structure ensure accountability. We prioritize the continuous enhancement of our workforce environmental literacy, ensuring that a deep understanding of natural capital is integrated into every level of our decision-making and operational processes.

Governance

Singer Finance's natural capital management strategy is fully aligned with Hayleys Group ESG targets (Hayleys Lifecode) as well as Singer Group ESG framework. The Company unveiled its **'ESG Roadmap 2030 – Where Dreams Take Flight'** in November 2025, representing the Environment responsibility as a key strategic pillar, where the Company commits to reduce emissions and minimise resource use. The roadmap integrates environmental stewardship into its core business strategy, reflecting the Company's commitment to transparency, accountability and alignment with Group level initiatives, as well as with national regulatory requirements (Central Bank of Sri Lanka's Sustainable Finance Roadmap and SLFRS S2 disclosure requirements).

Driven by a commitment to global best practices, we are integrating GRI Standards and UN Sustainable Development Goal (SDG) frameworks into our natural capital reporting and disclosure architecture.

Environmental Governance Hierarchy: Singer Finance



Overview of Natural Capital

Singer Finance reports on four major topics under Natural Capital.

1	Energy Consumption and Efficiency	2	GHG Emissions
3	Water Management	4	Material and Waste Management

Below mentioned are the policies and the areas addressed in relation to above listed topics

Policy	Areas addressed	GRI Topic	UN SDG Goals
Energy and Emission Management	· Energy Efficiency · Renewable Energy Usage · Emission Reduction	GRI 302	
Water Management	· Water Conversation · Wastewater Management	GRI 303	
Material and Waste Management	· Sustainable Material Sourcing · Recycling and Reuse · Waste Disposal and Treatment		

Monitoring, Measurement, and Reporting

Singer Finance maintains a systematic approach on tracking environmental metrics, ensuring accountability at every level of the organization. Our reporting framework is built on three core pillars:

- **Precision Data Capture:** We utilize internal **Management Information Systems (MIS)** to collect and aggregate environmental data across all operations.
- **Strategic Oversight:** Progress is evaluated through **quarterly management reviews,** allowing for real-time course corrections and alignment with our 2030 targets.
- **Stakeholder Transparency:** Our performance metrics are disclosed annually within the **Integrated Annual Report,** adhering to global reporting standards.

Management of Natural Capital

Energy Management

GRI 302-1, GRI 302-3, GRI 302-4

Our approach to energy management is guided by the Energy and Emission Management Policy under the Environmental pillar of ESG Roadmap 2030. Furthermore,

NATURAL CAPITAL

the Company adheres to Central Bank of Sri Lanka's Environmental and Social Risk Management guidelines and supports the United Nations Sustainable Development Goals (SDGs) 7 (Affordable and Clean Energy) and 12 (Responsible Consumption and Production). The Company has identified the optimization of energy consumption, enhanced efficiency and promoting renewable energy as focus areas of energy management. Singer Finance is committed to using energy in an economical, ecological, and efficient manner and energy conservation is prioritized, reflecting the Company's recognition of energy as a precious resource.

Energy Management Strategy

Energy consumption comprises electricity usage across branches and Head Office, and fuel consumption for transport and backup power. Group-wide energy management system is utilized to track and monitor energy consumption across all branches and Head Office, and it provides real-time data to identify financial year inefficiencies and opportunities for improvement. Key Performance Indicators (KPIs) have been established under the Environmental Pillar of the ESG Roadmap 2030 (will be discussed under the upcoming subsections). Progress against these KPIs is monitored and reported quarterly to the Singer Finance ESG Working Committee for the review and strategic guidance.

Energy Efficiency and Intensity

Singer Finance enhances energy efficiency through a cohesive strategy that integrates modern technology, process optimization, and team engagement. We prioritize regular infrastructure upgrades to ensure legacy systems are replaced with high-efficiency alternatives, while simultaneously refining our workflows to minimize waste. Central to this effort is our people. Through dedicated training and awareness programs, we have fostered a professional culture that views energy conservation as a shared responsibility and a driver of continuous improvement.

Energy Performance – Financial Year 2025/26

During the financial year 2025/26, the total energy consumption of Singer Finance, including electricity and fuel consumption, was 6,318 GJ. This comprised 5,155 GJ from electricity, 9 GJ from diesel consumption, and 1,151 GJ from petrol consumption.

Total electricity consumption of Singer Finance increased by 4.4% to 5,155 GJ compared to 4,939 GJ recorded in 2024/25. The increase was primarily attributable to the expansion of the branch network from 56 branches to 63 branches by the end of 2025/26, resulting in higher operational electricity consumption across the organization.

Despite the increase in overall energy consumption, energy intensity decreased by 78.6% from 5.43 GJ per employee in 2024/25 to 1.16 GJ per employee in 2025/26, reflecting improved energy efficiency relative to workforce growth and operational expansion.

Energy Intensity Metrics

	Units - kWh	Units - GJ
Electricity	**1,431,934**	**5,155**
Non-Renewable Energy		
	Units - L	Units - GJ
Diesel	**241**	**9**
Stationary Combustion	60	2
Mobile Combustion	181	7
Petrol	**33,374**	**1,081**
Renewable Energy	-	-
Total Energy Consumption (GJ)		**6,318**

Energy Intensity per Employee	
Average Number of Employees	1,109
Energy Intensity (GJ/Employee)	6

Product-wise Energy Intensity

Product	Number of Products/ Facilities	Total Energy Consumption (kWh)	Energy Intensity (kWh per Unit)
Savings	53,392	1,431,934	26.82
Fixed Deposits	11,982	1,431,934	119.51
Total Deposits (Savings + FD)	65,374	1,431,934	21.90
Lending Facilities	236,500	1,431,934	6.05

Energy Efficiency & Intensity – Action Plan & Performance Measurement

Action Plan	Annual KPI	2025/26 Performance
Target 1: Improve overall energy efficiency across all operations	Monitor progress toward 100% energy-efficient appliance adoption by 2030	100% of LED lighting installation in 2025/26 FY
Replace outdated appliances with energy-efficient models (including 100% inverter AC adoption)		
Install sensor lights and LED lighting		
Regular servicing and maintenance of equipment		
Employee awareness and training on energy saving practices		
Target 2: Reduce energy intensity by 30% through operational efficiencies (aligned to Hayleys Lifecode)		
Implement LED lighting	Achieve 5% annual reduction in energy intensity	1,291 kWh/ Employee (2025/26) Energy consumption
Conduct regular energy audits		

Renewable Energy Usage

Singer Finance is accelerating its transition to renewable energy through a strategic focus on solar power and collaborations with green energy providers. By installing solar panels at feasible branch locations and deploying high-efficiency lighting systems, we are systematically reducing our dependence on non-renewable energy.

Renewable Energy – Action Plan & Performance Measurement

Action Plan	Annual KPI	2025/26 Performance
Target: Achieve 30% usage of renewable energy sources (including solar)		
Install solar panels in all feasible branches	Increase renewable energy usage by 5% annually	100% solar panels and LED lighting installation in newly-opened branches
Implement energy efficient lighting systems		
Partner with renewable energy providers		

Future Energy Management Initiatives



1. Solar Expansion 2.0: Conduct feasibility assessments to transition 50% of the branch network toward solar-augmented power solutions.



2. Green Fleet Transition: Introduce a phased transition of the corporate vehicle fleet toward electric vehicles supported by charging infrastructure.



3. Awareness Sessions: Conduct organization-wide awareness programs to strengthen responsible energy consumption and conservation practices.

GHG Emissions Management GRI 305

Our greenhouse gas (GHG) emissions management is steered by the Energy and Emission Management Policy, embedded within the Environmental pillar of our ESG Roadmap 2030. Singer Finance is dedicated to reducing GHG emissions across all three scopes through systematic tracking, target setting, and continuous improvement, adopting GHG Protocol guidelines for emission calculations.

NATURAL CAPITAL

The implementation of energy management systems and the transition to low-carbon technologies accelerate progress toward achieving the GHG emissions reduction KPIs established under the ESG Roadmap 2030.

GHG Emissions Data – Financial Year 2025/26 GRI 305-1, 305-2

GHG Emissions are disclosed on page 341 under Sustainability Standard Disclosures 2.

GHG Emission Intensity GRI 305-4

Metric	Value
Total GHG Emissions (Scopes 1 & 2)	4,966.32 mtCO2e
Average Number of Employees	1,109
Total Financial Products (Deposits + Lending)	301,874
GHG Intensity per Employee	4.48 mtCO2e / employee
GHG Intensity per Product	0.02 mtCO2e / product

Emission Reduction – Action Plan & Performance Measurement

Action Plan	Annual KPI	2025/26 Performance
Target: Reduce Scope 1 & 2 GHG emissions by 15% within current operational boundary		
Transition to renewable energy sources (solar adoption, energy-efficient equipment)	Achieve ~3% annual reduction in Scope 1 & 2 emissions	*GHG Emissions are disclosed on page 341 under Sustainability Standard Disclosures 2.*
Implement energy efficient lighting systems		
Optimize branch level energy consumption		
Employee awareness on responsible energy use		
Target: Track and reduce Scope 3 GHG emissions (Progressive integration)		
Develop systems to capture Scope 3 data across suppliers, financed emissions, and commuting	Annual tracking & reporting of Scope 3 emissions Gradual inclusion of new categories	Transitional Relief
Introduce policies for green commuting options		
Collaborate with suppliers to improve upstream reporting		
Target: Reduce GHG Intensity (tCO2e/ Employee) by 20%		
Improve operational efficiency per employee	3% annual reduction in GHG Intensity	*GHG Emissions are disclosed on page 341 under Sustainability Standard Disclosures 2.*
Expand renewable energy adoption		
Encourage digital processes to reduce carbon footprint per unit of output		

Future Emission Reduction Initiatives



1. Digital Infrastructure Optimization: Enhance IT infrastructure efficiency to reduce the energy intensity of digital operations and transactions.



Renewable Energy Integration: Expand the adoption of renewable energy solutions across branch operations to support low-carbon growth



3. Scope 3 Emissions Enhancement: Strengthen Scope 3 emissions tracking and reporting through enhanced supplier and stakeholder engagement.

Water Management

GRI 303-1, 303-2, 303-5

Singer Finance recognizes water as a finite and essential resource, considering its critical role in sustaining ecosystems, communities, and business resilience. This awareness underscores our commitment to responsible stewardship, and we are committed to manage water resources responsibly across our operations. Our approach is focused on reducing water intensity across operations

through efficiency improvements, adoption of the 4R concept (Reduce, Recycle, Recover, Reuse), and stakeholder awareness. The ESG Roadmap assures that the management strategy is aligned with Central Bank of Sri Lanka's Environmental and Social Risk Management guidelines and United Nations Sustainable Development Goal (SDG) 6 (Clean water and Sanitisation). Water management policy (embedded in the Environmental Pillar of ESG Roadmap 2030) also guides the Company in achieving relevant KPIs.

Water Consumption Data – Financial Year 2025/26

Water Consumption	13,249 m^3
	13.25 ML

Water Management Strategy

Singer Finance adopts the 4R framework - Reduce, Reuse, Recycle, and Recover - for sustainable water management. Through this approach, we minimize consumption, enhance reuse and recycling, and recover value from water resources, ensuring resilience and sustainability in line with our ESG Roadmap 2030. Water consumption is tracked across all branches and Head Office using a centralized monitoring system and the data is quarterly reported to the Sustainability team and Singer Finance ESG Working Committee.

Water Management – Action Plan & Performance Measurement

Action Plan	Annual KPI	2025/26 Performance
Target: Reduce overall water intensity by 30%		
Install water-efficient fixtures in all branches	Achieve ~5% annual reduction in water intensity	Water Consumption: 13,249 m3 Average Employees: 1,109 Water Intensity: 11.95 m3/employee
Adopt 4R approach for water use (Reduce, Recycle, Recover, Reuse)		
Promote employee awareness and behavioural changes		

Future Water Management Initiatives

1. Precision Water Technologies: Standardize sensor-based and low-flow water technologies across operational locations to minimize water withdrawal.

2. Employee Water Stewardship: Conduct awareness and engagement programs to encourage responsible water consumption practices.

3. Rainwater Harvesting Expansion: Explore rainwater harvesting opportunities at key operational facilities to reduce dependency on municipal water supply.

Material and Waste Management GRI 306-4

We prioritize responsible waste management as a core tenet of our environmental strategy. By integrating a culture of accountability across our branch network, we aim to minimize our landfill footprint and promote resource circularity. Our approach focuses on systematic waste segregation at the source, ensuring that materials are correctly categorized for optimal processing. To maintain the highest standards of environmental safety, we engage exclusively with licensed waste disposal vendors for proper disposal of waste, while continuously identifying recycling initiatives to repurpose materials and reduce our total ecological impact.

Material and Waste Management Strategy

Singer Finance has integrated 5R principles – Refuse, Reduce, Reuse, Recycle and Recover – and lean management practices into the material and waste management strategy. The waste management approach is also closely aligned with Central Bank of Sri Lanka's Environmental and Social Risk management guidelines and United Nations Sustainable Development Goals (SDG) 12 (Responsible consumption and production) and 14 (Life below water). The Material and Waste Management policy included under the Environmental Pillar of ESG Roadmap 2030 also facilitates the implementation of strategy. The data are tracked and monitored across all the branches and Head Office, and those are quarterly reviewed by the sustainability team and Singer Finance ESG Working Committee.

NATURAL CAPITAL

Material and Waste Management Performance – Financial Year 2025/26 GRI 306-4

The paper recycling programme has delivered exceptional results in 2025/26, showing 52% increase in recycled papers (3.017 MT) compared to 2024/25 (1.983 MT).



Material and Waste Management – Action Plan & Performance Measurement

Action Plan	Annual KPI	2025/26 Performance
Target: Recycle 75% of paper used		
Install recycling bins	Increase paper recycling to 15%	3,017 kg of waste paper recycled
Promote digital alternatives		
Partner with recycling services		

Future Waste Management Initiatives

1. Digital Documentation Transition: Accelerate the transition toward a fully digital documentation ecosystem to minimize paper consumption.

2. Sustainable Procurement Enhancement: Ensured 100% of paper products are sourced from certified sustainable suppliers.

3. Recycling Partnership Continuation: Continue and strengthen waste paper recycling initiatives through partnerships with licensed recycling service providers (Neptune Recyclers).

Sustainable Financing

Driving Responsible Growth through Green Financing

As part of Singer Finance's commitment towards building a more sustainable and climate-conscious future, the Company continued to strengthen its sustainable financing portfolio during the financial year 2025/26. Through targeted financing solutions that support environmentally responsible investments, Singer Finance actively contributed towards Sri Lanka's transition to a lower-carbon and more sustainable economy.

A significant milestone during the year was the exceptional growth achieved in sustainable financing, where the Company recorded green financing lending of Rs. 1.5 billion, reflecting a remarkable growth of 282% compared to the previous year. This performance demonstrates the increasing customer demand for sustainable financing solutions while reinforcing Singer Finance's commitment to responsible lending and long-term environmental stewardship.

The Company's sustainable financing portfolio primarily focused on:



Electric Vehicle (EV) Financing



Solar Financing Solutions

These financing solutions were designed to encourage the adoption of cleaner energy alternatives, promote environmentally responsible consumer behaviour, and support the reduction of carbon emissions through sustainable mobility and renewable energy investments.

Singer Finance continued to witness growing acceptance and demand for EV financing solutions, particularly within the three-wheeler and personal mobility segments, as customers increasingly shifted towards energy-efficient transportation alternatives. Simultaneously, the Company expanded its support for solar financing, enabling individuals and businesses to invest in renewable energy solutions that contribute towards long-term energy sustainability and reduced dependency on conventional energy sources.

Through these initiatives, Singer Finance continues to integrate sustainability into its core business model while creating positive environmental and economic impact for customers, communities, and the nation as a whole.



Way Forward

Looking ahead, Singer Finance remains focused on building a strong and agile foundation that enables steady progress and meaningful growth. In the near term, the emphasis is on strengthening operational efficiency, enhancing collaboration, and responding swiftly to changing market conditions.

Over the longer horizon, the journey is about transformation, embracing innovation, expanding opportunities, and creating sustainable value across stakeholders. Guided by the spirit of "Where Dreams Take Flight," the Group moves forward with confidence, purpose, and resilience, enabling aspirations to rise and take shape.

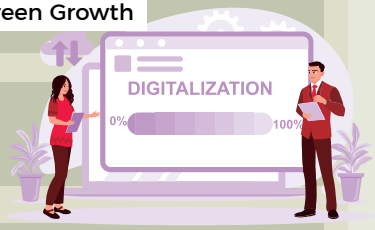
Natural Capital Linkage Diagram

Strengthening Connections That Create Shared Value

STRATEGIC DRIVERS



- ESG Road Map
- Climate Resilience Resource Efficiency
- Green Growth



SOCIAL & RELATIONSHIP CAPITAL

(Environmental Stewardship, Resource Efficiency & Resilience)

ENERGY & CARBON MANAGEMENT	RESOURCE OPTIMISATION	ESG ROAD MAP & SUSTAINABILITY GOVERNANCE
Solar energy	Paper reduction	ESG integration
Energy efficiency	Digitalisation	Environmental targets & KPIs
Reduced emissions	Water & utility efficiency	Climate risk management
	Waste management	



RESPONSIBLE OPERATIONS

- Sustainable infrastructure integration
- Green branch design principles
- Reduced operational footprint
- Business continuity through resilience

BUSINESS ENABLERS

- Cost efficiencies through sustainability
- Enhanced ESG credibility
- Improved investor confidence
- Future-ready environmental resilience

STAKEHOLDER & ENVIRONMENTAL OUTCOMES

- Reduced environmental footprint
- Improved energy resilience
- Responsible resource utilisation
- Stronger stakeholder confidence in ESG performance
- Alignment with evolving sustainability expectations

VALUE CREATION OUTCOMES

- Long-term operational sustainability
- Lower environmental impact
- Stronger resilience against climate and energy-related risks
- Sustainable cost management
- Enhanced ESG-driven competitive positioning

SDG ALIGNMENT LAYER



Launch of ESG Roadmap	Reduction of electricity and emissions	Green lending portfolio	Promoting sustainability mobility

EMBRACING SUSTAINABILITY



The Strength Behind a Sustainable Future

At Singer Finance (Lanka) PLC, sustainability is not positioned as a standalone corporate agenda, but as an intrinsic expression of our identity shaping how we operate, how we grow, and the legacy we intend to leave for generations to come. In a year defined by transformation and renewed purpose, our sustainability journey has evolved from the discrete environmental initiatives conducted into a deliberate, long-term commitment that integrates business performance with environmental stewardship, social empowerment, and strong governance practices.

This journey reflects the essence of our Annual Report theme, **"The Strength Behind Every Flight"** While ambition propels us forward, every enduring journey is anchored in a foundation of strength, resilience, and responsibility. Sustainability is that foundation for Singer Finance. It is the steady, often unseen force that strengthens communities, safeguards natural ecosystems, enables inclusive progress, and ensures that growth is not only achieved but sustained responsibly over time.

Guided by the Hayleys Lifecode and aligned with both national priorities and global sustainability frameworks, we have continued to deepen our environmental and social impact throughout the year. Our initiatives span meaningful interventions across reforestation and biodiversity conservation, ocean restoration, and sustainability awareness and education. Each initiative reflects a clear conviction: that responsible businesses must actively contribute to restoring, protecting, and enriching the world in which they operate.

Most significantly, the financial year marked a defining milestone in our ESG journey with the ceremonial launch of the Singer Finance **ESG Roadmap 2030, "Where Dreams Take Flight"** This roadmap provides a structured and future-focused framework to embed sustainability across all dimensions of the organisation. It reinforces our long-term commitment to ensuring that economic progress, environmental responsibility, and social value creation advance together consistently, purposefully, and in harmony.

EMBRACING SUSTAINABILITY



ESG Roadmap 2030

Where Dreams Take Flight

The year 2025/26 marked a defining milestone in the sustainability journey of Singer Finance with the official launch of the Company's ESG Roadmap 2030 titled "Where Dreams Take Flight." More than a strategic framework, the roadmap represented the formalisation of a long-term sustainability vision that clearly defines where the organisation aspires to be by 2030 and how it intends to responsibly achieve those ambitions.

Ceremoniously launched in November 2025, the ESG Roadmap unified the Company's environmental, social, and governance aspirations into a single strategic direction aligned with the Hayleys Lifecode framework, the United Nations Sustainable Development Goals, and the evolving expectations of stakeholders, regulators, investors, employees, and customers.

The launch symbolised a transformative shift in how Singer Finance approaches sustainability. Rather than treating ESG as a compliance obligation, the roadmap positioned sustainability as a core pillar of corporate strategy, decision-making, operational resilience, customer empowerment, and long-term value creation. It reflected the organisation's belief that sustainable businesses are built not only through financial performance, but also through responsible stewardship of environmental and social capital.

Inspired by the symbolism of a bird's flight and the strength required to achieve it, the ESG Roadmap outlines the Company's aspirations across several strategic dimensions including climate resilience, responsible finance, operational sustainability, employee wellbeing, governance excellence, financial inclusion, and community empowerment. The roadmap establishes measurable targets, implementation frameworks, accountability mechanisms, and future-focused action plans extending toward 2030.

Importantly, the roadmap reinforces Singer Finance's commitment to embedding sustainability into the very fabric of its culture and operations. Sustainability considerations are increasingly integrated into risk management practices, lending decisions, branch operations, employee engagement initiatives, and stakeholder relationships, ensuring that ESG principles evolve beyond policy into meaningful and measurable implementation.

Guided by the Hayleys Lifecode philosophy, Singer Finance continues to build an organisation where sustainability becomes a shared responsibility embraced across every level of the business. The launch of the ESG Roadmap therefore represented more than a corporate milestone; it marked the beginning of a more structured, accountable, and transformative sustainability journey designed to create enduring value for future generations while supporting inclusive and responsible national progress.





This initiative strongly aligns with:



Sustainability Area	Initiative	Key Activities	Impact Created	Stakeholders Benefited	SDGs Impacted
Environmental Sustainability & Climate Action	Tree for Every Tuk Tuk	Planting one tree for every Tuk Tuk financed by the Company	Integrated business growth with environmental restoration while strengthening Singer Finance's environmental stewardship commitment	Communities, future generations, environment, customers	
		Over 5,500 trees planted across Sri Lanka, primarily within schools and community spaces	Contributes toward long-term carbon sequestration, oxygen generation, reduction of urban heat impacts, improved soil quality, and climate resilience	Schools, local communities, ecosystems	
Environmental Education & Community Awareness	School-Based Tree Planting Programme	Environmental planting initiatives conducted within schools	Encouraged environmental consciousness and sustainability awareness among younger generations	Students, schools, local communities	
		Students actively engaged in nurturing and maintaining planted trees	Fostered long-term behavioural change and environmental stewardship among youth	Youth and educational institutions	
Biodiversity & Ecosystem Restoration	Bamboo Restoration Project – Kaduwela Waste Management Facility	Planting of 50 bamboo trees within the waste management facility	Supported ecological restoration within a previously waste-affected environment	Surrounding communities and ecosystems	
		Use of bamboo due to rapid growth and strong carbon absorption capabilities	Enhanced carbon capture and environmental resilience	Environment and local biodiversity	
		Bamboo plantation designed to improve soil stability and water retention	Reduced flood-related risks and strengthened ecosystem resilience	Nearby communities	
		Creation of natural habitats for cranes, birds, and other species	Enhanced biodiversity and ecological balance within the area	Wildlife and ecosystems	
Cultural & Environmental Preservation	Hela Osu Uyana – Elaboda Sri Sunandaramaya Temple	Establishment of a medicinal plant garden and nursery	Preserved indigenous medicinal biodiversity and traditional Sri Lankan healing knowledge	Communities, future generations, traditional practitioners	

EMBRACING SUSTAINABILITY

Sustainability Area	Initiative	Key Activities	Impact Created	Stakeholders Benefited	SDGs Impacted
		Planting of over 100 medicinal plant species	Promoted sustainable cultivation and conservation of herbal ecosystems	Local communities and biodiversity	
		Development of a community educational platform linked to environmental sustainability and cultural heritage	Increased awareness regarding environmental conservation and traditional knowledge systems	Communities, students, visitors	
Integrated Sustainability Impact	Broader Ecosystem & Community Contribution	Expansion of sustainability efforts beyond conventional tree planting	Strengthened ecosystem restoration, biodiversity enhancement, climate resilience, and environmental awareness	Society at large	
Community Environmental Engagement	Growing Dreams – Planting Hope for the Future	Distribution of 655 plants to communities at the beginning of the new year encouraging individuals and families to actively participate in greening their surroundings. The initiative reflected the belief that sustainability begins with small but meaningful actions that collectively create long term environmental impact. Each plant represented more than a sapling. It symbolised hope, responsibility, and the nurturing of a greener future. The encouraged communities to develop stronger emotional connections with nature while promoting environmental awareness at a grassroots level. Over time, these plants will contribute toward improving air quality, increasing green cover, supporting biodiversity, and enhancing climate resilience within urban and rural communities alike.	Encouraged grassroots participation in environmental sustainability and community greening efforts	Communities, households, future generations	

Sustainability Area	Initiative	Key Activities	Impact Created	Stakeholders Benefited	SDGs Impacted
		Promoted individual and family involvement in nurturing plants and green spaces	Strengthened environmental awareness and fostered stronger emotional connections with nature	Families, local communities	
		Expansion of green cover through community-based planting	Contributes toward improved air quality, biodiversity enhancement, and climate resilience across urban and rural communities	Environment and ecosystems	
Marine Conservation & Coastal Protection	Ocean Heal – Phase 03	Large-scale coastal conservation initiative conducted at Dehiwala Beach	Reinforced commitment toward protecting Sri Lanka's coastal ecosystems and marine biodiversity	Coastal communities, marine ecosystems	
		Employees, volunteers, and stakeholders removed approximately 98 kilograms of degradable and non-degradable waste	Reduced pollution risks to marine species including fish, turtles, seabirds, and coastal ecosystems	Marine biodiversity and surrounding communities	
		Waste segregation and responsible recycling/ disposal practices implemented	Promoted responsible waste management and circular economy practices	Society and environment	
		Awareness creation on ocean conservation, recycling, and responsible consumption	Strengthened public understanding of marine ecosystem protection and environmental responsibility	Employees, volunteers, communities	
Internal Sustainability Capacity Building	Building Internal Sustainability Leadership	ESG and sustainability training programmes conducted for Branch Managers	Strengthened internal sustainability awareness and operational accountability	Employees and branch leadership	
		Training covered environmental stewardship, social responsibility, ethical governance, and climate awareness	Enhanced understanding of responsible business practices and ESG integration	Operational leaders and customers	
		Embedding sustainability principles into branch operations and customer engagement	Encouraged sustainability-led decision-making across the branch network	Employees, customers, organisation	

EMBRACING SUSTAINABILITY







Future Focus

Strengthening the Nest for Future Generations

As Singer Finance continues its sustainability journey, the organisation remains committed to expanding its environmental and social impact through larger, more structured, and future focused initiatives aligned with the ESG Roadmap 2030.

Building on the success of the “Tree for Every Tuk Tuk” initiative, the Company aims to increase annual tree planting targets to 7,500 trees while further strengthening biodiversity centered planting strategies involving schools, communities, wetlands, and environmentally sensitive locations.

Ocean Heal will also progress into future phases with Ocean Heal Phase 04 and Phase 05 expected to explore broader ocean conservation concepts beyond coastal cleanups, including ecosystem restoration, marine biodiversity awareness, sustainable coastal engagement, and collaborative environmental partnerships.

Singer Finance also plans to establish a dedicated “Branch Sustainability Champion” framework across its branch network to embed sustainability ownership at operational level and encourage branch led environmental and community initiatives.

Expansion of Green Branch concepts will continue through greater adoption of energy efficient systems, digitalisation, responsible resource management, and environmentally conscious operational practices.

In the years ahead, the organisation also aims to strengthen sustainability reporting practices, enhance ESG integration within business decision making, deepen stakeholder engagement, and continue aligning with evolving global sustainability frameworks and disclosure expectations.

Every initiative undertaken by Singer Finance reflects a larger purpose. Much like the nest that supports every flight, sustainability represents the enduring strength that enables communities, businesses, ecosystems, and future generations to thrive together.

Through responsible action today, Singer Finance continues to build stronger foundations for a more resilient, inclusive, and sustainable tomorrow.



THE FRAMEWORK THAT KEEPS US AIRBORN

Strong governance is the unseen structure

Behind every stable flight providing discipline, oversight, and accountability that keep our trajectory balanced, secure, and future-focused.

Corporate Governance

CORPORATE GOVERNANCE



Chairman's Statement on Corporate Governance

Upholding Integrity, Driving Sustainable Growth

It is my privilege to present the Corporate Governance Statement of Singer Finance (Lanka) PLC for the financial year ended 31st March 2026 a year that underscored the critical importance of responsible leadership, ethical stewardship, and value-driven decision-making.

At Singer Finance, corporate governance is not merely a compliance requirement—it is the foundation upon which we build trust, foster resilience, and drive long-term stakeholder prosperity. Anchored in the principles of fairness, accountability, transparency, and integrity, our governance framework is designed to uphold the highest standards of ethical conduct while ensuring operational excellence across all business functions.

Amidst an evolving macroeconomic and regulatory landscape, the Board remained actively engaged in overseeing strategic pivots, ensuring that the Company remained agile and responsive to external dynamics. This included rigorous reviews of the policy landscape, enhancement of our Environmental and Social Risk Management (ESRM) framework, and continued reinforcement of our ESG commitments across the organization.

Recognizing the growing importance of sustainability, the Board has steered Singer Finance to embed ESG considerations deeply within our corporate strategy. We strengthened our oversight of ESG initiatives through structured governance mechanisms, including the active involvement of the Group ESG Committee, the Singer ESG Steering and Working Committee, and the ESG Committee at Company level. These cross-functional platforms have ensured alignment with national and global benchmarks, including the Sustainable Finance Roadmap issued by the Central Bank of Sri Lanka.

We take great pride in affirming that the Company maintained compliance with the Finance Companies (Corporate Governance) Direction No. 5 of 2021. Additionally, the Board proactively reviewed the Revised Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) in December 2023, and has adopted an action plan to ensure seamless alignment in the periods ahead.

We also ensured compliance with the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and all other applicable statutory and regulatory provisions. As always, we maintained a zero-tolerance stance towards non-compliance, bribery, corruption, and unethical business practices. I am pleased to report that there were no breaches of the Company's Code of Business Conduct and Ethics during the year under review.

Way Forward

Looking ahead, we remain steadfast in our commitment to strengthening governance mechanisms as we pursue inclusive and sustainable growth. The Board is committed to integrating ESG factors into our governance practices, capital allocation, and risk oversight processes. We believe that by aligning with globally accepted standards and embracing transparency, we will continue to enhance stakeholder confidence and reinforce our reputation as a responsible and forward-thinking financial institution.

In this journey, we will continue to evaluate our governance practices, benchmark against international best practices, and enhance Board and management capacity to ensure Singer Finance remains future-ready.

On behalf of the Board of Directors, I reaffirm our pledge to uphold the values that define us—values that guide our every decision, safeguard stakeholder interests, and shape a resilient and sustainable tomorrow.



Aravinda Perera
Chairman
Singer Finance (Lanka) PLC

07th May 2026

Purpose and Philosophy

At Singer Finance (Lanka) PLC, Corporate Governance is the cornerstone of our commitment to ethical leadership, operational integrity, and sustainable value creation. As a leading financial services provider, we recognize that robust governance is essential to fostering trust among our stakeholders, including shareholders, customers, employees, regulators, and the wider community. Our governance philosophy is rooted in the principles of stewardship, transparency, accountability, and fairness, ensuring that every decision aligns with our mission to empower financial inclusion while delivering long-term value. By embedding these principles into our operations, we aim to uphold the highest standards of corporate conduct, particularly in a sector where trust and reliability are paramount.

Value Creation Model

Our governance framework is designed to support a value creation model that balances financial performance with social and environmental responsibility. This model enables us to navigate the complexities of the financial services landscape, including macroeconomic volatility, regulatory changes, and evolving stakeholder expectations. Through strategic oversight, rigorous risk management, and the integration of Environmental, Social, and Governance (ESG) considerations, we drive sustainable growth that benefits all stakeholders. Our Board of Directors plays a pivotal role in ensuring that our governance practices facilitate transformational change, enabling us to move beyond incremental gains to achieve enduring impact in the communities we serve.

Approach to Governance

Singer Finance adopts an enterprise-wide governance approach that integrates regulatory compliance, voluntary best practices, and internal controls to deliver on our organizational purpose. This holistic framework ensures that governance is not merely a compliance exercise but a strategic enabler that drives accountability and ethical decision-making across all levels of the organization. Guided by the CBSL's Finance Business Act Direction No. 5 of 2021 on Corporate Governance, our Board and management work collaboratively to maintain a governance structure that is agile, transparent, and responsive to the dynamic needs of the financial services sector. This approach positions us to meet regulatory requirements while exceeding stakeholder expectations through proactive leadership and innovation.

Governance Framework

Regulatory Compliance

As a licensed Finance Company under the supervision of the Central Bank of Sri Lanka, Singer Finance adheres to a comprehensive set of regulatory requirements that govern our operations. Key regulations include the Companies Act No. 07 of 2007, the Finance Business Act No. 42 of 2011, the Finance Business Act Direction No. 05 of 2021 on Corporate Governance, and the Listing Rules of the Colombo Stock Exchange (CSE). We also comply with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and directives issued by the Securities and Exchange Commission of Sri Lanka. These regulations form the bedrock of our governance framework, ensuring that our operations are conducted with integrity and in alignment with legal and regulatory expectations.

Voluntary Standards

In addition to mandatory regulations, Singer Finance has voluntarily adopted several codes and frameworks to elevate our governance standards. These include the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), which provides a roadmap for ethical and effective leadership. We also align with the Global Reporting Initiative (GRI) Standards, the Integrated Reporting Framework by the International Integrated Reporting Council (IIRC), and the Task Force on Climate-related Financial Disclosures (TCFD) to address ESG and climate-related risks. Our commitment to the United Nations Sustainable Development Goals (SDGs) further underscores our dedication to global best practices in sustainability and corporate responsibility.

CORPORATE GOVERNANCE

Regulatory Requirements	Internal Frameworks	Voluntary Codes and Best Practices
The Companies Act No. 7 of 2007	Articles of Association	Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC)
Finance Business Act No. 42 of 2011 and directions issued by Central Bank of Sri Lanka.	Board-approved Terms of Reference (TOR) of Board Sub Committees	The Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka
Finance Business Act Direction No 5 of 2021 on Corporate Governance	Board-approved policy frameworks for governance, risk, compliance and operational areas	Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board
Listing Rules of the Colombo Stock Exchange, Directives/ Regulations of the Securities and Exchange Commission of Sri Lanka	Codes of Conduct for Employees, Key Management Personnel and Directors	ESG risks and climate related risks and opportunities governed by TCFD
The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995		

Internal Mechanisms

Our internal governance mechanisms are designed to reinforce our commitment to ethical conduct and operational excellence. The Articles of Association outline the foundational rules governing our operations, while Board-approved Terms of Reference (TOR) for sub-committees define their roles and responsibilities. We maintain a robust policy framework covering governance, risk, compliance, and operational areas, including a Code of Conduct for Directors, Key Management Personnel (KMP), and employees. Our Whistleblower Policy and Related Party Transactions Policy ensure transparency and accountability, while our ESG guidelines, inspired by the Hayleys Lifecode, drive sustainable practices across the organization. These mechanisms are regularly reviewed to ensure relevance in a rapidly evolving regulatory and business environment.

Recent Developments

In the 2025/26 financial year, Singer Finance made significant strides in strengthening our governance framework. We achieved full compliance with the CBSL's Finance Business Act Direction No. 5 of 2021, demonstrating our proactive approach to regulatory adherence. We also updated our policy framework to align with the revised CSE Listing Rules and the 2023 CA Sri Lanka Code of Best Practice, ensuring that our governance practices remain at the forefront of industry standards. Additionally, we enhanced our ESG reporting by voluntarily adhering the SLFRS S1 and S2 Sustainability Reporting Standards, providing stakeholders with greater transparency on our sustainability performance. To bolster cybersecurity, we implemented advanced technologies, including a dedicated Chief Information Security Officer (CISO), reflecting our commitment to safeguarding data and systems.

Board Composition and Leadership

GRI 2-9

Board Structure

The Board of Singer Finance comprises nine directors, reflecting a balanced mix of expertise and independence. This includes one Executive Director (the MD), four Non-Executive Directors (NEDs), and four Independent Non-Executive Directors (INEDs). As of March 31, 2026, 44% of the Board consists of INEDs, ensuring objective oversight and robust decision-making. The Board's composition complies with the CBSL Direction No. 5 of 2021, which mandates a minimum number of independent directors to promote impartiality. The Chairman, a Non-Executive Director, provides strategic leadership, while the Senior Independent Non-Executive Director facilitates engagement with shareholders and ensures Board balance.

Skills and Diversity

GRI 2-17

Our Board is characterized by a diverse range of skills, including finance, banking, legal, risk management, and corporate leadership, enabling comprehensive oversight of our operations. Directors bring extensive industry experience, with tenures ranging from recent appointees to long-serving members, ensuring a blend of fresh perspectives and institutional knowledge. The expertise of our Board is shown in page 325. While gender diversity remains a focus area, we are pleased to note that female representation has increased

from one to two directors, aligning with best practices. Age diversity, with directors spanning various age groups, enhances our ability to combine seasoned expertise with innovative thinking, aligning with the dynamic needs of the financial services sector.

Appointments

GRI 2-10

The appointment of directors follows a formal and transparent process led by the Nominations and Governance Committee, which assesses candidates based on strategic needs, regulatory requirements, and diversity considerations. Fit and proper assessments, as stipulated by the CBSL and CSE Listing Rules, evaluate candidates' honesty, integrity, competence, and financial soundness. In 2025/26, Mr. Jonathan Alles has been appointed as NED with effect from 5th March 2026 bringing additional expertise in financial governance. All appointments are recommended to shareholders for approval at the Annual General Meeting (AGM), ensuring alignment with stakeholder expectations.

Board Induction and Training

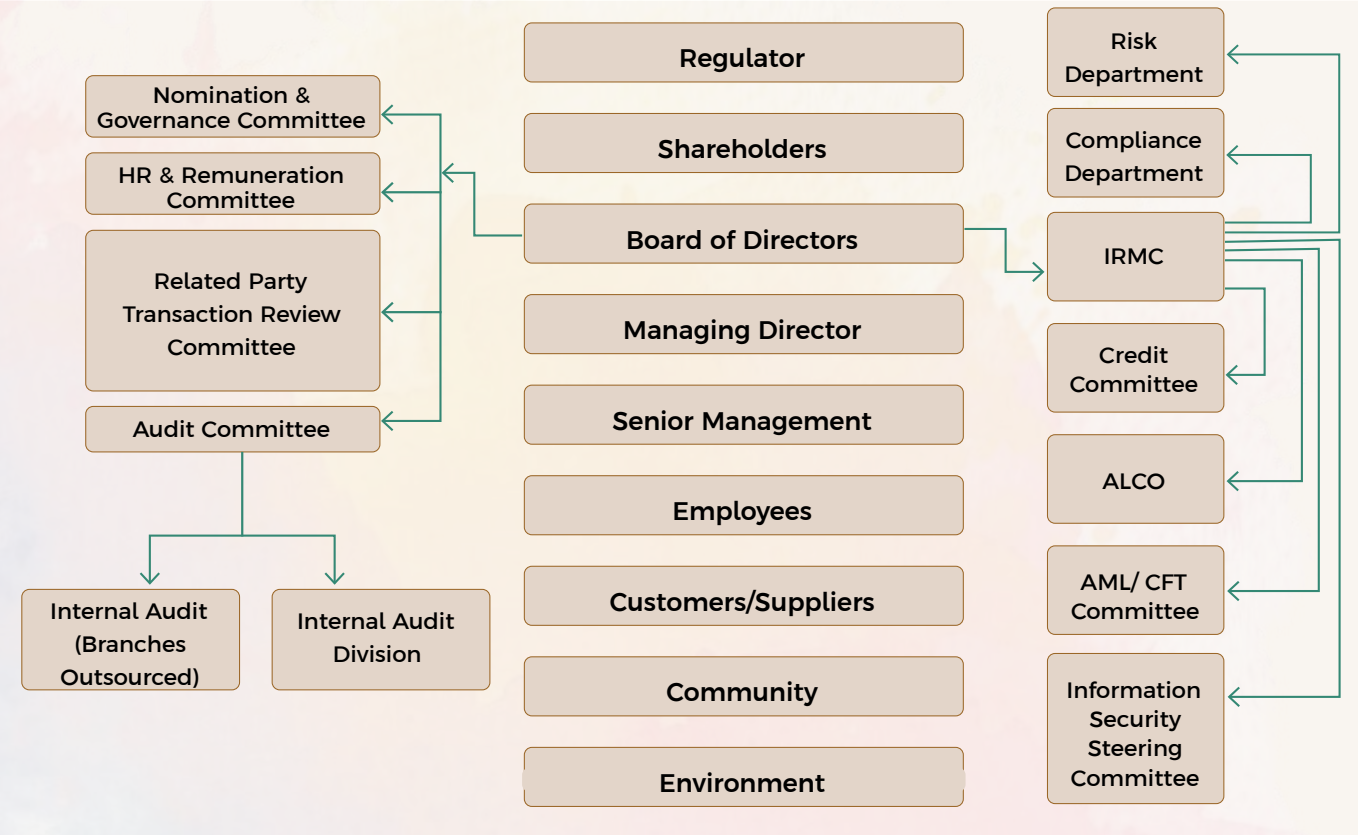
New directors undergo a comprehensive induction program, including detailed appointment letters outlining disclosure obligations, regulatory requirements, and company policies. Ongoing training ensures that directors remain abreast of regulatory, industry, and technological developments. In 2025/26, the Board participated in training sessions on AML/CFT compliance, IT, cybersecurity, corporate governance. These sessions were facilitated by external experts. Directors also meet Continuing Professional Development requirements through their respective professional organizations.

Board Appraisal

GRI 2-18

The Board conducts annual self-appraisals to evaluate its performance, composition, and alignment with strategic objectives. Sub-committees undergo similar evaluations, with results reviewed by the Chairman and discussed at Board meetings. In 2024/25, we enhanced our appraisal mechanisms to align with the 2023 CA Sri Lanka Code, incorporating metrics on governance effectiveness, ESG integration, and stakeholder engagement. The MD's performance is assessed against the corporate plan, focusing on financial and operational achievements. These appraisals ensure that the Board remains agile and responsive to the company's strategic needs.

Governance Structures and Delegation GRI 2-9



CORPORATE GOVERNANCE

BOARD AUDIT COMMITTEE

Composition

INED	SINED
2	1

Mandate

- Ensure the integrity of the financial statements of the Company.
- Review the internal control practices of the Company.
- Ensure that internal audit activities are carried out as in an independent and objective manner.

INTEGRATED RISK MANAGEMENT COMMITTEE

Composition

INED	SINED
2	1

Mandate

- Develop and implement a robust risk management framework.
- Ensure compliance with the relevant regulations and legislations.
- Review and monitor the contingency plans of the Company

HUMAN RESOURCES AND REMUNERATION COMMITTEE

Composition

NED	INED	SINED
1	2	1

Mandate

- Make recommendations to the Board on the remuneration paid to Executive Director and Senior Management.
- Operate remuneration structures that are aligned with best market practice.



RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Composition

INED
3

Mandate

- Review existing and new policies, procedures on related party transactions of the Company.
- Determining whether related party transactions to be entered into by the Company should be submitted to the Board of Directors or shareholders of the Company for approval.

NOMINATIONS AND GOVERNANCE COMMITTEE

Composition

NED	INED	SINED
1	1	1

Mandate

- Propose a suitable charter for the appointment and re-appointment of Directors to the Board and to act in accordance with such Charter in proposing appointments and re-appointments.

CREDIT COMMITTEE

Composition

NED	INED	SINED
1	1	1

Mandate

- Exercising oversight of Senior Management's identification and management of the Company's credit exposures on an enterprise-wide basis and the Company's responses to trends affecting those exposures.
- Oversight of Management's actions to ensure the adequacy of the allowance for credit losses and the Company's credit-related policies.

Board Sub-Committees

To ensure focused oversight, the Board delegates specific responsibilities to sub-committees, each governed by Board-approved TORs and compliant with CBSL Direction No. 5 of 2021:and CSE Listing Rules - Sec 9

- **Board Audit Committee:** Comprising of three INEDs, the committee ensures the integrity of financial statements, reviews internal controls, and oversees internal and external audits. In 2025/26, it strengthened ESG data assurance processes and reviewed cybersecurity controls, enhancing reporting reliability.
- **Nominations & Governance Committee:** Comprised of one NED and two INEDs, it oversees director appointments, succession planning, and governance policies.
- **Human Resources and Remuneration Committee:** Comprising of two NEDs and three INEDs, it sets remuneration policies for the MD, KMP, and senior management, ensuring alignment with market practices and performance targets.
- **Related Party Transactions Review Committee:** Comprising of three INEDs, it monitors and approves related party transactions, ensuring compliance with CSE rules and transparency in disclosures.
- **Integrated Risk Management Committee (IRMC):** Comprising of three INEDs, it develops and monitors the risk management framework, with a focus on credit, operational, ESG, and cybersecurity risks.
- **Credit Committee:** Comprising of one NED and two INEDs, it oversees credit exposures, ensures adequate provisions for credit losses, and reviews credit policies.
- **Asset and Liability Committee (ALCO):** Manages liquidity and interest rate risks, ensuring financial stability.
- **AML/CFT Committee:** Ensures compliance with anti-money laundering and counter-terrorism financing regulations, with enhanced monitoring in 2025/26.

Delegation Mechanisms

Clear lines of delegation, supported by TORs and policy frameworks, ensure effective decision-making and accountability. The Board sets strategic direction, while the MD and senior management execute operational plans. Sub-committees provide specialized oversight, with regular reporting to the Board. In 2025/26, we streamlined delegation processes to enhance responsiveness to regulatory and market changes, ensuring compliance with CBSL requirements.

Ethical Leadership and Culture

GRI 2-23, GRI 2-24, GRI 205-2, GRI 3-3

Bribery and Anti-Corruption Policy

Singer Finance maintains a zero-tolerance policy for bribery and corruption, fully aligned with the Anti-Corruption Act No. 9 of 2023 and CBSL guidelines. The policy prohibits political contributions, regulates gifts and hospitality, and mandates anti-bribery clauses in contracts with partners. In 2025/26, we enhanced due diligence processes for third-party engagements and conducted anti-corruption training for all employees, as well as AML CFT training for the Board ensuring awareness of reporting mechanisms and compliance obligations.

Whistleblower Policy

GRI 2-26

Our Whistleblower Policy provides a secure and confidential channel for employees to report misconduct, including fraud, unethical behavior, or breaches of the Code of Conduct. Whistleblowers are protected from retaliation, and feedback is provided on actions taken. In 2025/26, we strengthened communication of the policy through employee awareness campaigns, with no material violations reported. Concerns are escalated to the Board Audit Committee for independent review and resolution.

Corporate Values

Our core values fairness, accountability, integrity, and transparency drive a culture of ethical leadership and responsible corporate citizenship. These values guide our decision-making, ensuring that we prioritize stakeholder trust and societal impact. In 2025/26, we integrated these values into performance evaluations, fostering a values-driven culture across the organization.

Risk Management

Enterprise Risk Management Framework

Our risk management framework, built on the three lines of defense model, ensures comprehensive identification, assessment, and mitigation of risks. The first line involves management controls, the second includes compliance and risk functions, and the third comprises internal audits. The IRMC and Board Audit Committee oversee implementation, with policies defining risk appetites, limits, and escalation protocols. In 2025/26, we enhanced risk monitoring tools to improve real-time reporting, aligning with CBSL requirements.

Sustainability related Risks

We integrate ESG risk assessments into our risk management processes, with a focus on climate-related risks and opportunities per TCFD guidelines. In 2025/26, we conducted ESG risk analyses, identifying potential environmental and social impacts. Mitigation measures, such as green financing criteria, were implemented to align with sustainability goals. These risks are reported once in two months to the IRMC, ensuring proactive management.

IT and Cybersecurity

Our IT governance framework aligns technology objectives with business strategy, prioritizing cybersecurity in response to increasing digital risks. Investments in a dedicated SOC and advanced encryption protocols have strengthened our defenses. Regular vulnerability testing, penetration testing, and employee training mitigate cyber threats. In 2025/26, cybersecurity was a recurring agenda item for the IRMC, with no significant incidents reported. The chief Information Security Officer, supported by a dedicated team, ensures robust oversight.

CORPORATE GOVERNANCE

Combined Assurance Model

Our combined assurance model integrates internal audits, external audits, and management controls to provide comprehensive oversight. In 2025/26,

we enhanced ESG data assurance processes, engaging third-party auditor to validate sustainability metrics. This model ensures reliability in financial and non-financial reporting, supporting stakeholder confidence and regulatory compliance.

Stakeholder Engagement

Shareholder Communication

Effective shareholder engagement is central to our governance strategy, ensuring transparency and inclusivity. Key platforms include:

- Annual General Meetings (AGMs): The AGM serves as the primary forum for shareholder interaction, with all sub-committee chairpersons present to address queries. Separate resolutions are proposed for key issues, such as the adoption of financial statements, and proxy votes are meticulously recorded.
- Quarterly Results Updates: We provide timely disclosures of financial performance and material developments through the CSE, press releases, emails, and our corporate website. These updates ensure that shareholders have access to accurate and relevant information.
- Shareholder and Investor Communications Policy: This policy guarantees equal and transparent access to information, with regular updates on governance, performance, and ESG initiatives.

Other Stakeholders

We engage year-round with diverse stakeholders, including employees, customers, suppliers, regulators, and communities. Employee engagement is facilitated through town halls, surveys, and training programs, while customer feedback is gathered via digital platforms and service interactions. Supplier relationships are strengthened through regular audits and collaboration on ESG goals. In 2025/26, we expanded community engagement through CSR initiatives focused on financial literacy and environmental conservation, aligning with our sustainability objectives.

Minority Shareholder Rights

We are committed to protecting the rights of minority shareholders, ensuring equitable treatment and access to information. Shareholders are encouraged to participate in AGMs, seek independent advice, and raise concerns through the Company Secretary. Price-sensitive information is disseminated promptly via the CSE, and all shareholder correspondence is addressed promptly.

ESG Integration

GRI 2-12, GRI 2-13, GRI 2-14

ESG Governance

The Board holds ultimate responsibility for ESG strategies, with the IRMC overseeing risk and opportunity management. A dedicated ESG team, reporting to senior management, coordinates implementation across operations. The Group established an ESG Working Group to streamline sector-specific initiatives, ensuring alignment with corporate objectives and regulatory expectations.

Hayleys Lifecode

Inspired by the Hayleys Lifecode, our ESG framework sets ambitious targets for environmental stewardship, social impact, and governance excellence. It aligns with SDGs, GRI Standards, and SLFRS S1 and S2, focusing on reducing carbon footprints, promoting financial inclusion, and enhancing governance transparency. In 2025/26, we achieved measurable progress in green financing and community development programs.

Data Integrity and Reporting

We adopted GRI Reporting Standards, with third-party assurance for ESG metrics to ensure data integrity. Our 2025/26 sustainability disclosures provide a comprehensive view of our environmental, social, and governance performance, aligning with stakeholder expectations and global best practices. Enhanced reporting tools improved transparency, earning positive feedback from investors and regulators.

Training and Awareness

In 2025/26, we conducted extensive training programs on ESG risks, climate-related opportunities, and ethical conduct of employees. These initiatives, facilitated by internal and external experts, fostered a sustainability-driven culture, encouraging employees to integrate ESG principles into daily operations. Awareness campaigns also targeted customers, promoting sustainable financial practices.

Digital Transformation and IT Governance

Digital Roadmap

Our IT strategy leverages advanced technologies, including AI, IoT, and data analytics, to enhance operational efficiency and customer experience. In 2025/26, we expanded our digital lending platforms, reducing processing times and improving access to financial services for underserved communities. Investments in mobile banking and automated credit scoring systems further strengthened customer centricity.

IT Governance Structure

Our IT governance framework follows the three lines of defense model, with management controls, security teams, and internal audits ensuring robust oversight. The Chief Information Security Officer, supported by a dedicated team, reports to the IRMC, with cybersecurity matters escalated to the Board as needed.

Policies and Controls

Board-approved IT policies govern acceptable use, access control, data backup, and cybersecurity. Regular vulnerability testing, penetration testing, and SOC monitoring safeguard our systems. In 2025/26, we implemented advanced encryption protocols and multi-factor authentication, reducing cyber risk exposure. Employee training on phishing and data protection further strengthened our defenses.

Remuneration Governance

GRI 2-19, GRI 2-20

Remuneration Philosophy

Our remuneration framework is designed to attract, motivate, and retain high-performing talent while

aligning with strategic objectives and ethical principles. It promotes market competitiveness, internal equity, and performance-driven rewards, discouraging excessive risk-taking. In 2025/26, we benchmarked remuneration against industry peers to ensure fairness and alignment with regulatory expectations.

Remuneration Committee

The Human Resources and Remuneration Committee, comprising NEDs and INEDs, oversees remuneration policies for the MD, KMP, and senior management. In 2025/26, the committee reviewed executive compensation, implementing market corrections to align with the median of comparable financial institutions. It also set performance-based incentives tied to financial, operational, and ESG targets.

Independent Non-Executive Director Remuneration

INEDs receive fees for Board and sub-committee roles, reflecting time commitment and responsibilities. Fees are set by the Human Resources and Remuneration Committee, benchmarked against market practices, and exclude performance-based incentives to maintain independence. In 2025/26, INED remuneration was reviewed to ensure competitiveness, with no individual director involved in determining their own fees.

Strategy and Performance Monitoring

Board Oversight

The Board provides strategic direction and monitors performance through monthly meetings, special sessions, and sub-committee reports. It oversees the execution of the corporate plan, financial performance, and operational targets, ensuring alignment with stakeholder expectations. The MD's performance is evaluated annually against predefined financial, operational, and ESG metrics, with results informing remuneration decisions.

Key Focus Areas

In 2025/26, the Board prioritized the following strategic areas:

- Portfolio Optimization and Resilience: Strengthened credit risk management and diversified financial products, achieving an increase in loan portfolio quality.
- Customer Centricity: Enhanced digital platforms, resulting in an improvement in customer satisfaction scores.
- Navigating External Challenges: Adapted to macroeconomic volatility and regulatory changes, maintaining stable liquidity and capital adequacy ratios.
- ESG Integration and Ethical Culture: Embedded sustainability and ethical conduct in operations, with 90% of new loans screened for ESG compliance.

Board Engagement

The Board convened 15 meetings in 2025/26, with high attendance reflecting strong engagement (see table below). Executive Director provided insights into operational performance, while sub-committees offered specialized oversight. Special meetings addressed the 2025/26 corporate plan, focusing on digital transformation and ESG integration. Board papers were circulated in advance, ensuring informed decision-making.

Name of Director	Board Meetings	Board Audit Committee	IRMC	RPT Review Committee	Nominations & Governance Committee	HR & Remuneration Committee	Credit Committee
Mr. Aravinda Perera (Chairman/NED)	15/15	-	-	-	4/4	2/2	2/4
Mr. Thushan Amarasuriya (MD/ED)	15/15	-	-	-	-	-	-
Ms. Darshini Talpahewa (NED)	14/15	-	-	-	-	-	-
Mr. Mahesh Wijewardene (NED)	14/15	-	-	-	-	2/2	-
Mr. Ranil De Silva (INED)	15/15	7/7	-	4/4	-	-	-
Mr. Saman Herath (Senior INED)	15/15	7/7	6/6	-	4/4	2/2	4/4
Mr. Dhammika Siriwardene (INED)	15/15	7/7	5/6	4/4	-	2/2	-
Ms. Hiranthi De Silva (INED)	14/15	-	4/6	4/4	4/4	2/2	4/4
Mr. Jonathan Alles (NED)	1/1	-	-	-	-	-	-

CORPORATE GOVERNANCE

Compliance and Assurance

Regulatory Compliance

GRI 2-27

Singer Finance maintained full compliance with all applicable laws and regulations in 2025/26, including CBSL Direction No. 5 of 2021, CSE Listing Rules, and the Companies Act. Our zero-tolerance policy for non-compliance, bribery, and corruption was rigorously enforced, with no significant violations or fines reported. Regular compliance audits, conducted by internal and external teams, ensured adherence to regulatory standards.

Internal Audit

The Internal Audit Division, supported by outsourced branch audits, plays a critical role in assessing control effectiveness. Reports are reviewed by the Audit Committee, with direct access to the Chairman to ensure independence. In 2025/26, we expanded the scope of internal audits enhancing oversight of sustainability initiatives.

External Audit

External auditors, appointed annually, maintain independence per CBSL and CSE guidelines. (The Audit Committee conducts in-camera meetings to address concerns) with non-audit work strictly monitored to preserve objectivity. In 2025/26, external audits confirmed the accuracy of financial statements and ESG disclosures, reinforcing stakeholder confidence. For the 2025/26 financial year, EY was appointed as the external auditors, and their audits confirmed the accuracy of financial statements and ESG disclosures, strengthening stakeholder confidence.

Whistleblower Mechanisms

GRI 2-26

Our Whistleblower Policy provides secure reporting channels, with concerns escalated to the Audit Committee for independent review. In 2025/26, we enhanced accessibility ensuring confidentiality and protection for whistleblowers. No material breaches were reported, reflecting the effectiveness of our ethical framework.

Roadmap for Future Governance

Alignment with New Rules

Having achieved compliance with CBSL Direction No. 5 of 2021, CSE listing rules and the 2023 CA Sri Lanka Code, we will continue to monitor updates to regulatory frameworks, including potential revisions to CSE Listing Rules. In 2026/27, we aim to adopt emerging global standards, such as updates to IFRS sustainability reporting, to maintain our leadership in governance.

Policy Enhancements

We plan to introduce new policies on digital ethics, green financing, and diversity to address evolving risks and opportunities. Existing policies will be reviewed annually to ensure relevance, with a focus on cybersecurity, ESG integration, and stakeholder engagement. In 2026/27, we will launch a supplier code of conduct to reinforce ethical practices across our value chain.

Continuous Improvement

Our governance roadmap for 2026/27 includes:

- Enhancing ESG integration through advanced data analytics and stakeholder feedback
- Expanding digital engagement platforms to improve shareholder and customer interaction
- Streamlining Board appraisal processes to incorporate external benchmarking

Singer Finance remains steadfast in its commitment to exemplary corporate governance, ensuring that we deliver sustainable value and uphold stakeholder trust in an increasingly complex financial landscape. By aligning with CBSL regulations, global best practices, and our ethical principles, we are well-positioned to drive long-term success and positive impact.

Section A

Compliance with the Finance Business Act Direction No. 5 of 2021 Corporate Governance issued by Central Bank of Sri Lanka

Section	Corporate Governance Principle	Extent of Compliance
1	BOARD'S OVERALL RESPONSIBILITIES	
1.1	Assume overall responsibility and accountability for the operations of the Company, by setting up the strategic direction, governance framework, establishing corporate culture and ensuring compliance with regulatory requirements.	Complied The Board holds overall responsibility and accountability for the company's operations listed 1.2 to 1.7 of the direction.
1.2	**Business Strategy and Governance Framework**	
(a)	Approving and overseeing the implementation of the Company's overall business strategy with measurable goals for next three years and update it annually in view of the developments in the business environment.	Complied A strategy plan covers the specified period
(b)	Approving and implementing Company's governance framework commensurate with the Company's size, complexity, business strategy and regulatory requirements.	Complied The Board approved governance framework is in place.
(c)	Assessing the effectiveness of the governance framework periodically.	Complied The Governance Framework is periodically reviewed to align with changes in the operating environment.
(d)	Appointing the Chairperson and the Chief Executive Officer (CEO) and define the roles and responsibilities.	Complied Two separate individuals have been appointed for the roles of Chairman and MD. The Chairman is responsible for managing, developing, and ensuring the effective functioning of the board, while the MD is tasked with directing and overseeing the company's operations.
1.3	**Corporate Culture and Values**	
(a)	Ensuring that there is a sound corporate culture within the Company, which reinforces ethical, prudent and professional behavior.	Complied The company endeavors to foster a sound corporate culture by implementing various policies, procedures, and processes, including HR Policies, Code of Business Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy. These measures are designed to promote ethical, prudent, and professional behavior.
(b)	Playing a lead role in establishing the Company's corporate culture and values, including developing a code of conduct and managing conflicts of interest.	Complied Corporate values are integrated into the Board-approved strategic plan, and the Board-approved Code of Conduct and policy on managing conflict of interest are in place.
(c)	Promoting sustainable finance through appropriate environmental, social and governance considerations in the Company's business strategies.	Complied In forming the Business Strategies CBSL's Sustainable development goals are well taken into consideration.

CORPORATE GOVERNANCE

Section	Corporate Governance Principle	Extent of Compliance
(d)	Approving the policy of communication with all stakeholders, including depositors, shareholders, borrowers and other creditors, in the view of projecting a balanced view of the Company's performance, position and prospects in public and regulators.	Complied The Board approved Communication Policy is in place and is regularly reviewed to ensure it reflects best practices in communications.
1.4	**Risk Appetite, Risk Management and Internal Controls**	
(a)	Establishing and reviewing the Risk Appetite Statement (RAS) in line with Company's business strategy and governance framework.	Complied A RAS is in place, aligning with the company's business strategy and governance framework, and is regularly reviewed by the Board Integrated Risk Management Committee (BIRMC).
(b)	Ensuring the implementation of appropriate systems and controls to identify, mitigate and manage risks prudently.	Complied The Board has delegated this function to its sub-committee, the Board Integrated Risk Management Committee (BIRMC). Identifying major risks and establishing systems to measure, monitor, and manage these key risks are being performed and summary of the same is reported to the BIRMC.
(c)	Adopting and reviewing the adequacy and the effectiveness of the Company's internal control systems and management information systems periodically.	Complied The Board Audit Committee performs periodical assessments on the adequacy and effectiveness of the internal controls system in addition to the risk based management information system (MIS) reporting performed by the Risk Department on monthly basis.
(d)	Approving and overseeing business continuity and disaster recovery plan for the Company to ensure stability, financial strength, and preserve critical operations and services under unforeseen circumstances.	Complied A Board-approved Business Continuity and Disaster Recovery Plan, is in place.
1.5	**Board Commitment and Competency**	
(a)	All members of the Board shall devote sufficient time on dealing with the matters relating to affairs of the Company.	Complied The Board of Directors devote sufficient time for both Board meetings and Board Sub-committee meetings to address matters related to the company's affairs.
(b)	All members of the Board shall possess necessary qualifications, adequate skills, knowledge, and experience.	Complied All members of the Board possess necessary qualifications, adequate skills, knowledge, expertise, and experience across various business sectors, adding significant value to the company.

Section	Corporate Governance Principle	Extent of Compliance
(c)	The Board shall regularly review and agree the training and development needs of all the members.	Complied The Board annually reviews and approves the training plan for the Financial Year at its start, recognizing the importance of continuous training. Experts of the respective areas are invited to share new knowledge during these training sessions. Additionally, the Company Secretary informs the Board of any other relevant training programs for Directors' participation.
(d)	The Board shall adopt a scheme of self-assessment to be undertaken by each director annually on individual performance, of its Board as a whole and that of its committees and maintain records of such assessments.	Complied The Company has adopted a scheme of annual self-assessment to be undertaken by each Director on individual performance, and of its Board as a whole and that of its committees. These assessments forms part of the documents submitted to CBSL for annual assessment of fitness and Propriety of Board Members
(e)	The Board shall resolve to obtain external independent professional advice to the Board to discharge duties to the Company.	Complied The Board is authorized to seek independent professional advice to fulfill duties for the company, at the company's expense. A Board-approved policy is in place to facilitate this.
1.6	**Oversight of Senior Management**	
(a)	Identifying and designating senior management, who are in a position to significantly influence policy, direct activities and exercise control over business operations and risk management.	Complied The positions that can significantly influence the Company's policies, direct activities, exercise control over business operations and risk management, have been identified by the Board and designated as Senior Management of the Company.
(b)	Defining the areas of authority and key responsibilities for the senior management.	Complied The key responsibilities of senior management are outlined in their job descriptions (JDs). The areas and limits of their authority are specified under the Delegation Authority (DA) limits assigned to them.
(c)	Ensuring the senior management possess the necessary qualifications, skills, experience and knowledge to achieve the Company's strategic objectives.	Complied All the Senior Management personnel possess necessary qualifications, skills, experience and knowledge to perform their assigned functions.

CORPORATE GOVERNANCE

Section	Corporate Governance Principle	Extent of Compliance
(d)	Ensuring there is an appropriate oversight of the affairs of the Company by senior management.	Complied Senior management oversees the company's affairs and frequently make presentations to the Board and Board Sub-committee on matters under their purview.
(e)	Ensuring the Company has an appropriate succession plan for senior management.	Complied A Board approved succession plan for senior management personnel is in place.
(f)	Meeting regularly with the senior management to review policies, establish lines of communication and monitor progress towards strategic objectives.	Complied Senior management regularly presents and actively participates in discussions on their areas of responsibility during Board meetings and Board Sub-committee meetings. Directors have unrestricted and open contact with the company's senior management.
1.7	**Adherence to the Existing Legal Framework**	
(a)	Ensuring that the Company does not act in a manner that is detrimental to the interests of and obligations to, depositors, shareholders and other stakeholders.	Complied The company operates within the Board-approved Governance Framework and are committed to not to act in ways that are detrimental to the interests of or obligations to depositors, shareholders, and other stakeholders.
(b)	Adherence to the regulatory environment and ensuring compliance with relevant laws, regulations, directions and ethical standards.	Complied Ensure adherence to the regulatory environment and compliance with relevant laws, regulations, directions, and ethical standards through periodic independent assurance from the Compliance Department and Internal Audit Department.
(c)	Acting with due care and prudence, and with integrity and be aware of potential civil and criminal liabilities that may arise from their failure to discharge the duties diligently.	Complied The Board of Directors act with due care, prudence, and integrity, being mindful of potential civil and criminal liabilities that may arise from failing to diligently discharge their duties.

Section	Corporate Governance Principle	Extent of Compliance
2	GOVERNANCE FRAMEWORK	
2.1	Board shall develop and implement a governance framework in line with these directions and including but not limited to the following. a) role and responsibilities of the Board b) matters assigned for the Board. c) delegation of authority. d) composition of the Board. e) the Board's independence. f) the nomination, election and appointment of directors and appointment of senior management. g) the management of conflicts of interests h) access to information and obtaining independent advice. i) capacity building of Board members. j) the Board's performance evaluation. k) role and responsibilities of the chairperson and the CEO. l) role of the company secretary. m) Board sub committees and their role; and n) limits on related party transactions.	Complied A Board approved Governance Framework is in place which includes but is not limited to the key aspect of good governance mentioned here.
3	COMPOSITION OF THE BOARD	
3.1	The Board's composition shall ensure a balance of skills and experience as may be deemed appropriate and desirable for the requirements of the size, complexity and risk profile of the Company.	Complied All members of the Board possess vast experience, qualifications, adequate skills, and knowledge in the relevant fields.
3.2	The number of directors on the Board shall not be less than seven (07) and not more than thirteen (13).	Complied The Board consists of nine Directors.
3.3	The total period of service of a director other than a director who holds the position of CEO/executive director shall not exceed nine years, subject to direction 3.4	Complied The Period of Service of all Directors are less than nine years during the year under review.
3.4	Non-executive directors, who directly or indirectly holds more than 10% of the voting rights or who appointed to represent a shareholder who directly or indirectly holds more than 10% of the voting rights by producing sufficient evidence are eligible to hold office exceeding 9 years of service with prior approval of Director, Department of Supervision of Non-Bank Financial Institutions subject to provisions contained in direction 4.2 and 4.3. Provided, however number of non- executive directors eligible to exceed 9 years are limited to one-fourth (¼) of the total number of directors of the Board.	No such situations have arisen.
3.5	**Executive Directors**	
(a)	Only an employee of a Company shall be nominated, elected and appointed, as an executive director of the Company, provided that the number of executive directors shall not exceed one-third (1/3) of the total number of directors of the Board.	Complied Mr. Thushan Amarasuriya is the only Executive Director among the nine directors who is also an employee of the company.

CORPORATE GOVERNANCE

Section	Corporate Governance Principle	Extent of Compliance
(b)	A shareholder who directly or indirectly holds more than 10% of the voting rights of the Company, shall not be appointed as an executive director or as senior management. Provided however, existing executive directors with a contract of employment and functional reporting line and existing senior management are allowed to continue as an executive director/senior management until the retirement age of the Company and may reappoint as a non-executive director subject to provisions contained in direction 4.2 and 4.3. Existing executive directors without a contract of employment and functional reporting line need to step down from the position of executive director from the effective date of this direction and may reappoint as a non-executive director subject to provisions contained in direction 4.2 and 4.3.	No such situations have arisen.
(c)	In the event of presence of the executive directors, CEO shall be one of the executive directors and may be designated as the managing director of the Company.	Complied Mr. Thushan Amarasuriya is the only Executive Director of the Company who currently holds the position of MD.
(d)	All Executive directors shall have a functional reporting line in the organization structure of the Company.	Complied The MD, who is the only Executive Director, has a clear functional reporting line within the company's organizational structure and reports directly to the Board.
(e)	The executive directors are required to report to the Board through CEO.	
(f)	Executive directors shall refrain from holding executive directorships or senior management positions in any other entity.	Complied Mr. Thushan Amarasuriya (Executive Director) does not hold any executive directorships or senior management positions in any other Company.
3.6	**Non-Executive Directors**	
(a)	Non-executive directors shall possess credible track records, and have necessary skills, competency and experience to bring independent judgment on the issues of strategy, performance, resources and standards of business conduct.	Complied The Non-Executive Directors of the Board are distinguished individuals with extensive knowledge, skills, competence and experience in various business fields. Their detailed profiles can be found on pages 40 to 45.
(b)	A non-executive director cannot be appointed or function as the CEO/executive director of the Company.	Complied None of the Non-Executive Directors are appointed or function as the CEO/ Executive Directors of the Company.
3.7	**Independent Directors**	
(a)	The number of independent directors of the Board shall be at least three (03) or one-third (1/3) of the total number of directors, whichever is higher.	Complied Four out of Nine Directors are Independent Directors.

Section	Corporate Governance Principle	Extent of Compliance
(b)	Independent directors appointed shall be of highest caliber, with professional qualifications, proven track record and sufficient experience.	Complied All Independent Directors of the Company are of the highest calibre possessing professional qualifications, a proven track record, and sufficient experience.
(c)	A non-executive director shall not be considered independent if such: i. Director has a direct or indirect shareholding exceeding 5% of the voting rights of the Company or exceeding 10% of the voting rights of any other Finance Company. ii. Director or a relative has or had during the period of one year immediately preceding the appointment as director, material business transaction with the Company, as described in direction 12.1(c) hereof, aggregate value outstanding of which at any particular time exceeds 10% of the stated capital of the Company as shown in its last audited statement of financial position. iii. Director has been employed by the Company or its affiliates or is or has been a director of any of its affiliates during the one year, immediately preceding the appointment as director. iv. Director has been an advisor or consultant or principal consultant/advisor in the case of a firm providing consultancy to the Company or its affiliates during the one year preceding the appointment as director. v. Director has a relative, who is a director or senior management of the Company or has been a director or senior management of the Company during the one year, immediately preceding the appointment as director or holds shares exceeding 10% of the voting rights of the Company or exceeding 20% of the voting rights of another Finance Company. vi. Director represents a shareholder, debtor, creditor or such other similar stakeholder of the Company. vii. Director is an employee or a director or has direct or indirect shareholding of 10% or more of the voting rights in a company, in which any of the other directors of the Company is employed or is a director. viii. Director is an employee or a director or has direct or indirect shareholding of 10% or more of the voting rights in a company, which has a transaction with the Company as defined in direction 12.1(c), or in which any of the other directors of the Company has a transaction as defined in direction 12.1(c), aggregate value outstanding of which at any particular time exceeds 10% of the stated capital as shown in its last audited statement of financial position of the Company.	Complied

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Section	Corporate Governance Principle	Extent of Compliance
(d)	The nomination committee and Board should determine whether there is any circumstance or relationship, which is not listed at direction 3.7, which might impact a director's independence, or the perception of the independence.	No such situations have arisen.
(e)	An independent director shall immediately disclose to the Board any change in circumstances that may affect the status as an independent director. In such a case, the Board shall review such director's designation as an independent director and notify the Director, Department of Supervision of Non-Bank Financial Institutions in writing of its decision to affirm or change the designation.	No such situations have arisen.
3.8	**Alternate Directors**	
(a)	Representation through an alternate director is allowed only; i) With prior approval of the Director, Department of Supervision of Non-Bank Financial Institutions under Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) or as amended; and ii) If the current director is unable to perform the duties as a director due to prolonged illness or unable to attend more than three consecutive meetings due to being abroad.	Not Applicable There were no Alternate Director appointments for the FY under review
(b)	The existing directors of the Company cannot be appointed as an alternate director to another existing director of the Company.	
(c)	A person appointed as an alternate director to one of the directors cannot extend the role as an alternate director to another director in the same Board.	
(d)	An alternate director cannot be appointed to represent an executive director.	
(e)	In the event an alternate director is appointed to represent an independent director, the person so appointed shall also meet the criteria that apply to an independent director.	
3.9	**Cooling off Periods**	
(a)	There shall be a cooling off period of six months prior to an appointment of any person as a director, CEO of the Company, who was previously employed as a CEO or director, of another Finance Company. Any variation thereto in exceptional circumstances where expertise of such persons requires to reconstitute a Board of a Company which needs restructuring, shall be made with prior approval of the Monetary Board.	Complied One new Director appointment has been made during the financial year under review. The Director had hold a position in another Finance Company from Nov 2014 to Sep 2021.
(b)	A director, who fulfils the criteria to become an independent director, shall only be considered for such appointment after a cooling off period of one year if such director has been previously considered as non-independent under the provisions of this Direction.	
3.10	**Common Directorships**	
	Director or a senior management of a Company shall not be nominated, elected or appointed as a director of another Finance Company except where such Company is a parent company, subsidiary company or an associate company or has a joint arrangement with the first mentioned Company subject to conditions stipulated in Direction 3.5(f).	Complied No Director or a member of the senior management has been appointed as a Director of another Finance Company.

Section	Corporate Governance Principle	Extent of Compliance
3.11	The Board shall determine the appropriate limits for directorships that can be held by directors. However, a director of a Company shall not hold office as a director or any other equivalent position (shall include alternate directors) in more than 20 companies/societies/bodies, including subsidiaries and associates of the Company.	Complied No Director holds more than 20 Directorships. The Directorships held by the Directors are available under Director Profiles, Pages 40 to 45
4	ASSESSMENT OF FITNESS AND PROPRIETY CRITERIA	
4.1	No person shall be nominated, elected or appointed as a director of the Company or continue as a director of such Company unless that person is a fit and proper person to hold office as a director of such Company in accordance with the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction or as amended.	Complied Fitness and Propriety of Directors are assessed annually and at the time of nomination, election and appointment in terms of the requirements of the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction No. 6 of 2021
4.2	A person over the age of 70 years shall not serve as a director of a Company.	Complied None of the Directors of the Company are above the age of 70 years.
4.3	Notwithstanding provisions contained in 4.2 above, a director who is already holding office at the effective date of this direction and who attains the age of 70 years on or before 31.03.2025, is permitted to continue in office as a director, exceeding 70 years of age up to maximum of 75 years of age subject to the following, a) Assessment by the Director, Department of Supervision of Non-Bank Financial Institutions on the fitness and propriety based on the criteria specified in the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction. b) Prior approval of the Monetary Board based on the assessment of the Director, Department of Supervision of Non-Bank Financial Institutions in 4.3 (a). c) The maximum number of directors exceeding 70 years of age is limited to one-fifth (1/5) of the total number of directors. d) The director concerned shall have completed a minimum period of 3 continuous years in office, as at the date of the first approval.	No such situations have arisen.
5	APPOINTMENT AND RESIGNATION OF DIRECTORS AND SENIOR MANAGEMENT	
5.1	The appointments, resignations or removals shall be made in accordance with the provisions of the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction.	Complied All the appointments to and resignations and removal from the Board and Senior Management positions were made in accordance with the Finance Business Act direction No. 6 of 2021 – Assessment of Fitness and Propriety of Key Responsible Person.

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Section	Corporate Governance Principle	Extent of Compliance
6	THE CHAIRPERSON AND THE CEO GRI 2-11	
6.1	There shall be a clear division of responsibilities between the chairperson and CEO and responsibilities of each person shall be set out in writing.	Complied The positions of the Chairman and the MD are separate and performed by two different individuals.
6.2	The chairperson shall be an independent director, subject to 6.3 below.	Mr. Saman Herath serves as the Senior Independent Non-Executive Director since the Chairman is Non Independent Non-Executive Director. The Terms of Reference of the Senior Independent Director are documented. Non-Executive Directors including Senior Director annually assess the Chairperson's performance.
6.3	In case where the chairperson is not independent, the Board shall appoint one of the independent directors as a senior director, with suitably documented terms of reference to ensure a greater independent element. Senior director will serve as the intermediary for other directors and shareholders. Non-Executive directors including senior director shall assess the chairperson's performance at least annually.	
6.4	**Responsibilities of the Chairperson**	
	The responsibilities of the chairperson shall at least include the following: a) Provide leadership to the Board. b) Maintain and ensure a balance of power between executive and non-executive directors. c) Secure effective participation of both executive and non-executive directors. d) Ensure the Board works effectively and discharges its responsibilities. e) Ensure all key issues are discussed by the Board in a timely manner. f) Implement decisions/directions of the regulator. g) Prepare the agenda for each Board Meeting and may delegate the function of preparing the agenda and to maintaining minutes in an orderly manner to the company secretary. h) Not engage in activities involving direct supervision of senior management or any other day to day operational activities. i) Ensure appropriate steps are taken to maintain effective communication with shareholders and that the views of shareholders are communicated to the Board. j) Annual assessment on the performance and the contribution during the past 12 months of the Board and the CEO.	Complied The Chairman is responsible to provide leadership, guidance, and oversight to the Board, ensuring that it operates effectively, fulfills its responsibilities, and acts in the best interests of the company and its stakeholders. Company Secretary prepares the agenda in consultation with the Chairman, as this function has been delegated to the Company Secretary by the Chairman. The Chairman does not engage in direct supervision of senior management or any other day to day operational activities. Effective communication with shareholders is maintained at the Annual General Meeting providing opportunity for them to express their views and recommendations. The Chairman assess the performance and contributions of the Board and the MD on an annual basis.

Section	Corporate Governance Principle	Extent of Compliance
6.5	**Responsibilities of the CEO**	
	The CEO shall function as the apex executive-in-charge of the day-to-day management of the Company's operations and business. The responsibilities of the CEO shall at least include: a) Implementing business and risk strategies in order to achieve the Company's strategic objectives. b) Establishing a management structure that promotes accountability and transparency throughout the Company's operations and preserves the effectiveness and independence of control functions. c) Promoting, together with the Board, a sound corporate culture within the Company, which reinforces ethical, prudent and professional behaviour. d) Ensuring implementation of proper compliance culture and being accountable for accurate submission of information to the regulator. e) Strengthening the regulatory and supervisory compliance framework. f) Addressing the supervisory concerns and non-compliance with regulatory requirements or internal policies in a timely and appropriate manner. g) CEO must devote the whole of the professional time to the service of the Company and shall not carry on any other business, except as a non-executive director of another company, subject to Direction 3.10.	Complied The CEO functions as the apex Executive-In-Charge of the day-to-day management of the Company's operations and business, fulfilling the responsibilities outlined in the Direction.
7	MEETINGS OF THE BOARD	
7.1	The Board shall meet at least twelve times a financial year at approximately monthly intervals. Obtaining the Board's consent through the circulation of papers to be avoided as much as possible.	Complied The Board meetings are regularly held in monthly interval. The Board met 15 times during the year 2025/26. The circulation of resolutions and papers to obtain the Board's consent is minimized and only used when absolutely necessary. This occurred only in 10 instances, all of which were ratified by the Board at the subsequent Board Meeting.
7.2	The Board shall ensure that arrangements are in place to enable matters and proposals by all directors of the Board to be represented in the agenda for scheduled Board Meetings.	Complied The Board ensures that all Directors have equal opportunities to include matters and proposals in the agenda for the monthly Board Meetings, Board meeting dates are scheduled and communicated to the Board at the beginning of each calendar year.

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Section	Corporate Governance Principle	Extent of Compliance
7.3	A notice of at least 3 days shall be given for a scheduled Board meeting. For all other Board meetings, a reasonable notice shall be given.	Complied Board meeting dates are informed to the Board members in advance for the calendar year. A Notice of Meeting is circulated to the Directors at least 7 days prior to the scheduled Board meeting. Reasonable notice is provided before all other Board meetings.
7.4	A director shall devote sufficient time to prepare and attend Board meetings and actively contribute by providing views and suggestions.	Complied Board papers are sent to the Directors in advance, allowing them sufficient time to review the documents and request additional information or clarification before the meeting. All Directors actively participate in Board meetings by offering their views and suggestions in the best interest of the Company, and these deliberations are recorded in the minutes.
7.5	A meeting of the Board shall not be duly constituted, although the number of directors required to constitute the quorum at such meeting is present, unless at least one fourth (1 /4) of the number of directors that constitute the quorum at such meeting are independent directors.	Complied All Board meetings held during the financial year were duly constituted with one fourth (1/4) of the number of Directors constituting the quorum being Independent Directors.
7.6	The chairperson shall hold meetings with the non-executive directors only, without the executive directors being present, as necessary and at least twice a year.	Complied Two meetings in the month of August 2025 and February 2026 were held exclusively with the participation of Non-Executive Directors, without the presence of Executive Director.
7.7	A director shall abstain from voting on any Board resolution in relation to a matter in which such director or relative or a concern in which he has substantial interest, is interested, and he shall not be counted in the quorum for the relevant agenda item in the Board meeting.	Complied There were no such resolutions tabled for the FY under review
7.8	A director who has not attended at least two-thirds (2/ 3) of the meetings in the period of 12 months immediately preceding or has not attended three consecutive meetings held, shall cease to be a director. Provided that participation at the directors' meetings through an alternate director shall be acceptable as attendance, subject to applicable directions for alternate directors.	Complied All Directors have attended more than two-thirds of the meetings held during the year and no Director has been absent from three consecutive regular Board meetings during the year 2025/26.

Section	Corporate Governance Principle	Extent of Compliance
7.9	**Scheduled Board Meetings and Ad Hoc Board Meetings**	
	For the scheduled meetings, participation in person is encouraged and for ad hoc meetings where director cannot attend on a short notice, participation through electronic means is acceptable.	Complied Participation in person is encouraged for all scheduled Board Meetings. Fourteen Board meetings were held physically and one meeting was held through electronic means. The Directors participation through electronic media has been recorded in the minutes.
8	COMPANY SECRETARY	
8.1.a	The Board shall appoint a company secretary considered to be a senior management whose primary responsibilities shall be to handle the secretarial services to the Board and of shareholder meetings, and to carry out other functions specified in the statutes and other regulations.	Complied The Company has a senior manager serving as the Company Secretary, who is not an employee of any other company. The Company Secretary's primary responsibilities include providing secretarial services to the Board and shareholders' meetings, as well as performing other functions specified by relevant statutes and regulations.
8.1.b	The Board shall appoint its company secretary, subject to transitional provision stated in 19.2 below, a person who possesses such qualifications as may be prescribed for a secretary of a company under section 222 of the Companies Act, No. 07 of 2007, on being appointed the company secretary, such person shall become an employee of Company and shall not become an employee of any other institution.	
8.2	All directors shall have access to advice and services of the company secretary with a view to ensuring the Board procedures laws, directions, rules and regulations are followed.	Complied All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures, laws, directions, rules and regulations are followed.
8.3	The company secretary shall be responsible for preparing the agenda in the event chairperson has delegated carrying out such function.	Complied The Company Secretary has been delegated with the responsibility of preparing the agenda for the Board meeting.

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Section	Corporate Governance Principle	Extent of Compliance
8.4	The company secretary shall maintain minutes of the Board meetings with all submissions to the Board and/or voice recordings/video recordings for a minimum period of 6 years.	Complied The Company Secretary maintains minutes in sufficient detail. The minutes of Board meetings, along with all submissions to the Board, are kept for a minimum of six years.
8.5	The company secretary is responsible for maintaining minutes in an orderly manner and shall follow the proper procedure laid down in the Articles of Association of the Company.	
8.6	Minutes of the Board meetings shall be recorded in sufficient detail so that it is possible to ascertain whether the Board acted with due care and prudence in performing its duties. The minutes of a Board meeting shall clearly include the following: (a) a summary of data and information used by the Board in its deliberations; (b) the matters considered by the Board; (c) the fact-finding discussions and the issues of contention or dissent, including contribution of each individual director; (d) the explanations and confirmations of relevant parties, which indicate compliance with the Board's strategies and policies and adherence to relevant laws, regulations, directions; (e) the Board's knowledge and understanding of the risks to which the Company is exposed and an overview of the risk management measures adopted; and (f) the decisions and Board resolutions.	
8.7	The minutes shall be open for inspection at any reasonable time, on reasonable notice by any director.	Complied Upon a reasonable request, any Director can inspect the minutes.
9	DELEGATION OF FUNCTIONS BY THE BOARD	
9.1	The Board shall approve a Delegation of Authority (DA) and give clear directions to the senior management, as to the matters that shall be approved by the Board before decisions are made by senior management, on behalf of the Company.	Complied The Board approved delegation authority limits are in place.
9.2	In the absence of any of the sub-committees mentioned in Direction 10 below, the Board shall ensure the functions stipulated under such committees shall be carried out by the Board itself.	Not Applicable All the required Board sub-committees are currently operational.
9.3	The Board may establish appropriate senior management level sub-committees with appropriate DA to assist in Board decisions.	Complied The Board has established management level committees such as Assets Liability Committee, Information Security Committee and Anti-Money Laundering Committee to assist in Board decisions.
9.4	The Board shall not delegate any matters to a board sub-committee, executive directors or senior management, to an extent that such delegation would significantly hinder or reduce the ability of the Board as a whole to discharge its functions.	Complied The Board's capacity to perform its duties has not been impacted by approved delegation of authority.

Section	Corporate Governance Principle	Extent of Compliance
9.5	The Board shall review the delegation processes in place on a periodic basis to ensure that they remain relevant to the needs of the Company.	Complied The delegation process is periodically reviewed based on operational requirements.
10	BOARD SUB COMMITTEES	
10.1.a	Finance Companies with asset base of more than Rs. 20 billion, Shall establish a Board Audit Committee (BAC), Board Integrated Risk Management Committee (BIRMC) Nomination Committee, Human Resource and Remuneration Committee and Related Party Transactions Review Committee. Meetings shall be held at least once in two months for BAC and BIRMC. Other committees shall meet at least annually.	Complied The Following Committees have been appointed by the Board and each such committee is required to report to the Board. 1) Board Audit Committee (BAC) 2) Board Integrated Risk Management Committee (BIRMC) 3) Board Nomination and Governance Committee 4) Human Resource and Remuneration Committee 5) Related Party Transactions Review Committee (RPTRC) The BAC and BIRMC have been held once in 2 months, RPTRC quarterly and other committees are met at least annually. The frequency of these meetings is detailed in each Committee report from pages 307 to 316.
10.1.b	Each Board sub-committee shall have a board approved written terms of reference specifying clearly its authority and duties.	Complied Board Approved Terms of Reference is available for each Board Sub Committee which clearly specified its authorities and duties.
10.1.c	The Board shall present a report on the performance of duties and functions of each Board sub-committee, at the annual general meeting of the Company.	Complied The Company ensure this aspect by the inclusion of reports on the performance, duties and functions of each Committee in the annual report for the financial year 2025/26 on pages 307 to 316.

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Section	Corporate Governance Principle	Extent of Compliance
10.1.d	Each sub-committee shall appoint a secretary to arrange its meetings, maintain minutes, voice or video recordings, maintenance of records and carry out such other secretarial functions under the supervision of the chairperson of the committee.	Complied The Company Secretary serves as the Secretary for these Sub-Committees, except for the BIRMC, where the Secretary is the Head of Risk. All secretaries arrange meetings, maintain minutes, and perform other secretarial functions under the supervision of the committee chairperson.
10.1.e	Each Board sub-committee shall consist of at least three Board members and shall only consist of members of the Board, who have the skills, knowledge and experience relevant to the responsibilities of the committee.	Complied Each Committee comprises at least three Board members who possess skills, knowledge and experience relevant to the responsibilities of the Committees. Compositions of the Committees are disclosed in pages 307 to 316 of the annual report.
10.1.f	The Board may consider occasional rotation of members and of the chairperson of Board sub-committees, as to avoid undue concentration of power and promote new perspectives.	Complied Re constitution of members of the sub committees were performed during the year 2024/25.
10.2	**Board Audit Committee (BAC)**	
10.2.a	The chairperson of BAC shall be an independent director who possesses qualifications and experience in accountancy and/or audit.	Complied The Chairman of the Audit Committee is an Independent Non-Executive Director and possesses qualifications and related experience. Qualifications and experience are disclosed in page 44 of the Annual Report.
10.2.b	The Board members appointed to the BAC shall be non-executive directors and majority shall be independent directors with necessary qualifications and experience relevant to the scope of the BAC.	Complied All three members of the Board Audit Committee are Independent Non-Executive Directors with the necessary qualifications and experience.
10.2.c	The secretary to the BAC shall preferably be the Chief Internal Auditor (CIA).	The Company Secretary acts as the Secretary to the BAC as at the reporting date.

Section	Corporate Governance Principle	Extent of Compliance
10.2.d	**External Audit Function**	
10.2.d.i	The BAC shall make recommendations on matters in connection with the appointment of the external auditor for audit services to be provided in compliance with the relevant statutes, the service period, audit fee and any resignation or dismissal of the auditor.	Complied The External Auditor's appointments, service periods, fees and any resignations / dismissal are determined and recommended by the BAC.
10.2.d.ii	Engagement of an audit partner shall not exceed five years, and that the particular audit partner is not re-engaged for the audit before the expiry of three years from the date of the completion of the previous term. Further, Company shall not use the service of the same external audit firm for not more than ten years consecutively.	Complied M/s Ernst & Young was appointed as the external auditors from FY 2024/25 consequent to M/s KPMG completing a period of 10 years on conclusion of FY 2023/24.
10.2.d.iii	Audit partner of the company shall not be a substantial shareholder, director, senior management or employee of any Finance Company.	Complied Audit Partner is not a shareholder, director or employee and does not hold any Senior Management position of other Finance Company.
10.2.d.iv	The committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit processes in accordance with applicable standards and best practices.	Complied Audit Committee have met the external auditors twice during the year to discuss aspects of audit concerns and all other related matters
10.2.d.v	Audit partner shall not be assigned to any non-audit services with the Company during the same financial year in which the audit is being carried out. The BAC shall develop and implement a policy with the approval of the Board on the engagement of an external audit firm to provide non-audit services that are permitted under the relevant regulatory framework. In doing so, the BAC shall ensure that the provision of service by an external audit firm of non-audit services does not impair the external auditor's independence or objectivity.	Complied There is a separate Board approved policy for "Engagement of an External Auditor to perform Non-Audit Services" in order to ensure that the non-audit services do not impair the independence and objectivity of the External Auditor. During the year, the External Auditor provided the following non-audit services all of which conforms with the governance rules and requirements. ◆ Tax advisory service ◆ PDPA gap assessment ◆ Accountant report for prospectus - debenture ◆ Gap analysis and implementation facilitation on SLFRS S1 & S2

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Section	Corporate Governance Principle	Extent of Compliance
10.2.d.vi	The BAC shall, before the audit commences, discuss and finalise with the external auditors the nature and scope of the audit, including: i) an assessment of the Company's compliance with Directions issued under the Act and the management's internal controls over financial reporting; ii) the preparation of financial statements in accordance with relevant accounting principles and reporting obligations; iii) the co-ordination between auditors where more than one auditor is involved.	Complied The Auditors present the proposed audit plan and scope at the BAC meeting. BAC members seek clarifications on the presentation's content if necessary and finalizes the nature and scope of the audit with the External Auditors, before the audit commences.
10.2.d.vii	The BAC shall review the financial information of the Company, in order to monitor the integrity of the financial statements of the Company in its annual report, accounts and periodical reports prepared for disclosure, and the significant financial reporting judgments contained therein. In reviewing the Company's annual report and accounts and periodical reports before submission to the Board, the committee shall focus particularly on: Major judgmental areas; i) any changes in accounting policies and practices; ii) significant adjustments arising from the audit; iii) the going concern assumption; iv) the compliance with relevant accounting standards and other legal requirements.	Complied The BAC reviews the annual and quarterly financial statements, focusing on key judgment areas, changes in accounting policies, significant audit judgments, the going concern assumption, and compliance with accounting standards and legal requirements. Clarifications are obtained for all areas before such financial statements are recommended for the Board's approval.
10.2.d.viii	The BAC shall discuss issues, problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss including those matters that may need to be discussed in the absence of senior management, if necessary.	Complied The BAC met the External Auditors without the presence of the Senior Management twice during the financial year 2025/26 to discuss issues, problems and reservations arose during the audit.
10.2.d.ix	The BAC shall review the external auditor's management letter and the management's response thereto within 3 months of submission of such, and report to the Board.	Complied The BAC has reviewed the External Auditor's Management letter and management responses thereto, for the year 2024/25 within 3 months of submission of such, and reported to the Board.
10.2.e	The BAC shall at least annually conduct a review of the effectiveness of the system of internal controls.	Complied The BAC through Internal Audit Department reviews the effectiveness of the Internal control system of the Company.

Section	Corporate Governance Principle	Extent of Compliance
10.2.f	The BAC shall ensure that the senior management are taking necessary corrective actions in a timely manner to address internal control weaknesses, non-compliance with policies, laws and regulations, and other problems identified by auditors and supervisory bodies with respect to internal audit function of the Company.	Complied The BAC continuously follows up the Management letter and other reports issued by the supervisory bodies, internal and external auditors to ensure that necessary corrective actions are taken to address any internal control weaknesses, non-compliance with policies, laws and regulations and other problems.
10.2.g	**Internal Audit Function**	
10.2.g.i	The committee shall establish an independent internal audit function (either in house or outsourced as stipulated in the Finance Business Act (Outsourcing of Business Operations) Direction or as amended that provides an objective assurance to the committee on the quality and effectiveness of the Company's internal control, risk management, governance systems and processes.	Complied The Company has established an independent Internal Audit Department in-house and additionally employs an outsourced service provider to assist with branch audits. This arrangement ensures the committee receives assurance on the quality and effectiveness of the Company's internal control, risk management, governance systems, and processes.
10.2.g.ii	The internal audit function shall have a clear mandate, be accountable to the BAC, be independent and shall have sufficient expertise and authority within the Company to carry out their assignments effectively and objectively.	Complied The Senior Internal Audit Manager reports directly to the BAC. The BAC reviews and ensures that the Internal Audit function possesses sufficient expertise and authority to carry out their assignments independently, effectively, and objectively.
10.2.g.iii	The BAC shall take the following steps with regard to the internal audit function of the Company: (i) Review the adequacy of the scope, functions and skills and resources of the internal audit department and ensure the internal audit department has the necessary authority to carry out its work. (ii) Review the internal audit program and results of the internal audit process and, where necessary, ensure appropriate actions are taken on the recommendations of the internal audit.	Complied (i) The BAC reviewed and approved the Internal Audit Plan for the Financial Year, ensuring that the scope, functions, skills, and resources of the internal audit department are adequate. They also confirmed that the internal audit department has the necessary authority to perform its duties effectively.

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Section	Corporate Governance Principle	Extent of Compliance
	(iii) Assess the performance of the head and senior staff members of the internal audit department. (iv) Ensure the internal audit function is independent and activities are performed with impartiality, proficiency and due professional care. (v) Ensure internal audit function carry out periodic review of compliance function and regulatory reporting to regulatory bodies. (vi) Examine the major findings of internal investigations and management's responses thereto.	(ii) The BAC thoroughly reviews the Internal Audit programs and reports, along with management comments, ensuring that management takes appropriate action on the Internal Audit recommendations. Relevant Senior Management personnel are invited to participate in these discussions. (iii) Performance of Senior Internal Audit Manager is reviewed by the BAC. (iv) The Internal Audit function is an independent function and the audits are performed with impartiality and due professional care. The Internal Audit Department staff reports directly to the Senior Internal Audit Manager, who in turn reports directly to the BAC. (v) Annual Audit plan included the reviewing of Compliance function and regular reporting to regulatory bodies. (vi) Significant findings of investigations carried out by the Internal Auditors along with the responses of the Management are tabled and discussed at Audit Committee meetings.
10.2.h	The BAC shall review the statutory examination reports of the Central Bank of Sri Lanka (CBSL) and ensure necessary corrective actions are taken in a timely manner and monitor the progress of implementing the time bound action plan quarterly.	Complied The BAC reviews the progress of implementing the time-bound action plan from the statutory examination report issued by CBSL during its meetings. The Committee ensures that corrective actions are taken promptly and effectively.

Section	Corporate Governance Principle	Extent of Compliance
10.2.i	Meetings of the Committee	
10.2.i.i	The BAC shall meet as specified in 10.1 above, with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.	Complied The BAC meeting dates were agreed upon by Committee members in advance for the calendar year. Committee Reports are sent out beforehand. The minutes of the meetings are recorded and maintained by the Company Secretary, detailing all matters discussed and the conclusions reached in fulfilling the Committee's duties and responsibilities.
10.2.i.ii	Other Board members, senior management or any other employee may attend meetings upon the invitation of the committee when discussing matters under their purview.	Complied In addition to the Members of the BAC, Other Board members, senior management or any other employee may attend meetings upon the invitation, when a related matter is taken up for discussion.
10.2.i.iii	BAC shall meet at least twice a year with the external auditors without any other directors/senior management/employees being present.	Complied Two meetings in January 2026 and March 2026 were held with the External Auditors without the presence of any other Directors, Senior Management or employees.
10.3	**Board Integrated Risk Management Committee (BIRMC)**	
10.3.a	The BIRMC shall be chaired by an independent director. The Board members appointed to BIRMC shall be non-executive directors with knowledge and experience in banking, finance, risk management issues and practices. The CEO and Chief Risk Officer (CRO) may attend the meetings upon invitation. The BIRMC shall work with senior management closely and make decisions on behalf of the Board within the framework of the authority and responsibility assigned to the committee.	Complied The Chairman of the Committee is an Independent Non-Executive Director. The Committee consists of three Non-Executive Directors with sufficient knowledge and experience in banking, finance, risk management issues and practices. The MD, Head of Risk (HOR), and relevant Senior Management personnel attend by invitation. The Committee closely work with Senior Management personnel and makes decisions on behalf of the Board within the Board approved Terms of Reference of the Committee.

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Section	Corporate Governance Principle	Extent of Compliance
10.3.b	The secretary to the committee may preferably be the CRO.	Complied Head of Risk functions as the Secretary to the Committee.
10.3.c	The committee shall assess the impact of risks, including credit, market, liquidity, operational, strategic, compliance and technology, to the Company at least on once in two months basis through appropriate risk indicators and management information and make recommendations on the risk strategies and the risk appetite to the Board.	Complied Reports on both quantitative and qualitative risks are presented to the Board on once in two months through the BIRMC. These reports include appropriate risk indicators, management information, and recommendations on risk strategies and risk appetites.
10.3.d	Developing Company's risk appetite through a Risk Appetite Statement (RAS), which articulates the individual and aggregate level and types of risk that a Company will accept, or avoid, in order to achieve its strategic business objectives. The RAS should include quantitative measures expressed relative to earnings, capital, liquidity, etc., and qualitative measures to address reputation and compliance risks as well as money laundering and unethical practices. The RAS should also define the boundaries and business considerations in accordance with which the Company is expected to operate when pursuing business strategy and communicate the risk appetite linking it to daily operational decision making and establishing the means to raise risk issues and strategic concerns throughout the Company.	Complied Board approved RAS is in place which identifies the risk tolerance limits of the Company.
10.3.e	The BIRMC shall review the Company's risk policies including RAS, at least annually.	Complied Risk policies including RAS are reviewed by BIRMC on an annual basis.
10.3.f	The BIRMC shall review the adequacy and effectiveness of senior management level committees (such as credit, market, liquidity investment, technology and operational) to address specific risks and to manage those risks within quantitative and qualitative risk limits as specified by the committee.	Complied The Committee reviews the adequacy and effectiveness of Senior Management level committees to address specific risks and manage those risks within quantitative and qualitative risk limits as specified by the committee.
10.3.g	The committee shall assess all aspects of risk management including updated business continuity and disaster recovery plans.	Complied The Committee has reviewed all risk management aspects of the Business Continuity Plan and Disaster Recovery Plan during the year.
10.3.h	BIRMC shall annually assess the performance of the compliance officer and the CRO.	Complied The Committee assessed the performance of the Compliance Officer and Head of Risk.

Section	Corporate Governance Principle	Extent of Compliance
10.3.i	**Compliance Function**	
10.3.i.i	BIRMC shall establish an independent compliance function to assess the Company's compliance with laws, regulations, directions, rules, regulatory guidelines and approved policies on the business operations.	Complied Independent Compliance function is in place with adequate resources to assess the Compliance with laws, regulations, rules, directions, regulatory guidelines and Board approved policies on the business operations.
10.3.i.ii	For Companies with asset base of more than Rs. 20 billion, a dedicated compliance officer considered to be senior management with sufficient seniority, who is independent from day-to-day management shall carry out the compliance function and report to the BIRMC directly. The compliance officer shall not have management or financial responsibility related to any operational business lines or income-generating functions, and there shall not be 'dual hating', i.e. the chief operating officer, chief financial officer, chief internal auditor, chief risk officer or any other senior management shall not serve as the compliance officer.	Complied A Senior Management Officer with appropriate seniority has been appointed as the Company's Compliance Officer, who reports directly to the BIRMC and is Independent on day to day management of the company.
10.3.i.iii	For Companies with asset base of less than Rs. 20 billion, an officer with adequate seniority considered to be senior management shall be appointed as compliance officer avoiding any conflict of interest.	Not Applicable
10.3.i.iv	The BIRMC shall ensure responsibilities of a compliance officer would broadly encompass the following: (i) develop and implement policies and procedures designed to eliminate or minimize the risk of breach of regulatory requirements; (ii) ensure compliance policies and procedures are clearly communicated to all levels of the Company to enhance the compliance culture; (iii) ensure reviews are undertaken at appropriate frequencies to assess compliance with regulatory rules and internal compliance standards; (iv) understand and apply new legal and regulatory developments relevant to the business of Company; (v) secure early involvement in the design and structuring of new products and systems, to ensure conformity with the regulatory requirements, internal compliance and ethical standards; (vi) highlight serious or persistent compliance issues and where appropriate, work with the management to ensure that they are rectified within an acceptable time; (vii) maintain regular contact and good working relationship with regulators based upon clear and timely communication and a mutual understanding of the regulators' objectives with highest integrity.	Complied (i) Board approved policies and procedures are in place to eliminate or minimize the risk of breach of regulatory requirements. (ii) Board approved Compliance policy is in place and communicated to all levels of the Company. (iii) Periodic reviews are conducted to assess the level of compliance with regulatory rules and internal compliance standards. (iv) The Company implements all new legal and regulatory developments that are applicable to its business. (v) Board approved new product policy is available to streamline the process of designing new products and systems in the Company. (vi) Compliance reviews are carried out periodically and work with the management to rectify if serious or persistent compliance issues are identified. (vii) Regular contact and a good working relationship with regulators is maintained.

CORPORATE GOVERNANCE

Section	Corporate Governance Principle	Extent of Compliance
10.3.j	**Risk Management Function**	
10.3.j.i	BIRMC shall establish an independent risk management function responsible for managing risk-taking activities across the Company.	Complied The Board has appointed an Integrated Risk Management Committee comprising members to the Committee with sufficient finance, banking and regulatory experience. The Committee makes sure to establish an independent risk management function within the approved governance structure where a separate unit of the department is established.
10.3.j.ii	For Companies with asset base of more than Rs.20 bn, it is expected to have a separate risk management department and a dedicated CRO considered to be senior management shall carry out the risk management function and report to the BIRMC periodically.	Complied A separate risk management department has been established, led by a Head of Risk (HOR) who is a senior manager (KRP) directly reporting to the Chairman to the BIRMC. This department is responsible for carrying out the risk management function and reporting to the BIRMC periodically.
10.3.j.iii	The CRO has the primary responsibility for implementing the Board approved risk management policies and processes including RAS in order to ensure the Company's risk management function is robust and effective to support its strategic objectives and to fulfill broader responsibilities to various stakeholders.	Complied The HOR has taken steps to implement the Board-approved risk management policies and processes, including RAS, to ensure that the Company's risk management function is robust and effective in supporting the strategic objectives and to fulfill responsibilities to various stakeholders.

Section	Corporate Governance Principle	Extent of Compliance
10.3.j.iv	The BIRMC shall ensure that the CRO is responsible for developing and implementing a Board approved integrated risk management framework that covers: (i) various potential risks and frauds; (ii) possible sources of such risks and frauds; (iii) mechanism of identifying, assessing, monitoring and reporting of such risks which includes quantitative and qualitative analysis covering stress testing ; (iv) effective measures to control and mitigate risks at prudent levels; (v) relevant officers and committees responsible for such control and mitigation. The framework shall be reviewed and updated at least annually.	Complied The company has a Board approved Integrated Risk Management Policy Framework in addition to policies on Key Risk Indicators with pre-approved risk appetite parameters including but not limited to the credit risk, liquidity risk, operational risk, market risk, IT & Technology and overall enterprise risk management which provide the framework for management and assessment of risk. The assessment of such risk matters including scenario based stress testing, emerging risk matters is presented to the BIRMC periodically along with risk mitigation action plans.
10.3.j.v	The CRO shall also participate in key decision-making processes such as capital and liquidity planning, new product or service development, etc., and make recommendations on risk management.	Complied The HOR participates in Asset and Liability Committee meetings where capital and liquidity planning takes place and make risk-based recommendations accordingly. Additionally, the HOR reviews new products and services to identify and mitigate potential risks.
10.3.j.vi	The CRO shall maintain an updated risk register, which shall be submitted to the BIRMC on a quarterly basis.	Complied The updated risk register is maintained and submitted it to the BIRMC which will be held on once in two months.
10.3.j.vii	The BIRMC shall submit a risk assessment report for the upcoming Board meeting seeking the Board's views, concurrence and/or specific directions.	Complied The minutes of the BIRMC meetings and the Risk Assessment Report are presented at the subsequent Board meeting. During this meeting, the HOR briefs the Board on significant issues raised and decisions made at the BIRMC, seeking the Board's views, concurrence and/or specific directions.
10.4	**Nomination Committee**	
10.4.a	The committee shall be constituted with non-executive directors and preferably the majority may be independent directors. An independent director shall chair the committee. The CEO may be present at meetings by invitation of the committee.	Complied The committee is comprised of two Independent Non-Executive Directors and one Non-Executive Director, with the Chairman of the committee being an Independent Director. The MD attended the meetings by invitation.

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Section	Corporate Governance Principle	Extent of Compliance
10.4.b	Secretary to the nomination committee may preferably be the company secretary.	Complied The Company Secretary functions as the Secretary to the Nomination Committee.
10.4.c	The committee shall implement a formal and transparent procedure to select/appoint new directors and senior management. Senior management are to be appointed with the recommendation of CEO, excluding CIA, CRO and compliance officer.	Complied A transparent procedure is in place for selection and appointment of Directors and Senior Management. Approval is sought from the Nomination Committee prior to seeking approval from the board for new appointments.
10.4.d	The committee shall ensure that directors and senior management are fit and proper persons to perform their functions as per the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction.	Complied The committee ensures that directors and senior management are deemed fit and proper persons according to the specified direction. This assessment is conducted for directors at the time of their appointment and annually thereafter, and for senior managers at the time of their appointment.
10.4.e	The selection process shall include reviewing whether the proposed directors (i) possess the knowledge, skills, experience, independence and objectivity to fulfill their responsibilities on the board; (ii) have a record of integrity and good repute; (iii) have sufficient time to fully carry out their responsibilities.	Complied The criteria set out in this direction are considered at the selection and recommendation process of the proposed Directors.
10.4.f	The committee shall strive to ensure that the Board composition is not dominated by any individual or a small group of individuals in a manner that is detrimental to the interests of the stakeholders and the company as a whole.	Complied The Committee regularly reviewed and ensured that the Board's composition is not dominated by any individual or group of individuals in a manner that is detrimental to the interests of the stakeholders and the company as a whole.
10.4.g	The committee shall set the criteria, such as qualifications, experience and key attributes required for eligibility, to be considered for appointment to the post of CEO and senior management.	Even though there are no pre set criteria for a particular position at the time of the recruitment the committee in detail considers the criteria such as qualification, experience and other key eligibilities.

Section	Corporate Governance Principle	Extent of Compliance
10.4.h	Upon the appointment of a new director to the Board, the committee shall assign the responsibility to the company secretary to disclose to shareholders: (i) a brief resume of the director; (ii) the nature of the expertise in relevant functional areas; (iii) the names of companies in which the director holds directorships or memberships in Board committees; (iv) whether such director can be considered as independent.	Complied Details of new Directors are disclosed to shareholders at the time of their appointment through announcements made to the Colombo Stock Exchange (CSE) and in the Annual Report by the Company Secretary.
10.4.i	The committee shall consider and recommend (or not recommend) the reelection of current directors, taking into account the combined knowledge, performance towards strategic demands faced by the Company and contribution made by the director concerned towards the discharge of the Board's overall responsibilities.	Complied The Committee makes recommendations to the Board regarding the re-election of current directors, taking into account the combined knowledge of the Board, their performance in addressing the Company's strategic demands, and each Director's contribution to fulfilling the Board's overall responsibilities.
10.4.j	The committee shall consider and recommend from time to time, the requirements of additional/new expertise and the succession arrangements for retiring directors and senior management.	Complied The Committee has approved a succession plan that encompasses both senior management and AGM levels.
10.4.k	A member of the nomination committee shall not participate in decision making relating to own appointment/ reappointment and the Chairperson of the board should not chair the committee when it is dealing with the appointment of the successor.	Complied Members of the Nomination Committee do not participate in the decision-making process regarding their own appointment or reappointment. No meeting has taken place during the FY to discuss on the appointment of a successor for the chairperson.
10.5	**Human Resource and Remuneration Committee**	
10.5.a	The committee shall be chaired by a non-executive director and the majority of the members shall consist of non-executive directors.	Complied The Committee comprises of five Non-Executive Directors and the Chairman is an Independent Non-Executive Director.
10.5.b	The secretary to the human resource and remuneration committee may preferably be the company secretary.	Complied The Company Secretary functions as the secretary to the Committee.

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Section	Corporate Governance Principle	Extent of Compliance
10.5.c	The committee shall determine the remuneration policy (salaries, allowances, and other financial payments) relating to executive directors and senior management of the Company and fees and allowances structure for non-executive directors.	Complied
10.5.d	There shall be a formal and transparent procedure in developing the remuneration policy.	Complied Company has followed transparent procedure in developing the Remuneration Policy .
10.5.e	The committee shall recommend the remuneration policy for approval of the Board on paying salaries, allowances and other financial incentives for all employees of the Company. The policy shall be subject to periodic review of the Board, including when material changes are made.	Complied The Remuneration Policy is reviewed periodically and recommended by the Committee for the approval of the Board on paying salaries, allowances and other financial incentives for employees of the Company.
10.5.f	The remuneration structure shall be in line with the business strategy, objectives, values, long-term interests and cost structure of the Company. It shall also incorporate measures to prevent conflicts of interest. In particular, incentives embedded within remuneration structures shall not incentivise employees to take excessive risk or to act in self-interest.	Complied Ensure the remuneration structure supports the company's business strategy and compensate the employees on an equitable basis as far as possible.
10.5.g	The committee shall review the performance of the senior management (excluding chief internal auditor, compliance officer, chief risk officer) against the set targets and goals, which have been approved by the Board at least annually, and determine the basis for revising remuneration, benefits and other payments of performance-based incentives.	Complied The Committee considers the results of the performance evaluation as an important criteria to decide on the increments, benefits and other payments
10.5.h	The committee shall ensure that the senior management shall abstain from attending committee meetings, when matters relating to them are being discussed.	Complied The committee adheres to the stated section.
11	INTERNAL CONTROL	
11.1	Company shall adopt well-established internal control systems, which include the organizational structure, segregation of duties, clear management reporting lines and adequate operating procedures in order to mitigate operational risks.	Complied A well-established internal control system is in place, including a Board-approved organizational structure, segregation of duties, clear management reporting lines, and adequate operating procedures to mitigate operational risks. A process is in place to ensure the effectiveness of the company's internal control system. Refer the Directors' Statement on Internal Control on page 319. All employees were made accountable and responsible for internal controls as part of their routine functions through the various policies and procedures of the Company.
11.2	A proper internal control system shall: (a) promote effective and efficient operations; (b) provide reliable financial information; (c) safeguard assets; (d) minimize the operating risk of losses from irregularities, fraud and errors; (e) ensure effective risk management systems; (f) ensure compliance with relevant laws, regulations, directions and internal policies.	
11.3	All employees shall be given the responsibility for internal controls as part of their accountability for achieving objectives.	

Section	Corporate Governance Principle	Extent of Compliance
12	RELATED PARTY TRANSACTIONS	
12.1	Board shall establish a policy and procedures for related party transactions, which covers the following (a) Company shall establish a Related Party Transactions Review Committee (RPTRC) and the chairperson shall be an independent director and the members shall consist of non-executive directors. (b) All related party transactions shall be prior reviewed and recommended by the RPTRC. (c) The business transactions with a related party that are covered in this Direction shall be the following: i. Granting accommodation. ii. Creating liabilities to the Company in the form of deposits, borrowings and any other payable. iii. Providing financial or non-financial services to the Company or obtaining those services from the Company. iv. Creating or maintaining reporting lines and information flows between the Company and any related party which may lead to share proprietary, confidential or information not available in the public domain or otherwise sensitive information that may give benefits to such related party.	Complied The Company has established a Related Party Transaction Review Committee consisting of three independent Non Executive Directors. Chairman of the committee is an independent Non Executive Director. A Related Party Transaction Policy is in place for governing the Related Party Transactions.
12.2	The committee shall take the necessary steps to avoid any conflicts of interest that may arise from any transaction of the Company with any person, and particularly with the following categories of persons who shall be considered as "related parties" for the purposes of this Direction. In this regard, there shall be a named list of natural persons/institutions identified as related parties, which is subject to periodic review as and when the need arises. a) Directors and senior management. b) Shareholders who directly or indirectly holds more than 10% of the voting rights of the Company. c) Subsidiaries, associates, affiliates, holding company, ultimate parent company and any party (including their subsidiaries, associates and affiliates) that the Company exert control over or vice versa. d) Directors and senior management of legal persons in paragraph (b) or (c). e) Relatives of a natural person described in paragraph (a), (b) or (d). f) Any concern in which any of the Company's directors, senior management or a relative of any of the Company's director or senior management or any of its shareholders who has a shareholding directly or indirectly more than 10% of the voting rights has a substantial interest.	Complied A related party list is been maintained which is reviewed periodically and updated with new additions (if any)

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Section	Corporate Governance Principle	Extent of Compliance
12.3	The committee shall ensure that the Company does not engage in business transactions with a related party in a manner that would grant such party "more favorable treatment' than that is accorded to other similar constituents of the Company. For the purpose of this paragraph, "more favorable treatment" shall mean: a) Granting of "total accommodation" to a related party, exceeding a prudent percentage of the Company's regulatory capital, as determined by the committee. b) Charging of a lower rate of interest or paying a rate of interest exceeding the rate paid for a comparable transaction with an unrelated comparable counterparty. c) Providing preferential treatment, such as favorable terms, that extends beyond the terms granted in the normal course of business with unrelated parties. d) Providing or obtaining services to or from a related party without a proper evaluation procedure; or e) Maintaining reporting lines and information flows between the Company and any related party which may lead to share proprietary, confidential or otherwise sensitive information that may give benefits to such related party, except as required for the performance of legitimate duties and functions.	Complied Committee ensure the guidelines of this section are completely followed. A certificate of Adherence is tabled to the Committee on Fixed Deposits rates offered to related parties in comparison to rates offered to non-related parties.
13	GROUP GOVERNANCE	
13.1	Responsibilities of the Company as a Holding Company	Not Applicable
13.2	Responsibilities as a Subsidiary	Not Applicable
14	CORPORATE CULTURE	
14.1	A Company shall adopt a Code of Conduct which includes the guidelines on appropriate conduct and addresses issues of confidentiality, conflicts of interest, integrity of reporting, protection and proper use of company assets and fair treatment of customers.	Complied The Company has developed a Code of Conduct for its directors and employees, covering the specified areas in this Direction.
14.2	The Company shall maintain records of breaches of code of conduct and address such breaches in a manner that upholds high standards of integrity.	Complied If a breach of the Code of Conduct is reported, the Company maintains records of such breaches. Disciplinary procedures are implemented, and subsequent actions are taken based on the severity of the incidents.

Section	Corporate Governance Principle	Extent of Compliance
14.3	A Company shall establish a Whistleblowing policy that sets out avenues for legitimate concerns to be objectively investigated and addressed. Employees shall be able to raise concerns about illegal, unethical or questionable practices in a confidence manner and without the risk of reprisal. The BAC shall review the policy periodically.	Complied The Company has a Board-approved Whistleblowing Policy that allows employees to confidentially raise concerns about malpractice within the company. The BAC periodically reviews this policy.
15	CONFLICTS OF INTEREST GRI 2-15	
15.1.a	Relationships between the directors shall not exercise undue influence or coercion. A director shall abstain from voting on any Board resolution in relation to a matter in which such director or any of the relatives or a concern in which such director has substantial interest, is interested, and such director shall not be counted in the quorum for the relevant agenda item in the Board meeting.	Complied A Board approved Conflicts of Interest Policy is in place covering all aspects of this direction and best practices.
15.1.b	The Board shall have a formal written policy and an objective compliance process for implementing the policy to address potential conflicts of interest with related parties. The policy for managing conflicts of interest shall, i. Identify circumstances which constitute or may give rise to conflicts of interests. ii. Express the responsibility of directors and senior management to avoid, to the extent possible, activities that could create conflicts of interest. iii. Define the process for directors and senior management to keep the Board informed on any change in circumstances that may give rise to a conflict of interest. iv. Implement a rigorous review and approval process for director and senior management to follow before they engage in certain activities that could create conflicts of interest. v. Identify those responsible for maintaining updated records on conflicts of interest with related parties, and vi. Articulate how any non-compliance with the policy to be addressed.	
16	DISCLOSURES	
16.1	The Board shall ensure that: (a) annual audited financial statements and periodical financial statements are prepared and published in accordance with the formats prescribed by the regulatory and supervisory authorities and applicable accounting standards, and (b) such statements are published in the newspapers in Sinhala, Tamil and English.	Complied Annual audited financial statements and periodical financial statements are prepared and published in accordance with the formats prescribed by the regulatory and supervisory authorities and applicable accounting standards. Further, such statements are published in the newspapers in Sinhala, Tamil and English.

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Section	Corporate Governance Principle	Extent of Compliance
	The Board shall ensure that at least following disclosures are made in the Annual Report of the Company.	
i	Financial Statements In addition to the set of financial statements as per LKAS 1 or applicable standard annual report shall include, ◆ A statement to the effect that the annual audited financial statements have been prepared in line with applicable accounting standards and regulatory requirements, inclusive of specific disclosures. ◆ A statement of responsibility of the Board in preparation and presentation of financial statements.	Complied Compliance with applicable accounting standards and regulatory requirements have been reported under the Annual Report of the Board of Directors on the Affairs of the Company on page 358 and Statement of Directors' Responsibility for Financial Reporting on page 363.
ii	Chairperson, CEO and Board related disclosures ◆ Name, qualification and a brief profile. ◆ Whether executive, non-executive and/or independent director. ◆ Details of the director who is serving as the senior director, if any. ◆ The nature of expertise in relevant functional areas. ◆ Relatives and/or any business transaction relationships with other directors of the company. ◆ Names of other companies in which the director/CEO concerned serves as a director and whether in an executive or non-executive capacity. ◆ Number/percentage of board meetings of the Company attended during the year; and ◆ Names of board committees in which the director serves as the Chairperson or a member.	Complied Details of the Directors are given in the Profiles of the Board of Directors on page 40. Details of the Senior Director is stated on page 40. Attendance of Board Meetings and Sub-Committee meetings are given on page 185.
iii	Appraisal of board Performance ◆ An overview of how the performance evaluations of the Board and its committees have been conducted	Complied Details on performance evaluation of Board and Sub-Committees are disclosed in Corporate Governance report on page 178.
iv	Remuneration ◆ A statement on remuneration policy, which includes Board fee structure and breakdown of remuneration of senior management, level and mix of remuneration (financial and non- financial, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation) ◆ The aggregate values of remuneration paid by the Company to its directors and senior management.	Complied A statement on Remuneration Policy has been disclosed in Board Human Resource and Remuneration Committee Report appeared on page 315 of the Annual report. **Executive & Non Executive Directors** Salary, Bonus, Fees & Fixed Allowances: Rs. 49,591,309 Reimbursed Expenses: Rs. 850,694 **Senior Management** Salary, Bonus, Fees & Fixed Allowances: Rs. 178,864,597 Reimbursed Expenses: Rs. 16,398,095

Section	Corporate Governance Principle	Extent of Compliance
v	Related party transactions ◆ The nature of any relationship [including financial, business, family or other material/relevant relationship(s)], if any, between the Chairperson and the CEO and the relationships among members of the Board. ◆ Total net accommodation granted in respect of each category of related parties and the net accommodation outstanding in respect of each category of related parties as a percentage of the Company's core capital. ◆ The aggregate values of the transactions of the Company with its senior management during the financial year, set out by broad categories such as accommodation granted, and deposits or investments made in the Company.	Complied Refer the Annual report of the Board of Directors on the Affairs of the Company on page 358.
vi	Board appointed committees ◆ The details of the chairperson and members of the board committees and attendance at such meetings.	Complied Details of Chairperson, members and the attendance at the below mentioned Sub-Committees are stated in Attendance Matrix of the Board and Board Sub Committees as follows. ◆ Board Audit Committee Report – page 307 ◆ Board Integrated Risk Management Committee Report – pages 312 to 313 ◆ Board Nomination and Governance Committee Report – page 310 ◆ Board Human Resource and Remuneration Committee Report – page 315 ◆ Board Related Party Transaction Review Committee Report – page 316
vii	Group Structure ◆ The group structure of the Company within which it operates. ◆ The group governance framework.	Complied Disclosure in the pages 178 to 186 at the Annual Report.

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Section	Corporate Governance Principle	Extent of Compliance
viii	Director's report A report, which shall contain the following declarations by the Board: ◆ The Company has not engaged in any activity, which contravenes laws and regulations. ◆ The directors have declared all related party transactions with the Company and abstained from voting on matters in which they were materially interested. ◆ The Company has made all endeavors to ensure the fair treatment for all stakeholders, in particular the depositors. ◆ The business is a going concern with supporting assumptions; and ◆ The Board has conducted a review of internal controls covering material risks to the Company and have obtained reasonable assurance of their effectiveness.	Complied Disclosed in the pages 358 to 362 of the 'Annual Report of the Board of Directors on the Affairs of the Company'
ix	Statement on Internal control ◆ A report by the Board on the Company's internal control mechanism that confirms that the financial reporting system has been designed to provide a reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes has been done in accordance with relevant accounting principles and regulatory requirements. ◆ The external auditor's assurance statement on the effectiveness of the internal control mechanism referred above, in respect of any statement prepared or published. ◆ A report setting out details of the compliance with prudential requirements, regulations, laws and internal controls and measures taken to rectify any non-compliances. ◆ A statement of the regulatory and supervisory concerns on lapses in the Company's risk management, or non-compliance with the Act, and rules and directions	Complied Disclosed in the page 318 of the Annual Report.
x	Corporate governance report ◆ Shall disclose the manner and extent to which the company has complied with Corporate Governance Direction and the external auditor's assurance statement of the compliance with the Corporate Governance Direction.	Complied The Corporate Governance Report is set out on pages 178 to 295 of the Annual Report of the Company. The Company has obtained an independent assurance report from the External Auditors over compliance with Finance Business Act Direction No. 05 of 2021 on Corporate Governance.

Section	Corporate Governance Principle	Extent of Compliance
xi	Code of Conduct ◆ Company's code of business conduct and ethics for directors, senior management and employees. ◆ The Chairperson shall certify that the company has no violations of any of the provisions of this code.	Complied A Board approved Code of Conduct for Directors and for all employees are in place. The Board is not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by the Company. Refer the Chairman's Statement on page 178 in the Annual Report for details.
xii	Management report ◆ Industry structure and developments ◆ Opportunities and threats ◆ Risks and concerns ◆ Sustainable finance activities carried out by the company ◆ Prospects for the future	Complied Refer "Management Discussion and analysis" on page 312 of this Annual Report.
xiii	Communication with shareholders ◆ The policy and methodology for communication with shareholders. ◆ The contact person for such communication.	Complied A Board approved Communication Policy is in place which covers all stakeholders including Depositors, Creditors, Shareholders, and Borrowers. The Company Secretary communicates with the shareholders through the Annual Report, Quarterly Reports, and by notices issued to the shareholders.

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Section B

This section covers the Company's extent of adherence to the Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

The following table presents the details of the Company's compliance with Section 9 of the CSE Listing Rules on Corporate Governance as at 31st March 2026.

Section	Rule No	Corporate Governance Rule	Status of Compliance
9.2 Policies	9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Complied
	9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	No such waivers were granted.
	9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied Policies are available in *www.singerfinance.com*
	9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied Will be provided upon receiving a written request

Section	Rule No	Corporate Governance Rule	Status of Compliance
9.3 Board Committees	9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Complied
	9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules.	Complied
	9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied
9.4 Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
	9.4.2	Communication and relations with shareholders and investors (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	Complied Please refer page 321.

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Section	Rule No	Corporate Governance Rule	Status of Compliance
9.5 Policy on matters relating to the Board of Directors	9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall: (a) recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position, Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO. (b) where a Listed Entity decides to combine the role of the Chairperson and CEO, (i) set out the rational for combining such positions; and, (ii) require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest. (iii) set out the measures implemented to safeguard the interests of the SID. (c) require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors. (d) stipulate the maximum number of Directors with the rationale for the same (e) specify the frequency of Board meetings, having regard to the requirements under the Listing Rules. (f) provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules. (g) specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position. (h) provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements. (i) specify the maximum number of directorships in Listed Entities that may be held by Directors. (j) Recognize the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum.	Complied Not Applicable
	9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied

Section	Rule No	Corporate Governance Rule	Status of Compliance
9.6 Chairperson and CEO	9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director. Consequently, the position of Chairperson and CEO shall not be held by the same individual.	Complied
	9.6.2	A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance (if such date falls subsequent to the implementation of these Rules). Such Market Announcement shall include the following: (a) The reasons for non-compliance (b) The rationale for combining the positions of the Chairperson and CEO	Not Applicable
	9.6.3	The Requirement for a SID (a) A Listed Entity shall appoint an Independent Director as the SID in the following instances: i. The Chairperson and CEO are the same person ii. The Chairperson is an Executive Director iii. The Chairperson and CEO are Close Family Members or Related Parties Such appointment shall be immediately disclosed with reasons for such appointment, by way of a Market Announcement. (b) The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members. (c) The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate. (d) The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3.(b) and (c) above. (e) The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	A SID has been appointed in compliance with Sec 6.3 of FBA No 5 of 2021 as the Chairperson is Non Independent
	9.6.4	Until Listed Entities comply with Rule 9.6.1 above, such Entities shall be required to explain the reasons for non-compliance with Rule 9.6.1 in the Annual Report.	Not Applicable

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Section	Rule No	Corporate Governance Rule	Status of Compliance
9.7 Fitness of Directors and CEOs	9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilize the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	Complied
	9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	Complied
	9.7.3	Fit and Proper Assessment Criteria: a) Honesty, Integrity and Reputation A Director or the CEO of a Listed Entity shall not be considered 'fit and proper' if she or he; (i) has been convicted by a competent court of law in respect of a market offence for which he/she has been charged under the SEC Act or Securities Laws outside of Sri Lanka. (ii) in his/her individual capacity or as a part of any business that he/she has been involved in, who/which has had a license or registration that has been canceled by the SEC or any other regulatory authority. (iii) has been convicted, within or outside Sri Lanka of an offence under any law involving fraud, misappropriation or dishonesty or the conviction of which involved a finding that he/she acted fraudulently or dishonestly. (iv) has been convicted for contravening any provision of any law within or outside Sri Lanka for protecting members of the public against financial loss due to dishonesty, incompetence or malpractice by persons concerned in the provision of financial services or the management of companies. (v) has been disqualified from acting as a Director or CEO of a company or has been dismissed or requested to resign from any position or office by the SEC in terms of the SEC Act or rules and regulations issued thereunder or any other statutory regulatory body due to mismanagement of funds or an offence which involves the commission of financial fraud. (vi) has been disqualified from acting as a CEO/Key Management Person/Director of a company regulated by the CBSL and/or the Insurance Regulatory Commission of Sri Lanka (IRCSL) as applicable for failure to satisfy the fit and proper assessment criteria issued by the CBSL and/or IRCSL respectively. (vii) has been a Director or the CEO of any Listed Entity which has been delisted by the Exchange in the circumstances specified in Rule 11.3 of these Rules. b) Competence and Capability A Director or the CEO of an Entity shall not be considered as 'fit and proper' if she or he;	Complied

Section	Rule No	Corporate Governance Rule	Status of Compliance
		(i) does not possess suitable academic or professional qualifications or necessary skills, competencies and experience which are determined by the Nominations and Governance Committee of the Listed Entity in terms of Rule 9.11.5 of these Rules which are required to efficiently contribute to the business operations of the Entity in his/her capacity as a Director/CEO (as applicable). (ii) has been declared by a court of competent jurisdiction in Sri Lanka or outside Sri Lanka, to be of unsound mind. c) Financial Soundness A Director or the CEO of an Entity shall not be considered as a 'fit and proper person' by the Exchange, if she or he; (i) is an undischarged bankrupt or a person on whose behalf a receiver or manager or liquidator or an equivalent person has been appointed within or outside Sri Lanka. (ii) has been the subject of a judgment debt which is unsatisfied, either in whole or in part, whether in Sri Lanka or outside Sri Lanka. (iii) has been in a position capable of exercising significant influence in a company that has: (a) been declared bankrupt within or outside of Sri Lanka; or (b) its assets sequestrated for the non-satisfaction of a judgement debt.	
	9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
	9.7.5	Disclosures in the Annual Report of Listed Entities Listed Entities shall include the following disclosures/reports in the Annual Report; a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s.	Complied

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Section	Rule No	Corporate Governance Rule	Status of Compliance
9.8 Board Composition	9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
	9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Complied
	9.8.3	Criteria for determining independence: A Director shall not be considered independent if he/she: (i) has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) currently has/had during the preceding financial year a Close Family Member who is a Director and/or CEO in the Listed Entity. (iv) has a Significant Shareholding in the Listed Entity. (v) has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) is employed in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. in which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c. that has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) is a director of another company; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. that has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) has a Material Business Relationship or a Significant Shareholding in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; and/or b. which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c. where the core line of business of such company is in direct conflict with the line of business of the Listed Entity. (ix) is above the age of seventy (70) years.	Complied

Section	Rule No	Corporate Governance Rule	Status of Compliance
	9.8.5	The Board of Directors of Listed Entities shall require: (a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report. (c) If the Board of Directors determines that the Independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	Complied
9.9 Alternate Directors		If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the following requirements and such requirements shall also be incorporated into the Articles of Association of the Entity: (a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. (b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity. (c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. (d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following: i. The exceptional circumstances leading to such appointment; ii. The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director; iii. The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and, iv. A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. (e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.	Not Applicable

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Section	Rule No	Corporate Governance Rule	Status of Compliance
9.10 Disclosures relating to Directors	9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Complied
	9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	Complied
	9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Complied
	9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID	Complied Please refer pages 40 to 45 and 358 to 362.

Section	Rule No	Corporate Governance Rule	Status of Compliance
9.11 Nominations and Governance Committee	9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied
	9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
	9.11.3	The Nominations and Governance Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
	9.11.4	Composition (1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.	Complied Please refer page 310.
	9.11.5	Functions The functions of the Nominations and Governance Committee shall include the following: (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment. (ii) Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account; a) the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, b) the number of directorships held by the Director in other listed and unlisted companies and other principal commitments. (iii) Establish and Maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity. (iv) Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements. (v) Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.	Complied

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Section	Rule No	Corporate Governance Rule	Status of Compliance
		(vi) Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity. (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities. (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. (ix) Periodically review and update the corporate Governance Policies/ Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	
	9.11.6	Disclosures in Annual Report The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson. The said report shall include the following; (a) the names of the Chairperson and members of the Committee and the nature of directorships held by such members (b) the date of appointment to the Committee; (c) whether a documented policy and processes are in place when nominating Directors; (d) whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years; (e) a disclosure on Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance; (f) Details to demonstrate effective implementation of policies and processes relating to appointment and reappointment of Directors. (g) The following information regarding directors who are re-elected or being proposed for re-election during the year: • Board Committees served on (as a member or Chairperson), • Date of first appointment as a Director, • Date of last re-appointment as a Director, • Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities; and, • Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity.	Complied

Section	Rule No	Corporate Governance Rule	Status of Compliance
		(h) Whether periodic evaluations have been conducted on the performance of the Board of Directors and the CEO of the Entity as specified in Rule 9.11.5 above (i) Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity; (j) Induction programs/orientation programs conducted for newly appointed Directors on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations, or an appropriate negative statement; (k) Annual update given to existing Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations, or an appropriate negative statement. (l) A statement that the Directors of the Listed Entity meet the criteria for determining independence. (m) A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entity's fail to comply with any provisions of such Rules, a statement explaining the reason for such non-compliance and the proposed remedial action taken for the rectification of non compliance.	
9.12 Remuneration Committee	9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied
	9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	Complied
	9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied
	9.12.5	Remuneration Committee shall have a written term of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
	9.12.6	Composition (1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity.	Complied The Committee comprise of Five Non-Executive Directors of which three of them are Independent Non-Executive Directors.

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Section	Rule No	Corporate Governance Rule	Status of Compliance
		(2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	The Committee is chaired by an Independent Director
	9.12.7	Functions (1) The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	Complied The Remuneration Committee Report on page 315 contains the functions of the Committee.
	9.12.8	Disclosure in Annual Report The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company); (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied Please refer page 315.
9.13 Audit Committee	9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Not Applicable A company has two separate committees in operation to perform the audit and risk functions
	9.13.2	The Audit Committee shall have a written term of reference clearly defining its scope, authority and duties.	Complied
	9.13.3	Composition (1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Entity.	Complied The Committee comprises of three Independent Non-Executive Directors.
		(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	Complied

Section	Rule No	Corporate Governance Rule	Status of Compliance
		(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	Complied
		(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.	Complied
		(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Complied
		(6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Complied
	9.13.4	Functions (1) The functions of the Audit Committee shall include the following: (i) Oversee the Entity's compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements. (ii) Review the quarterly results and year-end financial statements of the Entity prior to tabling for the approval of the Board of Directors of the Entity with special reference to: (a) changes in or implementation of major accounting policy changes; (b) significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; (c) compliance with accounting standards and other legal requirements; (d) any related party transaction and conflict of interest situation that may arise within the Listed Entity or group including any transaction, procedure or course of conduct that raises questions of management integrity; (e) any letter of resignation from the external auditors of the Listed Entity; and, (f) whether there is reason (supported by grounds) to believe that the Listed Entity's external auditor is not suitable for re-appointment (iii) To make recommendations to the Board pertaining to appointment, reappointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Complied

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Section	Rule No	Corporate Governance Rule	Status of Compliance
		(iv) Obtain and review assurance received from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Entity's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Entity's risk management and internal control systems. (v) Review the internal controls in place to prevent the leakage of material information to unauthorized persons. (vi) Oversee the processes to ensure that the Entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards. (vii) Review and assess the company's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks and updated business continuity plans. (viii) Review the risk policies adopted by the Entity on an annual basis. (ix) Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements. (x) Review the scope and results of the internal and external audit and its effectiveness, and the independence, performance and objectivity of the auditors. (xi) To develop and implement policy on the engagement of the external auditor to supply non-audit services, at minimum taking into account relevant ethical guidance regarding the provision of non-audit services by an external audit firm; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps ought to be taken. (xii) if a change of auditor is recommended by the Audit Committee in circumstances where the audit opinion of the immediately disclosed financial period or any period where subsequent disclosure of audit opinion is pending and such opinion carries a modification or an emphasis of matter of going concern, then the Audit Committee report shall include the rationale of the Audit Committee for recommending the removal of the auditor. (xiii) Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of a Listed Entity has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee shall promptly report such matter to the Exchange. (2) Where Listed Entities maintain two (02) separate Committees to carry out the Audit and Risk functions, the terms of reference of such Committees shall, at a minimum, include the respective functions stipulated in Rule 9.13.4 (1) above.	

Section	Rule No	Corporate Governance Rule	Status of Compliance
	9.13.5	Disclosures in Annual Report (1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates. (2) The Audit Committee Report shall contain the following disclosures: (a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members (or persons in the parent company's committee in the case of group company); (b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable). (c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances. (d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements. (e) whether the Listed Entity has a formal Audit Charter; (f) the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function; (g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity; (h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and (i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non-audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.	Complied
9.14 Related Party Transactions Review Committee	9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied
	9.14.2	Composition (1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	Complied 1) The Committee comprises of three independent Non-Executive Directors. An Independent Director functions as the chairman of the Committee

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Section	Rule No	Corporate Governance Rule	Status of Compliance
	9.14.3	Functions (1) Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein. (2) The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, CEOs or Substantial Shareholders taking advantage of their positions. (3) When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality. (4) The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Complied The RPT Review Committee Report on page 316 sets out the functions of the Committee.
	9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. (3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. (4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter.	Complied

Section	Rule No	Corporate Governance Rule	Status of Compliance
	9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee (1) Subject to the exemptions given in terms of Rule 9.14.10, the Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions. (2) In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) above, such proposed material changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction. (3) The Related Party Transactions Review Committee shall be provided with all the facts and circumstances of the proposed Related Party Transaction by the senior management to facilitate the review of a Related Party Transaction. Such information shall include where applicable: (i) the Related Party's relationship to the Listed Entity and interest in the transaction; (ii) the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction; (iii) the benefits of the proposed Related Party Transaction to the Listed Entity; (iv) the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed Related Party Transaction is on terms that are comparable to the terms generally available to an unaffiliated third party under the same or similar circumstances, or to employees generally. (4) In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the Related Party Transactions Review Committee shall take into account the following, among other factors it deems appropriate: (i) the facts and circumstances made available to it as set out above, (ii) the views of the Chairperson of the Board of Directors and the Chairperson of the Nominations and Governance and/ or Audit Committee of the impact of the proposed Related Party Transaction on a director's independence (if the related party is a director, a close family member of a director or an entity in which a director is a partner, shareholder or executive officer); and (iii) whether the Related Party Transaction requires immediate market disclosure, as set out in these Rules. (5) No Director shall participate in any discussion of a proposed Related Party Transaction in which he or she is a Related Party, except that the Director, at the request of the Committee, may participate in discussions for the express purpose of providing information concerning the Related Party Transaction to the Committee. Where deemed necessary considering the issues of potential conflict, which were presented to the Committee, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transaction.	Complied

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Section	Rule No	Corporate Governance Rule	Status of Compliance
		(6) If a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.	
	9.14.6	Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transactions: (A) If a non-recurrent transaction; (i) Any Related Party Transaction of a value equal to, or more than: (a) one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity; or (b) one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other non-recurrent transactions entered into with the same Related Party during the same financial year. (ii) If the Listed Entity acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Entity or its associates. (B) If a recurrent transaction; Any recurrent Related Party Transaction of a value equal to, or more than: (i) one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity; or (ii) one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year; And; (iii) the transactions are not in the ordinary course of business and in the opinion of the Related Party Transactions Review Committee, are on terms favourable to the Related Party than those generally available to the public. (2) In relation to Rules 9.14.6 (1) (A) (i) (b) and 9.14.6 (1) (B) (ii) above, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation. (3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	Complied No requirement arose for the FY 2025/26

Section	Rule No	Corporate Governance Rule	Status of Compliance
	9.14.7	Disclosures (1) Immediate Disclosures A listed entity shall make an immediate Market Announcement to the Exchange; (a) of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements. Listed Entities shall disclose subsequent non-recurrent transactions which exceed 5% of the Equity of the Entity, entered into with the same Related Party during the financial year. The Market Announcement to the Exchange shall include: (i) the date of the transaction or the period where applicable (ii) the name of the relevant Related Party (iii) the relationship between the Listed Entity and the Related Party (iv) details of the transaction including the amount, relevant terms of the transaction and the basis on which the terms were arrived at (v) the rationale for entering into the transaction (vi) the following statement: The Related Party Transactions Review Committee of the Entity is of the view that the transaction/s is/are on normal commercial terms, and is/are not prejudicial to the interests of the Entity and its minority shareholders and the Related Party Transaction Review Committee is/is not (delete as applicable) obtaining an opinion from an independent expert prior to forming its view on the transaction." (vii) the aggregate value of the Related Party Transactions for the financial year with the particular Related Party whose transaction is the subject of the announcement and the aggregate value of all non-recurrent Related Party Transactions for the same financial year.	Complied No requirement arose for FY 2025/26
	9.14.8	Disclosures in the Annual Report (1) In the case of Non-recurrent Related Party Transactions: if the aggregate value of the non-recurrent Related Party Transactions exceeds 10% of the Equity or 5% of the Total Assets of the Listed Entity, whichever is lower, as per the latest Audited Financial Statements the following information must be presented in the Annual Report.	Complied please refer page 316.

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Section	Rule No	Corporate Governance Rule	Status of Compliance
		(2) In the case of Recurrent Related Party Transactions: if the aggregate value of the recurrent Related Party Transactions exceeds 10% of the gross revenue/income (or equivalent term in the Income Statement and in the case of group entity consolidated revenue) as per the latest Audited Financial Statements, the Listed Entity must disclose the aggregate value of recurrent Related Party Transactions entered into during the financial year in its Annual Report. The name of the Related Party and the corresponding aggregate value of the Related Party Transactions entered into with the same Related Party must be presented. (3) The Annual Report shall contain a report by the Related Party Transactions Review Committee, setting out the following: ◆ The names of the Directors comprising the Committee; ◆ A statement to the effect that the Committee has reviewed the Related Party Transactions during the financial year and has communicated its comments/observations to the Board of Directors. ◆ The policies and procedures adopted by the Committee for reviewing the Related Party Transactions. (4) An affirmative declaration by the Board of Directors in the Annual Report that these Rules pertaining to Related Party Transactions have been complied with or if the Entity has not entered into any Related Party Transaction/s a negative statement to that effect.	
	9.14.9	Acquisition and Disposal of Assets from/to Related Parties (1) Except for transactions set out in Rule 9.14.10, Listed Entities shall ensure that neither the Listed Entity nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Entity without obtaining the approval of the shareholders of the Entity by way of a Special Resolution. An asset is substantial if its value or the value of the consideration relating to such asset exceeds 1/3 of the Total Assets of the Entity as per the latest Audited Financial Statements. (2) If a transaction requires shareholder approval as set out in Rule 9.14.9(1) above, such approval shall be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. (3) Rule 9.14.9(1) does not apply to: ◆ a transaction between the Listed Entity and a wholly owned subsidiary. ◆ a transaction between wholly owned subsidiaries of the Listed Entity. ◆ a takeover offer made by the Listed Entity in accordance with Takeovers and Mergers Code 1995 (as amended).	Not Applicable

Section	Rule No	Corporate Governance Rule	Status of Compliance
		◆ any transaction entered into by the Listed Entity with a Bank as principal, on arm's length terms and in the ordinary course of its banking business. (4) The members of the Related Party Transactions Review Committee should obtain 'competent independent advice' from independent professional experts with regard to the value of the substantial assets of the Related Party Transaction under consideration. A person who is in the same group of the Listed Entity or who has a Significant Interest in or Financial Connection with the Listed Entity or the relevant Related Party shall not be eligible to give such advice. (5) The competent independent advice obtained in terms of Rule 9.14.9 (4) above should be circulated with the notice of meeting to obtain the shareholder approval as set out in Rule 9.14.9 (1) above. (6) The competent independent advice required in terms of Rule 9.14.9 (4) shall include: (a) the key assumptions, conditions or restrictions that impact the estimate value; (b) the different valuation methodologies considered and employed in valuing the subject asset/s and justification for adopting one or more of them in the valuation; (c) the sources of information relied upon for the valuation; (d) the identity of individuals participating in the valuation assignment and their qualifications; (e) statement confirming the independence of the parties participating in the advice; (f) a statement as to whether the transaction is on usual commercial terms, in the ordinary and usual course of business, fair and reasonable and in the interests of the Listed Entity and its shareholders as a whole.	
9.17 Additional Disclosures		The following declarations by the Board of Directors to be included in the Annual Report: (i) They have declared all material interests in contracts involving in the entity and whether they have refrained from voting on matters in which they were materially interested; (ii) 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, and, if unable to make any of these declarations an explanation on why it is unable to do so; (iii) they 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; (iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	Complied No additional disclosures for FY 2025/26

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Section C

This section (pages 244 to 295) outlines the adherence to the 2023 Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Reference – Code of Best Practice	Requirement	Extent of Compliance
A	DIRECTORS	
A.1	**The Board** **Effective Board, which should direct, Lead and control the Company** Every public Company should be headed by an effective Board, which should direct, Lead and control the Company:	Complied As of March 31, 2026, the Board consists of nine Directors, eight of whom served in a Non-Executive capacity. These individuals are distinguished professionals with extensive experience across various business sectors, providing leadership and oversight to the company.
A.1.1	**Board Meetings** The Board should meet regularly. Board meeting should be held at least once in every quarter of the financial year in order to effectively execute the board's responsibilities, while providing information to the board on a structured and regular basis; ideally monthly, or as agreed by the board.	Complied The Board meets at monthly intervals and convened 15 times during the year under review. A summary of attendance at these meetings can be found on page 185.
A.1.2	**Responsibilities of the Board** The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. In performing its role, the Board should be responsible for matters including: Formulation and implementation of a sound business strategy;	Complied The Board provides strategic direction for the development of short, medium, and long-term strategies and effectively monitors their implementation. A strategic plan covering the three years has been developed and approved by the Board.
	Appointing the chair and the senior independent directors if relevant;	Complied Mr. Saman Herath, Independent Non-Executive Director functions as the Senior Independent Director as the Chairman is not an Independent Non-Executive Director.
	Chief Executive Officer (CEO) and management team possess the skills, experience and knowledge to implement the strategy;	Complied Board Human Resource and Remuneration Committee ensures that the MD and the Key Management Personnel (KMP) have the required skills, experience and knowledge to implement the strategy.
	The adoption of an effective CEO and Key Management Personnel succession strategy;	Complied A succession plan for key management personnel is in place.

Reference – Code of Best Practice	Requirement	Extent of Compliance
	Approving budgets and major capital expenditure;	Complied Budgets and major capital expenditure are reviewed and approved by the Board
	Determining the matters expressly reserved to the board and those delegated to the management including limits of authority and financial delegation;	Complied The Board has delegated its authority to Sub Committees to oversee specific responsibilities under pre-agreed terms of reference. Operational responsibilities have been assigned to Senior Management, led by the MD, within preapproved limits.
	An effective system to secure integrity of information, internal controls, business continuity and risk management;	Complied The Board reviews effectiveness of integrity of information, internal control, business continuity and risk management system on a continuous basis through the Audit Committee and Integrated Risk Management Committee.
	Availability of information communication technology (ICT) roadmap in line with business strategy;	Complied IT strategy developed in line with the business strategy is in place.
	Compliance with laws, regulations and ethical standards;	Complied Compliance function is in place to assess the Company's compliance with laws, regulations, internal controls and ethical standards.
	All stakeholder interests are considered in corporate decisions;	Complied The Board is mindful about the all stakeholder interests and corporate values of the company when corporate decisions are made.
	Sustainable business development and integrated reporting ;	Complied The corporate strategy, decisions, and activities are aligned with sustainable business development, recognizing ESG risks and opportunities. The company has adopted an integrated reporting framework to effectively disclose its value creation.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
	Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations;	Complied The Financial Statements are prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) and the formats prescribed by Supervisory Regulatory Authorities. The Audit Committee reviews these statements to ensure the quality and integrity of the financial information prepared by the Finance Department. Their reviews, comments, and recommendations are then submitted to the Board for final review and approval.
	A process of monitoring and evaluation of progress on strategy implementation, budgets, plans and related risks;	Complied The MD regularly meets with Key Management Personnel (KMPs) and other key officers to monitor progress on strategy implementation, budgets, plans, and related risks. On monthly basis, variance analyses are performed to mitigate the strategic risk.
	A process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the company;	Complied Financial reports are prepared on a monthly basis and circulated to the Board for their review and necessary actions. Additionally, quarterly, bi-annual, and annual financial statements are prepared and published in accordance with CSE and CBSL regulations.
	Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned;	Complied The Board is dedicated to perform any additional functions required by the business environment.
A.1.3	**Compliance with laws and seeking independent professional advice** The Board collectively, and Directors individually, must act in accordance with the laws of the Country, as applicable to the business enterprise. There should be a procedure agreed to by the Board of Directors, wherein a director can require the company to obtain independent professional advice at the Company's expense where it is considered necessary.	Complied The Board collectively and Directors individually, recognize their duty to comply with laws of the country. A Board approved policy is in place for the directors to seek independent professional advice at the company's expenses as and when required.

Reference – Code of Best Practice	Requirement	Extent of Compliance
A.1.4	**Access to the advice and services of the Company Secretary** All directors should have access to the advice and services of the Company Secretary who is responsible to the board in ensuring that board procedures are followed, and that applicable rules and regulations are complied with. If the company secretary is employed by the company in another capacity as well, it cannot be conflicting with the role of company secretary. Any question of the removal of the company secretory should be a matter for the board as a whole. The Company should obtain appropriate insurance cover as recommended by the nominations committee for the board, directors and key management personnel.	Complied All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary is not employed in another capacity that may conflict with the same. The decision to remove the Company Secretary is made by the Board as a whole. Directors' and Officers' liability insurance is in place
A.1.5	**Independent Judgment of Directors** All Directors should bring independent judgment to bear, in discharging their duties and responsibilities on matters relating to the board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct.	Complied All Directors are responsible for bringing independent judgment on matters relating to the board including strategy, performance, resource allocation, risk management, compliance and standards of business conduct.
A.1.6	**Dedication of adequate time and effort by the Board** Every director should dedicate adequate time and effort to matters of the board and the company, to ensure that the duties and responsibilities owed to the company are satisfactorily discharged. It must be recognised that directors have to dedicate sufficient time before a meeting to review board papers and call for additional information and clarification, and after a meeting to follow up on issues consequent to the meeting. This should be supplemented by a time allocation for familiarisation with business operations, risks and controls.	Complied Every Director has dedicated adequate time and effort to the meetings of the Board and Sub-committee meetings to ensure that the duties and responsibilities are satisfactory discharged. Agenda, draft minutes and Board paper are sent in advance, allowing Directors sufficient time to review materials, request additional information or clarification and discuss follow-up matters at the next Board meeting.
A.1.7	**Call for Resolution** One third of Directors can call for a resolution to be presented to the board where they feel it is in the best interest to the company to do so.	Complied If necessary, in the best interest of the Company, one-third of the Directors can call for a resolution to be presented to the Board. However, necessity did not arise during the year.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
A.1.8	**Training for Directors** Every Director should receive appropriate training when first appointed to the board of a company, and subsequently as necessary. Training curricular should encompass both general aspects of directorship and matters specific to the industry/company concerned. A Director must recognize that there is a need for continuous training and an expansion of the knowledge and skills required to effectively perform duties as a director. The board should regularly review and agree on the training and development needs of the directors. In accepting an appointment as a director of a company, consideration should be given to the responsibilities of the role, ability to commit time, any existing or potential conflicts of interest and processing required competencies of the role.	Complied Every Director was given appropriate induction when first appointed to the Board regarding general aspects of directorship and matters specific to the industry/company, including the affairs of the Company and laws and regulations applicable to the Company. The Board regularly reviews and agrees on the training and development needs of the Directors to effectively discharge their duties. The management arranges comprehensive knowledge-sharing sessions through external experts to update the knowledge for such agreed training. Due consideration is given by the newly appointed Directors to the responsibilities of the role, ability to commit time, any existing or potential conflict of interest, and required competencies.
A.2	**Chairman and Chief Executive Officer (CEO)** **Separation of the roles and responsibilities of the Chairman and CEO to ensure a balance power and authority, such that no one individual has unfettered powers of decision** There are two key tasks at the top of every public Company – Conducting of the business of the Board, and facilitating executive responsibility for management of the Company's business. There should be a clear division of responsibilities at the head of the Company, which will ensure a balance of power and authority, such that no one individual has unfettered powers of decision.	Complied The roles of Chairman and MD have been separated, establishing a clear division of responsibilities between the two positions. This separation ensures a balance of power and authority, preventing any single individual from having unfettered powers of decision.
A.2.1	**Justification to combine the posts of Chairman and Chief Executive Officer** A Decision to combine the posts of Chairman and CEO in one person should be justified and highlighted in the Annual Report.	Not Applicable

Reference – Code of Best Practice	Requirement	Extent of Compliance
A.3/A.3.1	**Role of the Chairman** The Chairman's role in preserving good corporate governance is crucial. As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board functions. The Chairman should conduct Board proceedings in a proper manner and ensure, inter-alia, that: ◆ The agenda for board meetings is developed in consultation with the CEO, directors and the company secretary taking into consideration matters relating to strategy, performance, resource allocation, risk management and compliance. ◆ Sufficiently detailed information of matters included in the agenda is provided to Directors in a timely manner. ◆ All directors are made aware of their duties and responsibilities and the board and committee structures through which it will operate in discharging its responsibilities. ◆ The effective participation of both Executive and Non-Executive Directors is secured: All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the company. ◆ All directors are encouraged to seek information considered necessary to discuss matters on the agenda of meetings and to request inclusions on matters of corporate concern on the agenda. ◆ A balance of power between Executive and Non-Executive Directors is maintained. ◆ The views of Directors on issues under consideration are ascertained and a record of such deliberations reflected in the minutes. ◆ The Board is in complete control of the Company's affairs and alert to its obligations to all shareholders and other stakeholders	Complied The Chairman leads the Board, ensuring its effective operation and fulfillment of responsibilities, while making sure that all significant and relevant issues are discussed promptly and efficiently. The Secretary to the Board, under the Chairman's delegated authority, prepares the agenda and circulates it before the Board Meeting, considering matters related to strategy, performance, resource allocation, risk management, and compliance. Board papers containing sufficient information on matters to be discussed are distributed in advance of the meeting. All directors are aware of their duties and responsibilities, as well as the board and committee structures through which they will operate to fulfill their responsibilities. Directors are encouraged to actively participate in Board affairs within their respective capacities for the benefit of the company. A balance of power between Executive and Non-Executive Directors is maintained. The views of the Directors on issues under consideration are gathered and recorded in the minutes. Additionally, the Board maintains complete control over the company's affairs and remains mindful of their obligations to all shareholders and other stakeholders.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
A.4	**Financial acumen and knowledge** The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	Complied The Board has an adequate number of Directors who have sufficient financial acumen and knowledge to offer guidance on matters on finance.
A.5	**Board Balance** It is preferable for the Board to have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.	Complied The Board maintains the required balance of Executive and Non-Executive Directors that no individual or small group of individuals can dominate its decision making.
A.5.1/A.5.2	**Balance of Executive and Non-Executive Directors in the Board** The Board should include Non-Executive Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions. The Board should include at least three Non-Executive Directors or such number of Non-Executive Directors, equivalent to one-third of total number of Directors, whichever is higher. In the event, the Chairman and CEO is the same person, or if the Chairman is not an Independent Director, Non-Executive Directors should comprise a majority of the Board. The total number of directors is to be calculated based on the number as at the conclusion of the immediately preceding annual general meeting. Further, any changes occurring to this ratio should be rectified within 90 days from the date of change. Where the constitution of the Board of Directors includes only three Non-Executive Directors, all three such Non-Executive Directors should be 'independent'. In all other instances three or two third of Non-Executive Directors appointed to the Board of Directors whichever is higher should be 'independent'.	Complied The Board has a strong representation of Non-Executive Directors with substantial expertise. It comprises one Executive Director and eight Non-Executive Directors, four of whom are also independent. With the majority of the Board being Non-Executive Directors, their perspectives and opinions significantly influence the Board's decisions.
A.5.3/A.5.4	**Evaluating the independence of Directors** For a Director to be deemed 'independent' such Director should be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment. Each Non-Executive Director should submit a signed and dated declaration annually of his/ her independence or non-independence against the specified criteria set out in the Specimen in Schedule C of Code of Best Practice on Corporate Governance and confirm at the end of each quarter whether the declared status on independence continues.	Complied The Board evaluates the independence yearly using annual declarations submitted by the Directors. This process ensures whether such Directors are independent of the management and free of any business or other relationship that could interfere with the exercise of their unfettered and independent judgment.

Reference – Code of Best Practice	Requirement	Extent of Compliance
A.5.5	**Determination of the Independence and Non-Independence of each Non-Executive Director annually** The Board should make a determination annually, unless a change has arisen subsequently, as to the independence or non-independence of each Non-Executive Director based on such a declaration made of decided criteria and other information available to the Board. The board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The Board should specify the criteria not met and the basis for its determination in the Annual Report, if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which indicate the contrary and should set out in the Annual Report the names of Directors determined to be 'independent'.	Complied The Board determines the Independence or Non-Independence of the Non-Executive Directors based on the declarations submitted by them.
A.5.6	**Appointment of Alternate Director** If an alternate Director is appointed by a Non-Executive Director, such Alternate Director should not be an executive of the Company. If an Alternate Director is appointed by an Independent Director, the person who is appointed also should meet the criteria of independence and the provision on minimum number of Independent Directors also should be satisfied.	No Alternate Directors were appointed during the year.
A.5.7	**Appointment of Senior Independent Non-Executive Director (SID)** In the event the Chairman and CEO is the same person, or the Chairman is not an independent Director or the Chairman is the immediately preceding CEO or the Chairman and CEO are close family members, the Board should appoint one of the Independent Non-Executive Directors to be the 'Senior Independent Director' (SID) and disclose this appointment in the Annual Report. The Senior Independent Director should provide guidance to the Chairman on matters of governance of the company, to enable this process he should meet at least twice each year with the non-executive directors and at least once a year with executive directors, to enable discussion and communication of governance related matters. The outcome of these discussions should be informed to the Chairman.	Complied Independent Non-Executive Director, Mr. Saman Herath, serves as the Senior Independent Director since the Chairman of the Board is a Non-Independent Non-Executive Director, as disclosed on page 196 of this Annual Report. The Senior Independent Director provides guidance to the Chairman on matters of governance for the company. To facilitate this process, he had held a meeting with the non-executive directors and another meeting with the Independent Non executive directors during the year to discuss and communicate governance-related matters. The outcomes of these discussions are communicated to the Chairman.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
A.5.8	**Availability of SID for confidential discussion with other Directors** The Senior Independent Director should make himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole and which pertain to significant issues that are detrimental to the Company. The senior independent director should participate in all meetings with majority, significant, and minority shareholders and be made aware of their concerns by the company secretary.	Complied The SID makes himself available for confidential discussions with other Directors who may have concerns which they believe have not been properly considered by the Board as a whole. No requirement arose during the year for SID to participate in all meetings with majority, significant and minority shareholders.
A.5.9	**Meetings held by the Chairman with Non-Executive Directors, without the Executive Directors being present** The Chairman should hold meetings with the Non-Executive Directors only, without the Executive Directors being present, as necessary and at least once each year.	Complied The Chairman held two meetings with Non-Executive Directors, without the Executive Director being present.
A.5.10	**Recording of concerns of Directors in Board minutes where they cannot be unanimously resolved** Where Directors have concerns about the matters of the Company which cannot be unanimously resolved, they should ensure that their concerns are recorded in the Board minutes.	There were no instances where the Directors could not unanimously resolve matters and accordingly no such matters were recorded in the minutes.
A.6	**Supply of Information** **Provision of appropriate and timely information** The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	Complied The Company provides timely and appropriate information to the Board enabling them to discharge their duties.
A.6.1	**Obligation of the Management to provide appropriate and timely information to the Board** Management has an obligation to provide the Board with appropriate and timely information, but information volunteered by management may not be enough in all circumstances and Directors should make further inquiries where necessary. The Chairman should ensure all Directors are properly briefed on issues arising at Board meetings.	Complied Timely and adequate information is provided by Management to the Board which is circulated to the Directors in advance for regular meetings. The Management also provides additional information as and when required by the Board members. The Chairman ensures that all Directors are properly briefed on matters arising at Board Meetings

Reference – Code of Best Practice	Requirement	Extent of Compliance
A.6.2	**Adequate Notice for Board Meetings** In order to facilitate effective conduct of meetings, the agenda and papers required for a board meeting should be provided to Directors at least seven (7) days before the meeting, and the minutes of the meeting should ordinarily be provided to directors at least two weeks after the meeting date.	Complied The minutes, agenda and papers required for Board meetings are provided in advance to facilitate its effective conduct.
A.7	**Appointments to the Board** Board should establish a formal and transparent procedure for the appointment of new Directors to the Board.	Complied The Board has established a formal and transparent procedure for the appointment of new Directors to the Board.
A.7.1	**Nomination Committee** A Nomination Committee comprising a minimum of three members should be established to make recommendations to the Board on all new Board appointments. Majority of the membership of the committee shall comprise maximum of 3 directors of be Non-Executive Directors and shall include at least two or one third (whichever is higher) of Independent Non-Executive Directors. The Chairman of the committee shall be an Independent Non-Executive Director appointed by the Board. If the Chairman of the company is an Independent Non-Executive Director, he/she should chair the Nomination Committee. In situations where a Senior Independent Director has been appointed, he/she should chair the Nomination Committee. Terms of Reference for Nomination Committees are set out in Schedule E of Code of Best practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.	Complied The Board Nomination and Governance Committee (BNGC) recommends all new Board appointments. This Committee was established in compliance with the requirements stated in Finance Business Act(FBA) of No 5 of 2021, CSE listing rules and of this code, and its Terms of Reference (TOR) are reviewed and approved by the Board. The Committee consists of three Non-Executive Directors, two of whom are independent. The Chairperson of the Committee is the Senior Independent Director. Details about the composition and activities of the BNGC during the year are discussed in the Board Nomination and Governance Committee report on page 310 of the Annual Report.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
A.7.2	Assessment of Board composition by the Nomination Committee The nomination committee should annually assess Board composition against pre-defined criteria of skill and knowledge requirements to ascertain whether the combined knowledge and experience of the board matches the strategic demands facing the company. The committee should also consider diversity on the board including gender, age and any other factor relevant to the industry. The findings of such assessment should be taken into account when new board appointments are considered and when incumbent Directors come up for re-election, including a process to determine that such proposed Board appointees are fit and proper. Criteria guiding the fit and proper assessment are detailed in schedule D. Members of the nomination committee should not participate in decision making relating to their own appointment/reappointment and the chairman of the board should not chair the committee when it is dealing with the appointment of his/her successor.	Complied A process is in place to annually assess the existing Board composition against pre-defined criteria of skills, diversity and knowledge to ensure that the combined knowledge and experience of the board matches the strategic demands facing the company. The committee should also consider diversity on the Board taking into account gender, age and any other factors that are relevant to the finance Industry. The findings of such assessment should be taken into account when new board appointments are considered and when incumbent Directors come up for re-election, including a process to determine that such proposed Board appointees are fit and proper. Members of the nomination committee do not participate in decision making relating to their own appointment/ reappointment Since the committee is chaired by the Senior independent Director, the concern of chairman of the board not to chair the committee when it is dealing with the appointment of his/her successor does not arise.
A.7.3	**Succession Plan** The committee should ensure that there is a succession plan for the Chief executive Officer and for all Key Management personnel and determine the training and development requirements for those identified for succession.	Complied Board approved succession plan is in place for MD and all Key Management Personnel. Necessary training and development requirements are identified for successors.
A.7.4	**Disclosure requirements when appointing of new Directors to the Board** Upon the appointment of a new Director to the Board, the Company should forthwith disclose to shareholders: - a brief résumé of the Director; - the nature of his expertise in relevant functional areas; - the names of companies in which the Director holds directorships or memberships in Board Committees; and whether such a Director can be considered 'independent'.	Complied Information about new Directors is communicated to shareholders at the time of their appointment through announcements made to the CSE and is also included in the Annual Report with the required details.

Reference – Code of Best Practice	Requirement	Extent of Compliance
A.8	**Re-election of Directors** All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years.	Complied 1/3 of all the directors, expect a director appointed to the office of chairman, Managing Director and those who have been appointed to the Board since the last AGM retire by rotation in terms of Articles of Association.
A.8.1	**Appointment and re-election of Non-Executive Directors** Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director, and their reappointment should not be automatic.	Complied In terms of the Articles of Association, one- third of the Directors, except for Chairman and MD, retire in rotation and may offer themselves for re-election at the AGM. By virtue of being the Chairman and MD are not required to make themselves available for re-election as per the Articles of Association.
A.8.2	**Re-election of Chairman and other Directors** All Directors including the Chairman of the Board, should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years. The names of Directors submitted for election or re-election should be accompanied by a résumé minimally as set out in paragraph A.7.4 above, to enable shareholders to make an informed decision on their election.	Complied The Company's Articles of Association provides that any Director appointed by the Board to hold office until the next Annual General Meeting, may seek reappointment by the shareholders at the said AGM. Based on the Article and the current composition of the Board, a Director has to come forward for re-election, every three years. Also, as stated in above A.8.1, In terms of the Articles of Association, one-third of the Directors, except for Chairman and MD, retire by rotation and may offer themselves for re-election at the AGM.
A.8.3	**Resignation** In the event of a resignation of a director prior to completion of his appointed term, the director should provide a written communication to the board of his reasons for resignation.	Complied A Director should submit a written communication to the board of his/her reasons for resignation in the event of resigning prior to completion of his/her appointed term. However, there were no such resignations during the year.
A.9	**Appraisal of Board Performance** Boards should periodically appraise their own performance in order to ensure that Board Responsibilities are satisfactorily discharged.	Complied The Board has appraised their own performance through annual self-evaluation process in order to ensure that Board responsibilities are satisfactorily discharged.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
A.9.1-A.9.4	**Periodic appraisal of Board's performance to ensure that their responsibilities are effectively discharged** The board should have in place a formal and rigorous process for annually reviewing the performance of the board and its committees and should address any matters that may arise from such review, in the discharge of its key responsibilities as set out in A.1.2. The Board should also undertake an annual self-evaluation of its own performance, that of its Committees, Chairman, Non-Executive Directors and Executive Directors. The board should have a process to review the participation, contribution and engagement of each director at the time of re-election. The board should state how such performance evaluations have been conducted, in the annual report.	Complied The Company has adopted a scheme of self-assessment to be undertaken by each Director annually and filed with the Company Secretary. Performance evaluation process is detailed on page 315 of this Annual Report
A.10	**Disclosure of Information in respect of Directors** Shareholders should be kept advised of relevant details in respect of Directors.	Complied Shareholders are kept informed about the relevant details in respect of Directors.
A.10.1	**Disclosure of information on Directors in the Annual Report** The Annual Report of the Company should set out the following information in relation to each Director ◆ name, qualifications and brief profile; ◆ the nature of his/her expertise in relevant functional areas; ◆ immediate family and/or material business relationships with other Directors of the Company; ◆ whether Executive, Non-Executive and/or independent Director; ◆ names of listed companies in Sri Lanka in which the Director concerned serves as a Director; ◆ names of other companies in which the Director concerned serves as a Director, provided that where he/she holds directorships in companies within a Group of which the Company is a part, their names need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; ◆ number/percentage of Board meetings of the Company attended during the year; ◆ the total number of Board seats held by each Director indicating listed and unlisted Companies and whether in an executive or non-executive capacity; ◆ names of Board Committees in which the Director serves as Chairman or a member; and ◆ number/percentage of committee meetings attended during the year.	Complied Information pertaining to Directors are disclosed in the following sections of this Annual Report. Name, qualifications, expertise, material business interests and brief profiles on pages 40 to 45. Related party transactions are given in Note 39 to the Financial Statements on page 439. Membership of Sub-Committees and attendance at Board Meetings on page 185.

Reference – Code of Best Practice	Requirement	Extent of Compliance
A.11	**Appraisal of Chief Executive Officer** The Board should be required, at least annually, to assess the performance of the CEO.	Complied The chairman assess the performance of MD at least annually.
A.11.1/A.11.2	**Targets for CEO at the commencement of each financial year and performance evaluation** At the commencement of every fiscal year, the Board in consultation with the CEO should set, in line with the short, medium and long-term objectives of the Company, reasonable financial and non-financial targets that should be met by the CEO during the year. The performance of the CEO should be evaluated by the Board at the end of each fiscal year to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.	Complied MD's performance targets are aligned with business strategies of the Company. Financial and non-financial targets are set at the beginning of every financial year by the Board which is in line with the short-medium- and long-term objectives of the Company. At the end of each financial year the Board evaluates the set targets and the actual performance.
B	**DIRECTORS' REMUNERATION** GRI 2-19, GRI 2-20	
B.1	**Remuneration Procedure** Companies should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. To avoid potential conflicts of interest, no Director should be involved in deciding his/her own remuneration	Complied The Company established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director is involved in deciding his/her own remuneration.
B.2	**Remuneration Committee** Levels and make up of remuneration of both Executive and Non- Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to corporate and individual performance ensuring the balance between short, medium and long-term perspectives of the performance outcomes.	Complied The remuneration levels for both Executive and Non-Executive Directors are adequate to attract and retain the necessary talent to run the company successfully. Proportion of the Executive Director's remuneration is designed to link rewards to corporate and individual performance, ensuring a balanced consideration of short, medium, and long-term performance outcomes.
B.2.1	**Setting up of Remuneration Committee** The Board of Directors should set up a Remuneration Committee to make recommendations to the Board on company's framework of remunerating Chief Executive Officer, Executive and Non-Executive Directors, and guidelines for fair and transparent procedures for remunerating Senior Management, including Post-Employment Benefits as well as Terminal Benefits.	Complied The Board has established Human Resource and Remuneration Committee to make recommendations to the Board on company's framework of remunerating MD, Executive and Non-Executive Directors, and guidelines for fair and transparent procedures for remunerating Senior Management, including Post-Employment Benefits as well as Terminal Benefits.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
B.2.2	**Composition of Remuneration Committee** Remuneration Committees should consist exclusively of Non-Executive Directors with a minimum of three non- executive directors of whom the majority should be independent. The chairman should be an independent Non-Executive director and should be appointed by the board.	Complied Remuneration committee consists of 5 Non-Executive Directors of whom 3 are independent. An Independent Non-Executive Director has been appointed as the Chairman of the committee by the Board.
B.2.3	**Consultation to Remuneration Committee** The Remuneration Committee should consult the Chairman and/or CEO about its proposals relating to the remuneration of Executive Directors and Senior Management and have access to professional advice from within and outside the Company, in discharging their responsibilities.	Complied The Committee consults the Chairman and MD when recommending the remuneration of Senior Management. Further, the committee has the access to professional advice from within and outside the Company, when deemed necessary.
B.2.4	**Remuneration packages to attract, retain and motivate CEO, Executive Directors and Senior Management** The Remuneration Committee should provide the packages needed to attract, retain and motivate Executive Directors and the Chief Executive of the quality required but should avoid paying more than is necessary for this purpose and ensure that the process for Senior Management compensation is structured in the similar manner.	Complied A process is in place to offer packages that attract, retain and motivate MD and Senior Management. The Remuneration Committee reviews the information relating to competitors of the Company and due care is taken to ensure that remuneration is on par with industry standards and the relative performance.
B.2.5	**Linking Executive Directors remuneration to Short, Medium and Long term performance of the Company** Executive Directors' remuneration should be designed to promote the short medium and long-term performance of the company.	Complied MD's remuneration is designed to link rewards to corporate and individual performance, ensuring a balanced consideration of short, medium, and long-term performance of the company.
B.2.6	**Remuneration packages in line with industry practices** The Remuneration Committee should judge where to position levels of remuneration of the Company, relative to other companies. It should be aware what comparable companies are paying and should take account of relative performance, but should use such comparisons with caution, mindful of the risk that they can result in an increase of remuneration levels with no corresponding improvement in performance.	Complied The Remuneration Committee reviews the information relating to comparable competitors of the Company and due care is taken to ensure that remuneration is on par with industry standards and the relative performance. The committee is mindful of the risk that they can result in an increase of remuneration with no corresponding improvements in performance.

Reference – Code of Best Practice	Requirement	Extent of Compliance
B.2.7	**Remuneration packages in line with other companies in the Group** The Remuneration Committee should be sensitive to remuneration and employment conditions elsewhere in the Company or Group of which it is a part, especially when determining annual salary increases.	Complied The Remuneration Committee takes into consideration and is sensitive about the conditions of the Group when determining annual salary increases.
B.2.8	**Performance-related payments to MD/CEO and Executive Directors** The performance-related elements of remuneration of the Chief Executive and Executive Directors should be designed and tailored to align their interests with those of the Company and main stakeholders and to give these Directors appropriate incentives to perform at the highest levels. The performance related elements should be transparent, stretching and rigorously applied. The committee should review at least annually the performance of the Chief Executive and Executive Directors against the set targets and goals, which have been approved by the Board, and recommend the basis for revising remuneration, benefits and other payments of performance-based incentives. The committee should ensure that the guidelines for fair and transparent procedures recommended by them and approved by the Board for evaluating Senior Managements' performance and revising their remuneration, benefits and other payments of performance-based incentives is followed.	Complied A transparent, stretching and rigorously applied performance-related elements of remuneration is available for MD with the objective of providing appropriate incentives to perform at the highest level. The Committee annually reviews the performance of MD against the set targets approved by the Board. Further, the Committee ensures that the fair and transparent procedure recommended by the Board are followed when evaluating the performance of Senior Management.
B.2.9	**Executive Share Option** Executive share options should not be offered at a discount (i.e. less than market price prevailing at the time the exercise price is determined), save as permitted by the Listing Rules of the Colombo Stock Exchange.	Not Applicable
B.2.10	**Designing schemes of performance related remuneration** In designing schemes of performance-related remuneration, Remuneration Committees should follow the provisions set out in Schedule G of Code of Best Practice on Corporate Governance. The schemes should include provisions that would enable the company to recover sums paid or withhold a portion of such performance related remuneration and specify the circumstances in which a company may not be entitled to do so.	Complied In deciding the remuneration of the MD and Senior Management, the Company takes note of the provisions set out in Schedule G of this code.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
B.2.11 / B.2.12	**Early termination of service of Directors** Remuneration Committees should consider what compensation commitments (including pension contributions) their Chief Executive's and Executive Directors' contracts of service, if any, entail in the event of early termination. Remuneration Committee should consider the advantages of providing explicitly for such compensation commitments to apply other than in the case of removal for misconduct, in initial contracts. Where the initial contract does not explicitly provide for compensation commitments, Remuneration Committees should, within legal constraints, tailor their approach in early termination cases to the relevant circumstances. The broad aim should be, to avoid rewarding poor performance while dealing fairly with cases where departure is not due to poor performance.	Complied The Remuneration Committee will consider the guidelines outlined in sections B.2.11 and B.2.12. However, no such requirements arose during the year under review.
B.2.13/B.2.14	**Remuneration of Non-Executive Directors** The Board as a whole, or where required by the Articles of Association the shareholders, should determine the remuneration of Non-Executive Directors, including members of the Remuneration Committee. The Board may delegate this responsibility to a subcommittee of the Board, which might include the CEO. Levels of remuneration for Non-Executive Directors should reflect the time commitment and responsibilities of their role, taking into consideration market practices which should be reviewed periodically. Remuneration for Non-Executive Directors should not normally include share options. If exceptionally options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the Non-Executive Director leaves the Board. Holding share options could be relevant to the determination of a Non-Executive Director's independence. (as set out in provision A.5.5).	Complied Independent Non-Executive Directors of the Company, receive fees that reflect their time commitment, role responsibilities, and prevailing market practices, which are periodically reviewed. The Company has not provided any Share Option plans either to Executive or Non-Executive Directors.
B.2.15	**Chairman and Members of the Remuneration Committee** The Chairman and Members of the Remuneration Committee should be listed in the Annual Report each year.	Complied Details of the Chairman and members of the Committee are disclosed in the report of the Board Human Resource and Remuneration Committee on page 315 of this Annual Report.

Reference – Code of Best Practice	Requirement	Extent of Compliance
B.3	**Disclosure of Remuneration** The Company's Annual Report should contain a Statement of Remuneration Policy and details of Remuneration of the Board as a whole.	Complied Annual Report of the Company contains a statement of Remuneration Policy and details of remuneration of the Board as a whole.
B.3.1	**Disclosure about the Remuneration committee, Remuneration Policy and aggregate remuneration paid** The Annual Report should set out the names of Directors (or persons in the Parent Company's Committee in the case of a Group Company) comprising the Remuneration Committee, scope, number of meetings held, a statement of remuneration policy and set out the aggregate remuneration paid to Executive and Non-Executive Directors.	Complied Report of the Board Human Resource and Remuneration Committee is given on page 315 which sets out the details on the composition, scope, number of meetings held by the committee and the remuneration policy. The aggregate remuneration paid to the Executive and Non-Executive Directors are disclosed in page 443.
B.3.2	**Aggregate remuneration paid to Senior Management**	Complied The aggregate remuneration paid to the Senior Management who directly reports to MD are disclosed in page 443.
C	**RELATIONS WITH SHAREHOLDERS**	
C.1	**Constructive use of the AGM & Other General Meetings** Boards should use the AGM to communicate with shareholders and should encourage their participation.	Complied The Company uses AGM to communicate with Shareholders and encourages their participation.
C.1.1	**Notice for the AGM to the Shareholders** Companies should arrange for the Notice of the AGM and related papers to be sent to shareholders as determined by statute, before the meeting.	Complied Notice of the AGM, Form of Proxy and a request form for a copy of the Annual Report are sent to all shareholders at least 15 working days prior to the meeting in accordance with the provisions of the Companies Act of 2007, CSE Rules and the Articles of Association of the Company.
C.1.2	**Separate resolutions for each substantially separate issue** Companies should propose a separate resolution at the AGM on each substantially separate issue and should in particular propose a resolution at the AGM relating to the adoption of the report and accounts. For each resolution proxy appointment form should provide shareholders with the option to direct their proxy to vote either or for or against the resolution or withhold their vote.	Complied Separate resolutions are placed at the AGM on each substantially separate issue. A separate resolution is placed for the adoption of company's Annual Report and Accounts during the AGM. Forms of Proxy allow shareholders the option to direct their proxy holder to vote for or against each resolution or to withhold their vote on any matter.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
C.1.3	**Properly recording and counting of proxy votes** The company should ensure that all valid proxy appointments received for general meetings are properly recorded and counted. For each resolution where a vote has been taken on a show of hands, the company should ensure that the following information is given at the meeting and made available as soon as reasonably practicable on a website which is maintained by or on behalf of the company. ◆ The number of shares in respect of which proxy appointments have been validly made; ◆ The number of votes for the resolution; ◆ The number of votes against the resolution; and ◆ The number of shares in respect of which the vote was directed to be withheld. When, in the opinion of the board, a significant proportion of votes have been cast against a resolution at any general meeting, the board should take steps to understand the reasons behind the vote results and determine if any actions are required.	Complied All proxy votes lodged, together with the votes of shareholders present at the AGM are considered for each resolution. The company ensures compliance with the requirements outlined in section C.1.3 of this code.
C.1.4	**Board subcommittee Chairman's available at AGM** The Chairman of the Board should arrange for the Chairmen of the Audit, Remuneration, Nomination and Related Party Transaction Review Committee and the Senior Independent Director are to be available to answer questions at the AGM if so requested by the Chairman.	Complied Chairpersons of the other Board Sub-committees are present at the AGM to answer all queries that may be raised.
C.1.5	**Summary of procedures governing voting at general meetings to be circulated** Companies should circulate, along with every Notice of General Meetings, a summary of the procedures governing voting at General Meetings.	Complied Notice of Annual General Meeting and proxy form provides instructions for shareholders regarding voting procedures.
C.2	**Communication with shareholders** The Board should implement effective communication with shareholders.	Complied The Board has implemented processes for effective communication with shareholders.

Reference – Code of Best Practice	Requirement	Extent of Compliance
C.2.1	**Channel to reach all shareholders to disseminate timely information** There should be a channel to reach all shareholders of the Company in order to disseminate timely information.	Complied The primary methods of communication between the Company and its shareholders are the Annual Report and the AGM. Information is provided to shareholders before the AGM, allowing them the opportunity to raise any issues related to the Company's business, either verbally or in writing, prior to the AGM. The Company uses the following channels to disseminate timely information: 1) Shareholder meetings 2) Financial and other notices as required through the Colombo Stock Exchange 3) Corporate website 4) Press notices
C.2.2	**Policy and methodology of communicating** The Company should disclose the policy and methodology for communication with Shareholders.	Complied Please refer the Board Communication Policy on page 321.
C.2.3	**Implementation of the communication policy and methodology** The Company should disclose how they implement the above policy and methodology.	Complied Printed copies of Annual Report are provided to shareholders up on request or could be downloaded from the CSE website.
C.2.4	**Disclosure of the contact person as per communication policy** The Company should disclose the contact person for such communication.	Complied the Company Secretary act as the contact person

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Reference – Code of Best Practice	Requirement	Extent of Compliance
C.2.5	**Awareness of Directors on major issues and concerns of shareholders** The Company should have a process to make all Directors aware of major issues and concerns of shareholders, and this process has to be disclosed by the Company.	Complied Process to make all Directors aware on major issues and concerns of shareholders has been established through the Corporate Communication Policy. The Company Secretary will keep a record of all received correspondence and promptly deliver it to the Board or the relevant Director(s). The Board or the individual Director(s) will then prepare an appropriate response to all valid shareholder correspondence and advice the Company Secretary to disseminate the responses to the respective shareholder.
C.2.6	**Contact person for shareholders in relation to shareholders' matters** The Company should decide the person to contact in relation to shareholder matters. The relevant person with statutory responsibilities to contact in relation to shareholders matters is the Company Secretary or in his/her absence should be a designated member of the Board of Directors.	Complied The shareholders may contact Company Secretary
C.2.7	**Process for responding to shareholders** The process of responding to shareholder matters should be formulated by the Board and disclosed.	Complied Process has been formulated through a Board approved Policy to respond matters relating to shareholders.

Reference – Code of Best Practice	Requirement	Extent of Compliance
C.3	**Major and Material Transactions** Further to compliance with the requirements under the Companies Act, Securities and Exchange Commission law and Colombo Stock Exchange regulations as applicable, Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/vary the Company's net assets base or in the case of a Company with subsidiaries, the Consolidated Group Net Asset Base. Prior to a Company engaging in or committing to a 'Major Transaction', with a related party, involving the acquisition, sale or disposition of greater than one third of the Company's net assets or that of a subsidiary which has a material bearing on the net assets of the Company or consolidated net assets of the Company, or a transaction which has or is likely to have the effect of the Company acquiring rights or interest or, incurring obligations or liabilities, of greater than one third of the value of the Company's net assets or consolidated net assets or consolidated net assets of the company, the Directors should disclose to shareholders the purpose and all material facts of such transaction and obtain shareholders' approval by ordinary resolution at an Extraordinary General Meeting. It also applies to transactions or series of related transactions which trigger aforementioned conditions as well as, transactions or series of related transactions which trigger aforementioned conditions as well as, transactions or series of related transactions which have the purpose or effect of substantially altering the nature of the business carried on by the Company. Public listed companies should in addition comply with the disclosure requirements and shareholder approval by special resolution as required by the rules and regulations of the Securities and Exchange Commission and by the Colombo Stock Exchange.	Not Applicable There were no major transactions in FY 2025/26 which requires disclosure of this nature.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
D	ACCOUNTABILITY AND AUDIT	
D.1.	**Financial and Business Reporting** The Board should present a balanced and Understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal control and challenges, opportunities and prospects.	Complied The Annual Report of the Company contains the audited Financial Statements together with comprehensive disclosures on the financial position, performance, business model, risk management, governance, internal controls and prospects of the Company.
D.1.1	**Presenting true, fair, balanced and understandable Annual Report with financial statements in conformity with relevant laws and regulations** The board should present an annual report including financial statements that is true and fair, balanced and understandable and prepared in accordance with the relevant laws and regulations and any deviation being clearly explained.	Complied The Financial Statements of the Company have been prepared in accordance with the revised Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) set by the Institute of Chartered Accountants of Sri Lanka and are in compliance with the requirements of the Companies Act No. 07 of 2007, Finance Business Act No.42 of 2011 and the directions and guidelines issued under the said Finance Business Act and the Listing Rules of the Colombo Stock Exchange ensuring they are true, fair, balanced, and understandable.
D.1.2	**Present interim and other price sensitive public reports and mandated reports to regulators by statute** The Board's responsibility to present a balanced and understandable assessment extends to interim and other price-sensitive public reports and reports to regulators, as well as to information required to be presented by statutory requirements.	Complied The Board recognizes its responsibility to present regulatory and statutory reports, including interim and other price-sensitive public reports, as well as reports to regulators and information required by statutory mandates, in a balanced and understandable manner. This commitment is confirmed in the Statement of Directors' Responsibility on page 363.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.1.3	**Chief Executive Officer's and Chief Financial Officer's Declaration on Financial Statements** The board should, before it approves the company's financial statements for a financial period, obtain from its Chief Executive Officer and Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the company and that the system of risk management and internal control was operating effectively.	Complied The Board obtained declarations from MD and CFO that Company's interim and annual financial statements are prepared in conformity with applicable accounting standards, relevant laws and regulations and gives true and fair view of the financial position and performance, risk management and effectiveness of the internal controls.
D.1.4	**Declarations by Directors in the Directors' Report** The Directors' Report, which forms part of the Annual Report, should contain declarations by the Directors to the effect that ◆ The Company has not engaged in any activity which contravenes laws and regulations; ◆ The Directors have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested; ◆ The Company has made all endeavours to ensure the equitable treatment of shareholders; ◆ The directors have complied with best practices of Corporate Governance; ◆ Property, plant and equipment is reflected at fair value, where it is different from fair value adequate disclosures are made; ◆ 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; and ◆ The business is a going concern, with supporting assumptions or qualifications as necessary; The directors should explain in the annual report their responsibility for preparing the annual report and financial statements, and state that they consider the annual report and financial statements, taken as a whole, are fair, balanced, and understandable, and provides the information necessary for shareholders to assess the company's financial position, performance, ESG/sustainability risk and opportunities, business model, and outlook and if it is unable to make any of these declarations, explain why it is unable to do so.	Complied Annual Report of the Board of Directors on the affairs of the Company is given on pages 358 to 362 covering all areas of this section.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
D.1.5	**Statements by Directors and Auditors on Responsibility for Financial Reporting** The Annual Report should contain a statement setting out the responsibilities of the Board for the preparation and presentation of financial statements, together with a statement by the Auditors about their reporting Responsibilities. Further, the Annual Report should contain a Report/Statement on Risk Management and Internal Control.	Complied The 'Statement of Directors' Responsibilities' is given on page 363, and 'Independent Auditor's Report' is given on page 364.
D.1.6	**Management Discussion and Analysis** The Annual Report should contain a "Management Discussion & Analysis", discussing, among other issues: ◆ business model; ◆ industry structure and developments; ◆ opportunities and threats; ◆ risks and concerns; ◆ internal control systems and their adequacy; ◆ corporate and enterprise governance; ◆ stakeholder relationships; ◆ social and environmental governance activities carried out by the Company; ◆ financial performance; ◆ investment in physical and intellectual capital; ◆ human resource management carried out by the company; and ◆ prospects for the future.	Complied Please refer 'Management Discussion and Analysis' on pages 86 to 170.
D.1.7	**Serious loss of Net Assets** In the event the net assets of the Company falling below 50% of the value of the Company's shareholders' funds, the Directors shall forthwith summon an Extraordinary General Meeting of the Company to notify shareholders of the position and of remedial action being taken. The directors should report periodically to the shareholders progress on these remedial actions.	Not Applicable The probability of such an event occurring is highly unlikely. Nonetheless, in the event that such a situation does arise, an Extraordinary General Meeting (EGM) will be promptly scheduled, and shareholders will be provided with timely notifications regarding the meeting.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.1.8	**Disclosure of Related Party Transactions** The Board Should adequately and accurately disclose the related party transactions in its Annual Report: ◆ Each related party to submit signed and dated quarterly declarations mentioning whether they have related party transactions with the Company's defined in this Code; ◆ It should be the responsibility of the Company Secretary to keep a record on related party transactions and make necessary disclosures accordingly; ◆ There should be a process to capture related parties and related party transactions. This process needs to be operationalized and related party transactions should be properly documented; ◆ A record /register either in hard or soft form on related party and related party transactions should be maintained by the Company; This record should ensure that the Company captures information to comply with the respective related party disclosure requirements imposed by the SEC/ Accounting Standards/Auditing Standards and similar regulations.	Complied All related party transactions as defined in Sri Lanka Accounting Standard -24 (LKAS 24) on 'Related Party Transactions' are disclosed in Note 39 to the Financial Statements on pages 439 to 443. The Company maintains a comprehensive record of related parties and related party transactions.
D.2	**Risk Management and Internal Control** The Board should establish a policy for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets.	Complied The Board has delegated the authority for risk management and maintaining a sound system of internal control to the Audit Committee and to the Integrated Risk Management (IRMC) Committee. These committees review the processes to ensure the protection of shareholders' investments and the Company's assets.
D.2.1	**Risk Management Framework** The Board should adopt a framework for risk management and the processes to identify, assess, monitor and manage risks with clear delegation of responsibilities to ensure its effectiveness in supporting achievement of the strategic, operational and financial objectives of the company.	Complied Board approved risk management framework is in place to identify, assess, monitor and managing the risks with clear accountabilities to ensure the achievement of strategic, operational and financial objectives of the Company.

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.2.1.1	**Robust assessment of principal risks** The Board should ensure that the company has carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity.	Complied A fully fledged risk management department which reports to the Board through BIRMC is established by the company. Head of Risk periodically carries out robust risk assessment of the principal risks faced by the company which may impact company's business model, future performance, solvency and liquidity.
D.2.1.2	**Disclosure of Risk Management Framework in Annual report** The Board should describe the risk management framework, processes, responsibilities and explain in the annual report how they are being managed or mitigated.	Complied The risk management framework, processes and responsibilities are disclosed in the Report of the Board Integrated Risk Management Committee Report on pages 312 to 313 of this annual report.
D.2.1.3	**Establishment of Risk Management Committee** While the Board as a whole is ultimately responsible for risk management, the Board should establish a risk committee to oversee risk management. Alternatively, the entire Board may take up this role or allocate certain aspects of risk to other committees established by the Board and retain certain aspects specially at Board Level.	Complied The Board has established Board Integrated Risk Management Committee to oversee the risk management function and a Board approved TOR is in place to govern the committee's functions.
D.2.1.4	**Separate Risk Committee** The Company should consider regulatory requirements and sector / industry specific business risks in determining the need to have a separate Risk Committee. Companies may consider combining Audit and Risk functions under one committee.	Complied The Company has two separate Board subcommittees for Audit and Risk functions.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.2.1.5	**Composition of the BIRMC** The Company should consider regulatory requirements and sector / industry specific business risks in determining the need to have a separate Risk Committee. Companies may consider combining Audit and Risk functions under one committee. When an Independent risk committee established, the committee should comprise of at least three members, a majority of whom should be Non-Executive Directors and be chaired by an Independent Non-Executive Director.	Complied The committee comprises of 3 Non-Executive Directors, all of whom are independent. The Chairman of the committee is an Independent Non-Executive Director.
D.2.1.6	**TOR of the BIRMC** The risk committee should have a written term of reference dealing clearly with its authority and duties. The terms of reference must address at a minimum how it will assist the Board's oversight of risk management.	Complied A Board-approved Terms of Reference (TOR) is in place, which clearly defines the authority and duties of the BIRMC. The TOR outlines, at a minimum, how the committee will assist the Board in overseeing risk management.
D.2.1.7 D.2.1.8	**Report of the BIRMC** The Annual Report should contain a report of the risk committee, setting out its role and how it discharged its responsibilities. Companies in regulated industries should consider applicable laws and regulations in determining the composition, scope, roles and responsibilities of the risk committee.	Complied Refer the Report of the Board Integrated Risk Management Committee on pages 312 to 313 of this annual report.
D.2.2	**Design of the internal control system** The Board should establish a process to ensure internal controls are designed, implemented and monitored, to provide reasonable assurance of the achievement of an entity's objectives on reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.	Complied The board has set up a process to ensure that the internal controls are designed, implemented and monitored, to provide reasonable assurance on reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and regulations.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
D.2.2.1-D.2.2.3	**Effectiveness of the internal control system** The Board should ensure that an effective system of internal controls is established in respect of financial, operational and compliance system, processes, and practices and are monitored regularly. Further, at least annually the Board should obtain a review of the effectiveness of the internal control systems and report on that review in an Annual Report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. Company should have an internal audit function. The Board should require the Audit Committee to ensure carrying out reviews of the process and effectiveness of internal controls and report their recommendations to the Board. Board should take responsibility for disclosures on internal controls in the Annual Report.	Complied A process has been setup to provide reasonable assurance on reliability of internal controls over financial reporting, operational and compliance system, processes and practices. A fully fledged internal audit department is in place to ensure the effectiveness of governance, internal control and risk management practices of the company. The Board Audit Committee annually reviews the effectiveness of internal controls and risk management process through internal audit department to ensure effective discharge of their duties. Refer the "Directors Statement on Internal Control" on page 319 of this annual report for more details.
D.3	**Audit Committee** The Board should establish formal and transparent arrangements for considering how they should select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensuring the independence of the company's Auditors.	Complied The Board established formal and transparent arrangements for considering how they should select and apply accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensuring the independence of the company's Auditors.
D.3.1	**Composition of the Audit Committee** The board should establish an audit committee exclusively of non-executive directors with a minimum of three non-executive directors of whom at least two should be independent. If there are more non-executive directors, the majority should be independent. The committee should be chaired by an Independent Non-Executive Director, who is a member from a professional accounting body. The board should satisfy itself that at least one member of the audit committee has recent and relevant experience in financial reporting and control.	Complied The Board Audit Committee comprises of three Non-Executive Directors, all of whom are independent. The Chairman of the committee is an Independent Non-Executive Director. Details of the Audit Committee is mentioned in the 'Audit Committee Report' on page 307 of this Annual Report.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.3.2	**The Terms of Reference of the Committee** The Audit Committee should have a written Terms of Reference, dealing clearly with its authority and duties. The Audit Committee's written Terms of Reference must address: The Committee's purpose- which, at minimum, must be to: ◆ Assist Board oversight of the: ◆ preparation, presentation and adequacy of disclosures in the financial statements, in accordance with the Sri Lanka Accounting Standards; ◆ compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial reporting related regulations and requirements; ◆ process to ensure that the Company's internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards; ◆ Assessing the : ◆ company's ability to continue as a going concern in the foreseeable future:; ◆ performance of the Company's internal audit function; ◆ process to identify, monitor and manage significant business/ financial risk and ◆ independence and performance of the company's external audit.	Complied The Board approved TOR is in place which covers the minimum requirements stipulated in this code.

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
	The duties and responsibilities of the Audit Committee-should at a minimum include those set out below: ◆ make recommendations to the Board, pertaining to appointment, re-appointment and removal of external Auditors and to approve the remuneration and terms of engagement of the external Auditors; ◆ Develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; ◆ Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Sri Lankan professional and regulatory requirements; ◆ Discuss the audit plan, key audit issues, their resolution and management responses; ◆ Review the Company's annual audited financial statements and quarterly financial statements with management and the Auditor to ensure compliance with the Sri Lanka Accounting Standards and other relevant laws and regulations; ◆ Ensure that the company adopts accounting policies and practices that are in compliance with Sri Lanka accounting standards and that any changes are reviewed; ◆ Review significant financial reporting judgments ; ◆ Assess the Company's ability to continue as a going concern in the foreseeable future; ◆ Ensure that regulatory compliance reports are obtained from management and reviewed;	

Reference – Code of Best Practice	Requirement	Extent of Compliance
	◆ Review the company's earnings press releases and financial information and earnings guidance provided to analysts and rating agencies; ◆ Discuss policies and practices with respect to risk assessment and risk management; ◆ Review the company's internal financial controls and unless expressly addressed by a separate board risk committee composed of Independent Directors, or by the board itself, to review the company's internal control and risk management systems: ◆ Ensure that a process of sound system of internal control is in place; ◆ Ensure that a periodic review of the Board's risk management, internal controls, business continuity, planning and information security systems are carried out and appropriate remedial action recommended to the board; ◆ Ensure that an effective internal audit function is in place and monitor and review the internal audit activities; ◆ Meet separately and periodically with management, the auditors and internal auditors; ◆ Ensure that there is a mechanism for the confidential receipt, retention and treatment of complaints alleging fraud, received from internal/ external sources and pertaining to accounting, internal control or other such matters; ◆ Assure confidentiality to whistle-blowing employees; ◆ Set clear hiring policies for employees or former employees of the Auditors; and ◆ Report regularly to the Board of Directors.	

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.3.3	**Disclosures made in the Annual Report about Board Audit Committee** A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include: ◆ The names of Directors (persons in the Parent Company's Committee in the case of a Group Company) comprising the Audit Committee; ◆ The number of meetings held and attendance of each director; ◆ The scope of work and how its roles and responsibilities were discharged; ◆ The significant issues that the committee considered in relation to the financial statements, and how these issues were addressed; ◆ An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, and information on the length; ◆ If the external auditor provides non-audit services, an explanation of how auditor objectivity and independence are safeguarded; and ◆ The Committee should also determine the independence of the Auditors and should disclose the basis of such determination in the Annual Report. The Annual Report should contain a Report by the Audit Committee, setting out the manner of compliance by the Company, in relation to the above, during the period to which the Annual Report relates.	Complied Refer the Board Audit Committee Report given on page 307 of the Annual Report
D.4	**Risk committee** The Board should establish a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.	Complied The Board has established a procedure for risk management including how they determine, risk culture, risk appetite, risk identification and classification, rating and management of risk.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.4.1	**Composition of BIRMC** The Board should establish a Risk committee which should comprise of a minimum three members, a majority of whom should be Non-Executive Directors and be chaired by an Independent Non-Executive Director. The Chief Executive Officer and Chief Financial Officer should be required to attend all meetings of the Risk committee. The Chief Information Officer and Head of Strategic Business units should be invited to attend as necessary.	Complied Board has established BIRMC which comprises of 3 Non-Executive Directors, all of whom are Independent. The Chairperson of the committee is an Independent Non-Executive Director. MD, CFO and Senior Manager Compliance, Head of Risk and Chief Information Security Officer are invited to attend BIRMC meetings
D.4.2	**The terms of reference of the Committee** The Risk committee should have written Terms of Reference dealing clearly with its authority and duties. The Terms of Reference must address at a minimum how it will assist the Board's oversight of: ◆ Defining, articulating and communicating the Risk culture of the entity, ◆ Determining the Risk appetite of the entity, ◆ Ensuring that a Risk Management framework, processes, practices, key risk indicators (KRI) and responsibilities are clearly defined and monitored, ◆ Reviewing the Risk Management outcomes, impacts, implications and mitigation actions on a regular basis, ◆ Receiving and reviewing reports from management on new and emerging risks, sources of risk and control and mitigation measures, ◆ Overseeing the entity's insurance programme and ensure that it is sufficient and robust,	Complied The Board approved TOR is in place which covers the minimum requirements stipulated in this code.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
	◆ Ensuring that the entity has installed effective information system security measures and backup procedures, and these are tested periodically, ◆ Ensuring that there is a process to monitor ESG risks, ◆ Ensuring that the entity has a robust disaster recovery plan which is tested periodically, ◆ Providing regular reports to the Board of Directors, and ◆ Reviewing at least annually, the risk management framework, processes and practices and responsibilities. The risk within the specific scope of other committees such as audit committee, remuneration committee and nomination committee will be reported directly to the Board by those committees.	
D.4.3	**BIRMC Meetings** The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. The chief risk officer shall be the secretary of the committee. If the company does not have a designated chief risk officer, Chief Executive Officer shall nominate a senior executive to serve as the secretary to the committee.	Complied BIRMC met 6 times during the Financial Year. Head of Risk functions as the secretary of the BIRMC
D.4.4	**Seeking External Professional Advice** The committee should have authority to seek external professional advice if required in connection with the performance of its duties.	Complied The committee sought external professional advice as and when required.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.4.5	**Disclosures made in the Annual Report about BIRMC** The Annual Report should contain a report of the Risk Committee, setting out its role and how it discharged its responsibilities.	Complied Refer the Board Integrated Risk Management Committee report given on pages 312 to 313 of the Annual Report
D.5	**Related Party Transactions Review Committee** The Board should establish a procedure to ensure that the company does not engage in transactions with 'related parties' in a manner that would grant such parties 'more favourable treatment' than that accorded to third parties in the normal course of business.	Complied A Board approved policy and procedure are in place to ensure that the company does not engage in transactions with related parties in a manner that would grant "more favourable treatment" to such parties.
D.5.1	**Related Parties and Related Party Transactions** A related party and related party transactions will be as defined in LKAS 24 and reproduced under section D.1.8 of this code.	Complied All related party transactions as defined in Sri Lanka Accounting Standard -24 (LKAS 24) on 'Related Party Transactions' are disclosed in Note 39 to the Financial Statements on pages 439 to 443.
D.5.2	**Composition of BRPTRC** The Board should establish a Related Party Transactions (RPT) review committee consisting exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom the majority should be independent. Executive Directors may attend by invitation. The Chairman should be an Independent Non-Executive Director appointed by the board. RPT Review Committee shall meet at least once a calendar quarter.	Complied Board has established BRPTRC which comprises of 3 Non-Executive Directors, all of whom are independent. The Chairperson of the committee is an Independent Non-Executive Director. MD is invited to attend BRPTRC meetings where necessary. The committee met 4 times during the financial year.

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.5.3	**The TOR of the Committee** RPT review committee should have written Terms of Reference dealing clearly with its authority and duties which should be approved by the Board of Directors. The RPT review committee's written Terms of Reference must address: ◆ A procedure for documenting related parties and related party transactions in accordance with the definitions in LKAS 24 and the CSE listing rules. ◆ A procedure to obtain a statement from each related party: If such party is a person; details of their close family members and entities in which the aforementioned parties have control, joint control, significant influence or serve as a key management personnel and, transactions if any, in accordance with the listing rules of Colombo Stock Exchange. If such party is an entity as defined in LKAS 24 as a related party details of transactions and balances with such party / parties. A declaration of related parties and related party transactions should be obtained at least once in each quarter, and when there is a change in circumstances from each Key Management Personnel, and in respect of related parties which are entities, from their Chief Executive Officer. In any event prior to entering into any transaction between such related parties and the company, its parent or any of subsidiaries, sub-subsidiaries, fellow subsidiaries, associates, joint ventures and any other entities which are considered related parties as defined in LKAS 24, a specific disclosure should be made and reviewed by the RPT review committee and/or the Board of Directors as relevant, unless they are exempted related party transactions as defined in CSE listing rules.	Complied The Board approved TOR is in place which covers the minimum requirements stipulated in this code. The Committee responsibilities and activities performed during the period are given in BRPTRC report on page 316.

Reference – Code of Best Practice	Requirement	Extent of Compliance
	Personnel of the company responsible for contracting, procurement, payments, and any other channel through which an inflow or outflow of resources can result, should have a list of all related parties and have a process in place to capture and report any related party transaction within their area of responsibility. ◆ A procedure to inform all related parties of what constitutes exempted related party transactions. ◆ A procedure to identify and for directors and other key management personnel to report recurrent and non-recurrent transactions and to obtain Board or Shareholder approval by special or ordinary resolution as required by the CSE listing rules. ◆ A policy and procedure to delegate dealing with recurrent related party transactions (as defined in the CSE listing rules) to relevant management personnel. ◆ A procedure for the RPT review committee to review and recommend to the Board matters relating to such transactions. ◆ Any interested Directors should not participate at the meeting at which the transaction relating to him/her is discussed unless invited to seek clarification/information. ◆ A procedure and definition of disclosures required to be made by the company on an annual basis, those requiring immediate disclosure and those requiring shareholder approval. ◆ A procedure to identify related party transactions which require immediate disclosure as per the CSE listing rules and to ensure that required disclosures are made by the company to the CSE in accordance with CSE listing rules. ◆ A procedure to identify related party transactions which require shareholder approval by special resolution at an extra-ordinary general meeting. ◆ The company secretary should maintain a permanent record in manual or electronic form of such statements, submissions, approvals and minutes. ◆ Review and recommend to the Board the related party disclosures to be made in the Annual Report of the company.	

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Reference – Code of Best Practice	Requirement	Extent of Compliance
D.6	**Code of Business Conduct & Ethics** Companies must adopt a Code of Business conduct & ethics for Directors, Key Management Personnel and all other employees including but not limited to dealing with shares of the company; compliance with listing rules; bribery and corruption; and confidentiality, encouraging that any illegal, fraudulent and unethical behaviour be promptly reported to those charged with governance. The company must disclose waivers of the code for Directors, if any.	Complied The Board has adopted a Code of Business Conduct and Ethics for Directors, KMPs and other Employees including but not limited to dealing with shares of the company, compliance with listing rules, bribery and corruption, confidentiality, reporting of any illegal, fraudulent and unethical behaviors.
D.6.1	**Code of Business Conducts/Whistleblowing policy/Anti-bribery and corruption policy (ABC)** All companies must disclose whether they have a Code of Business Conduct and Ethics for Directors and Key Management Personnel and if they have such a Code, make an affirmative declaration in the Annual Report that all Directors and Key Management Personnel have declared complied with such Code, and if unable to make that declaration, state why they are unable to do so. Each Company may determine its own policies in the formulation of such a code, but all companies should address the following important topics in their respective codes: ◆ conflict of interest; ◆ bribery and corruption; ◆ entertainment and gifts; ◆ accurate accounting and record keeping; ◆ fair and transparent procurement practices; ◆ corporate opportunities; ◆ confidentiality; ◆ fair dealing; ◆ protection and proper use of Company assets including information assets; ◆ sexual harassment, discrimination and abuse; ◆ compliance with laws, rules and regulations (including insider trading laws); and ◆ encouraging the reporting of any illegal or unethical behaviour.	Complied The Board approved policies on Code of Conduct, Whistleblowing and Anti Bribery and Corruption are in place covering major areas specified in the code.

Reference – Code of Best Practice	Requirement	Extent of Compliance
D.6.2	**Reporting of material and price sensitive information** The company should have a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.	Complied A process is in place to ensure that material and price sensitive information is promptly identified and reported to CSE.
D.6.3	**Policy on trading of shares by Directors, KRPs and Employees** The company should establish a policy, process for monitoring and disclosure of shares purchased by any director, Key Management Personnel or any other employee involved in financial reporting.	Complied A Board approved Policy on Trading in the Entity's Listed Securities is in place to govern the process for monitoring and disclosure of shares traded by Directors, KRPs or any other employee involved in financial reporting.
D.6.4	**Whistle-blowing arrangements** The company should establish a procedure to deal with complaints received from whistle-blowers such as employees, customers, suppliers and any other parties in relation to non-compliance with company's code of business conduct and ethics.	Complied A Board approved whistle-blowing policy is in place to establish a procedure to deal with complaints received from employees, customers, suppliers or any other parties in relation to non-compliance with company's code of business conduct and ethics.
D.6.5	**Training on Code of Conducts** The company should conduct training on the code of business conduct and ethics as part of induction training of new employees and require confirmation of compliance at least on annual basis from all employees.	Complied All new employees are provided with a comprehensive training on the Code of conduct of the company. Periodic confirmations on awareness and compliance on company's code of conduct are obtained from Senior Managers.
D.6.6	**Dissemination of the policy** The process for company-wide dissemination of the policy, training arrangements, violations/non-compliances (if any) with actions taken should be reported to the Board on a regular basis. Any exemptions / waivers from compliance with the code of business conduct and ethics with reasons and timelines should be approved by the Board.	Complied A process is in place to report to the Board on regular basis about the dissemination of the policy among the staff in all 3 languages, training arrangements, violation/ non-compliances with respective action taken. No any waivers or exceptions are allowed in deviating code of business conduct and ethics.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
D.6.7	**Chairman's confirmation on implementing Code of Conduct and Ethics** The chairman must affirm in the Company's Annual Report that, code of conduct and ethics has been introduced company-wide and the procedure for disseminating, monitoring and compliance with that code. Chairman must also disclose significant violations if any of the provisions of the code of business conduct & ethics. Disclosures should contain the types and numbers of violation and procedures followed in dealing with them.	Complied Refer the Chairman's Statement in the Annual Report for details.
D.7	**Corporate Governance Disclosures** Directors should disclose the extent to which the Company adheres to established principles and practices of good Corporate Governance.	Complied The Board has disclosed the extent of compliance with good corporate governance principles and practices.
D.7.1	**Disclosure of Corporate Governance Compliance** The Directors should include in the Company's Annual Report, a Corporate Governance Report setting out the manner and extent to which the Company has complied with the principles and provisions of this Code.	Complied The requirement is met with the presentation of this Corporate Governance Report from pages 187 to 295.
SECTION II	SHAREHOLDERS	
E	INSTITUTIONAL INVESTORS	
E.1	**Shareholder voting** Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice.	Complied Institutional shareholders who invested directly in shares of the company are encouraged to perform adequate analysis on governance arrangements, Board structure, composition in addition to the other financial factors. All investors are encouraged to ensure their voting intentions are translated into practice.
E.1.1	**Regular and structured dialogues with shareholders** A listed Company should conduct a regular and structured dialogue with shareholders based on a mutual understanding of objectives. Arising from such dialogue, the Chairman should ensure the views of shareholders are communicated to the Board as a whole.	Complied The Annual General Meeting is the forum utilised by the Board to have an effective dialogue with shareholders. All shareholders are encouraged to participate and vote at the AGM.

Reference – Code of Best Practice	Requirement	Extent of Compliance
E.2	**Evaluation of Governance Disclosure** When evaluating Companies' governance arrangements, particularly those relating to Board structure and composition, institutional investors should be encouraged to give due weight to all relevant factors drawn to their attention.	Complied Institutional investors are encouraged to give due weight to all relevant factors in Board structure and composition when evaluating governance arrangements.
F	**OTHER INVESTORS**	
F.1	**Investing/Divesting Decisions** Individual shareholders, investing directly in shares of companies should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.	Complied Individual shareholders investing directly in the Company are encouraged to carry out adequate analysis in investing or divesting decisions.
F.2	**Shareholder voting** Individual shareholders should be encouraged to participate in General Meetings of companies and exercise their voting rights.	Complied Individual shareholders are encouraged to participate at Annual General Meeting and exercise their voting rights.
SECTION III	**OTHER MATTERS**	
G	**INTERNET OF THINGS & CYBERSECURITY**	
G.1	**Identify connectivity and related cyber risks** The Board should have a process to identify how in the organization's business model, IT devices within and outside the organization can connect to the organization's network to send and receive information and the consequent cybersecurity risks that may affect the business. Internal and external parties could have computing devices embedded in everyday objects which may enable them to interconnect with the company's network to send and receive data. Such access could be authorized or unauthorized.	Complied At present, the Company does not utilize Internet of Things (IoT) devices within its operational environment. Nevertheless, processes are in place to identify and assess cybersecurity risks arising from systems, applications, devices, and technologies connected within and outside the organization's network. Cybersecurity governance is supported through continuous monitoring, policy oversight, and periodic reporting to senior management and the Board to ensure appropriate visibility over emerging cyber risks and the evolving threat landscape.

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Reference – Code of Best Practice	Requirement	Extent of Compliance
G.2	**Appoint a CISO and allocate budget to implement a cybersecurity policy** The Board should appoint a Chief Information Security Officer (CISO) with sufficient expertise, authority and budgetary allocation to introduce and implement a cybersecurity risk management policy which should be approved by the Board. The policy should include a robust cyber security risk management process, incident response system, vendor management system, disaster recovery plan and a governance structure to monitor effective implementation, reporting process, scope and regularity of an information communication technology (ICT) audit, and the need for cyber security insurance.	Complied During the financial year, the Company appointed a Chief Information Security Officer (CISO) to strengthen the governance, oversight, and implementation of cybersecurity and data protection initiatives across the organization. The Company also established an Information Security Steering Committee (ISSC) to strengthen cybersecurity governance and oversight, with periodic reporting to the Board Integrated Risk Management Committee (BIRMC). The Company continues to enhance its Information Security Management Framework through investments in security technologies and governance practices, including Privileged Access Management (PAM), Cloud Web Application Firewall (WAF) protection, and enhanced Security Operations Centre (SOC) monitoring capabilities to strengthen the overall cybersecurity posture.
G.3	**Include cyber risk management on Board agenda** The Board should allocate regular and adequate time on the board meeting agenda for discussions about cyber-risk management. The matters taken up for the discussion on the Board meeting agenda may include; Potential cyber security risks in the company's business model CISO's security strategy and status of the current projects Compliance with the cyber security risk management process and incident reports Findings and recommendations from independent reviewers	Complied Cybersecurity and information security risk management continue to receive attention through the Company's governance and oversight structures, including the Information Security Steering Committee (ISSC) and periodic reporting to the Board Integrated Risk Management Committee (BIRMC) on key cyber risks, regulatory requirements, and strategic security initiatives. During the financial year, cybersecurity and data protection awareness sessions were also conducted for the Board of Directors and senior management to further strengthen governance oversight and cyber risk awareness.
G.4	**Obtain periodic assurance to review effectiveness of Cybersecurity Risk Management** The Board should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance. The scope and the frequency of the independent periodic reviews could be determined based on the industry vulnerability, company's business model and incident findings.	Complied The Company obtains periodic assurance on the effectiveness of its cybersecurity risk management practices through independent security assessments, audits, vulnerability assessments, and penetration testing activities conducted during the financial year. Observations and recommendations identified through these exercises are reviewed and addressed through structured remediation and continuous improvement processes to strengthen the overall control environment.

Reference – Code of Best Practice	Requirement	Extent of Compliance
G.5	**Disclosures in Annual Report** The Board should disclose in the annual report, the process to identify and manage cyber security risks.	Complied The Company maintains processes and governance mechanisms to identify, assess, monitor, and manage cybersecurity risks across its operations and technology environment. Key focus areas include vulnerability assessment and patch management, incident management practices, Third-Party Risk Management (TPRM), External Attack Surface Management (EASM), and data protection initiatives such as data classification and Data Loss Prevention (DLP). These initiatives are supported through ongoing policy and process enhancements aligned with regulatory requirements and industry best practices.
H	**SUSTAINABILITY : ESG RISK AND OPPORTUNITIES**	
H.1	**ESG risk and opportunities** The Board should consider sustainability/ESG risk opportunities in the company's business model, operations, short- and medium-term planning in its long-term strategy to ensure that the company remains resilient and able to deliver durable and sustainable value over the short, medium and long term in order to maintain the confidence and continued engagement of shareholders and all significant stakeholders.	Complied The company has integrated sustainability/ ESG risk opportunities into its business model and strategy.
H.1.1	**Impact of ESG risks and opportunities** The company should include the impact of sustainability/ESG risks and opportunities in its business plans, strategic plans and present to the Board for consideration on a regular basis. This could be in the form of scenarios, probability of occurrence, likely impact, mitigative actions and monitoring and management.	Partially Complied. The company presents relevant information to the Board for consideration on a regular basis. However, there is room for improvement in fully integrating sustainability/ESG risks and opportunities into business and strategic plans, as well as the regular presentation of this information to the Board.
H.2	**Views of Stakeholders** The Board and Key Management Personnel should continuously engage with and consider the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities, as stakeholder expectations are heightening across various sustainability/ESG issues relating to the protection of environment and other ESG issues. Many institutional investors consider these factors in their investment decision making.	Complied The company engages regularly with its stakeholders to understand and manage sustainability/ESG risks and opportunities effectively.

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
H.2.1	**Process to recognize significant stakeholders** The company should have a process to recognize significant stakeholders and material matters relating to significant stakeholders and a method of engagement relevant to their level of interest and influence.	Complied Company actively engages with stakeholders across all levels to gather insights on sustainability/ESG risks and opportunities. The company uses feedback mechanisms to understand stakeholder expectations and preferences. This engagement informs company policies and strategies to manage ESG risks and opportunities effectively.
H.3	**Governance Framework** The company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors.	Complied Company has a well-defined governance framework that includes performance metrics and conformance with sustainability and ESG factors. This structure encompasses various policies and practices to address these factors, ensuring alignment with best practices and regulations.
H.3.1	**Sustainability Factors** Sustainability factors should be addressed through a process of environmental governance and social governance.	Complied The company addresses sustainability factors through comprehensive environmental and social governance processes. These include regular assessments of environmental impact, community engagement programs, and employee wellness initiatives. These efforts aim to manage and minimize the company's environmental footprint while enhancing social well-being.
H.3.1.1	**Environmental Governance** Environmental governance of an organization should adopt an integrated approach that takes into consideration the direct and indirect economic, social, health, and health and environmental implications on business strategies, plans, decisions and operations. The company policy and practices on matters such as followings should be considered: Health and safety, Climate change, pollution prevention, effluent treatment, sustainable resource use, restoration of natural resources, renewable energy, and bio diversity,	Complied The environmental related strategies of the company were formulated under the Company ESG Framework. The Aims and these Policies are described under the Natural Capital section of the Annual report. Sustainability principles related to environmental factors are embedded in the operations of the Company and initiatives were implemented to ensure adherence to environmental governance by the Company. Initiatives are disclosed under the Sustainability section of the Annual Report.

Reference – Code of Best Practice	Requirement	Extent of Compliance
H.3.1.2	**Social Governance** Social governance of an organization should include an integrated approach to engage separately with representative groups of the community, customers, employees, suppliers, outsourced providers and any other party that can influence or be influenced by the organization's business model in relation to aspects material to its sustainable growth. The organization should include an integrated approach to build a relationship with the community for sustainable development including a process for responsive community engagement, fair competition and business practices, thereby demonstrating corporate social responsibility. The organization should adopt an integrated approach to building a relationship with customers. This includes establishing a process for customer feedback through engagement, efficient service delivery, standards for product responsibility and product recall and other matters material and relevant to the organization's business model and customer experience.	Complied Sustainability principles related to social factors are embedded in the operations of the Company and initiatives were implemented to ensure adherence to social governance by the Company. The social governance policies of the Company were formulated under the Company ESG Framework and are disclosed under the Social Pillar. The social related initiatives that were carried out are described under the Sustainability section of the Annual Report.
	The labour practice related governance of an organization should encompass all policies and practices in relation to work performed by or on behalf of the organization in accordance with its business model and should also include policies and practices such as health and safety, equal opportunity, gender balance, career development and training, reward and recognition, conditions of work, work-life balance and industrial relations. The organization should have policies and procedures to ensure that suppliers and outsourced providers comply with social governance norms of the company.	
H.4	Establishment of a governance structure to support ESG factors The Board should establish a governance structure to support sustainability/ESG factors including its ability to create value and manage risks in the short, medium and long term, recognizing, managing and measuring on all pertinent aspects of sustainability using financial and non-financial measures.	Complied Process of managing risks in line with ESG aspects is discussed in the Risk management report.

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
H.4.1	**Recognition of Key resources/Capital** The company should recognize the key resources/ capitals deployed in its business and stakeholders who can influence these resources / capitals and establish financial and non-financial measures for resource/capital management and related outputs and outcomes.	Complied The company identifies key resources and stakeholders affecting its operations and business. Financial and non-financial measures are established for managing these resources and evaluating outcomes, such as performance metrics, efficiency indicators.
H.4.2	**Process in ascertaining, assessing and managing ESG factors** The company should have a process to ascertain, assess and mange sustainability/ESG factors which have an impact on the sustainability of the company.	Complied The company has a formal process to identify, assess, and manage sustainability/ ESG factors affecting its business. This includes risk assessments, scenario planning, and regular reviews of sustainability performance.
H.4.3	**Establishment of financial and non-financial measures** The company should establish financial and non-financial measures in respect of all material matters relating to significant stakeholders including as determined in H.2.1 and environmental and social factors stated in H.3.1.1 and H.3.1.2.	Complied The company uses a range of financial and non-financial measures to track performance and outcomes related to significant stakeholders, environmental, and social factors. This includes key performance indicators (KPIs), and stakeholder engagement metrics.
H.5	**Disclose ESG risks and opportunities** The company's Annual Report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognized, managed, measured and reported.	Complied The company's Annual Report provides detailed information on how ESG risks and opportunities are identified, managed, measured, and reported. This includes disclosures on ESG strategy, performance metrics, risk assessments, and initiatives.

Reference – Code of Best Practice	Requirement	Extent of Compliance
H.5.1	**ESG Reporting** Environmental, social and governance considerations can affect a company's ability to execute its business strategy and create value. While many of these factors are 'non-financial', their management and likely impact have financial consequences. Hence, they are important factors to be built into a company's business model, strategy, governance and risk management framework. Sustainability/ESG factors relevant to the company could impact the following: ◆ Access to financial capital ◆ Cost savings and productivity ◆ Brand value and reputation ◆ Employee recruitment ◆ Employee retention ◆ Access to markets ◆ License to operate ◆ Market capitalization	Complied The company integrates these factors into its business model, strategy, governance, and risk management framework. The following details how ESG factors are impacting various aspects of the company's operations: ESG Integration: By fostering an inclusive, equitable, and sustainable workplace, the company enhances employee satisfaction and loyalty. Outcomes: This leads to lower turnover rates and the retention of skilled employees, which in turn maintains organizational continuity and stability. Access to Markets: ESG Integration: The company's commitment to ESG factors can open up new markets where customers prioritize sustainability and ethical practices. Outcomes: This allows the company to expand its customer base and market share in regions and sectors where ESG practices are highly valued. License to Operate: ESG Integration: Strong ESG practices support the company's compliance with regulatory requirements and community standards, ensuring continued approval to operate. Outcomes: This helps avoid legal and reputational risks, as well as disruptions to business operations.

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
		Market Capitalization: ESG Integration: A commitment to ESG factors can lead to an increase in market capitalization by attracting investors and improving financial performance. Outcomes: This can enhance the company's valuation and share price over time. In conclusion, Singer Finance (Lanka) PLC has successfully integrated ESG factors into its business operations and strategies, which has had a positive impact on various aspects of the business such as financial capital, cost savings, brand reputation, employee management, market access, operational permissions, and overall market capitalization. This holistic approach to ESG ensures sustainable growth and long-term value creation for the company and its stakeholders.
H.5.2	**Companies should provide information in relation to:** The relevance of environmental, social and governance factors to their business models and strategy. How sustainability/ESG related issues may affect their business, e.g. through legislation, reputational damage, employee turnover, license to operate, legal action, stakeholder relationships, and how these impacts may affect business, strategy, and financial and operational performance. How risks and opportunities pertaining to sustainability/ESG are recognized, managed, measured and reported.	Complied The company provides detailed information on the relevance of environmental, social, and governance factors to its business models and strategy in the Annual Report. It addresses how sustainability/ESG issues affect business, including regulatory, reputational, and operational impacts. Risks and opportunities related to sustainability/ ESG are effectively recognized, managed, and reported.
H.5.3	The disclosures should deal with how the company has complied with the mandatory and voluntary codes of corporate governance and how its leadership structure, organizational culture, code of conduct and business model supports sustainability of the company in the short, medium and long term.	Complied The company's disclosures outline compliance with mandatory and voluntary governance codes. They also detail how the leadership structure, culture, code of conduct, and business model support sustainability

Reference – Code of Best Practice	Requirement	Extent of Compliance
H.5.4	Sustainability/ESG reporting is a Board's responsibility, and it is designed to add value by providing a credible account of the Company's economic, social and environmental impacts. Sustainability/ESG reporting and disclosure should be formalized as part of the Company's reporting process and take place on a regular basis. Such reporting should link sustainable/ESG issues more closely with strategy. Sustainability/ESG reporting may be built on a number of different guidelines, such as: Integrated Reporting Framework The Global Reporting Initiative Guidelines	Complied ESG reporting and disclosure is done as part of the Company's reporting process based on Integrated Reporting Framework and The Global Reporting Initiative Guidelines.
I	**SPECIAL CONSIDERATIONS FOR LISTED ENTITIES**	
I.1	**Establishment and maintenance of policies and other requirements** Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.	Complied Company has established and are maintaining policies relating to its governance and are disclosing the details relating to the implementation of such policies in the company's website.
I .1.1	**Establishment of policies** Policies relating to following areas are essential: a) matters relating to the Board of Directors, b) board Committees, c) corporate Governance, nominations, and re-election, d) remuneration, e) internal code of business conduct and ethics for all directors and employees, including policies on trading the entity's listed securities, f) risk management and internal controls, g) relations with shareholders and investors, h) environmental, social and governance sustainability, i) control and management of company assets and shareholder investments, j) corporate disclosures, k) whistleblowing, l) anti-bribery and corruption	

CORPORATE GOVERNANCE

Reference – Code of Best Practice	Requirement	Extent of Compliance
I.1.2	Any waivers from compliance with the internal code of business conduct and ethics or exemptions granted by the listed entity shall be fully disclosed in the Annual Report.	Not Applicable
I.1.3	**Listed entities shall disclose in its Annual report:** (i) the list of policies that are in place with reference to its website, and (ii) details pertaining to any changes to policies adopted by them.	Complied
I.1.4	Listed entities shall make available all such policies to shareholders upon a written request being made for any such policy.	Complied Upon receipt of a written request ,the company is in a position to provide the copy/ies of the policy/ies to shareholders. Company makes arrangement to provide all such policies to shareholders upon a written request being made for any such policy.
I.2	**Policy on Matters Relating to the Board of Directors** Listed entities shall establish and maintain a formal policy governing matters relating to the Board of Directors.	Complied
I.2.1	**Policy governing matters relating to Board of Directors shall:** (a) recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position, Board balance and procedures for the appraisal of Board performance and the appraisal of CEO. (b)Where a listed entity decides to combine the role of the Chairperson and CEO, (i) Set out the rational for combining such positions; and (ii) Require the board charter of the listed entity to contain Terms of Reference/functions of the Senior Independent Director and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest. (iii) Set out the measures implemented to safeguard the interests of the SID.	Complied

Reference – Code of Best Practice	Requirement	Extent of Compliance
	(c) Require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of Directors. (d) Stipulate the maximum number of Directors with the rationale for the same. (e) Specify the frequency of Board Meetings, having regard to the requirements under the listing rules. (f) Provide mechanisms for ensuring that Directors are kept abreast of the listing rules and on-going compliance and/or non-compliance by the listed entity with obligations arising under such rules. (g) Specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position. (h) Provide requirements relating to trading in securities of the listed entity and its listed group companies and disclosure of such requirements. (i) Specify the maximum number of directorships in listed entities that may be held by directors. (j) Recognize the right to participate at meetings of the Board and Board committees by audio visual means and for such participation to be taken into account when deciding on the quorum. Listed entities shall confirm compliance with the requirements of the policy referred to above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	

RISK MANAGEMENT

Risk Landscape

For Licensed Finance Companies (LFCs) in Sri Lanka, the risk landscape in FY 2025/26 is shaped by a mix of external shocks, tight prudential oversight, and an elevated but diffused systemic risk profile, as reflected in Central Bank of Sri Lanka's (CBSL) Systemic Risk Survey (H1 2026) and supervisory directions for non banks. In 2026, the LFC sector remains under a "heightened" prudential regime, with specific directions on capital adequacy, risk weighted asset (RWA) treatment, and governance (e.g., beneficial ownership assessments, fraud risk management, and outsourcing controls).

Practical implications for LFC risk management

Credit and refinancing risk: LFCs are expected to sharpen stress testing around FX pass through, interest rate volatility, and sectoral shocks (tourism, SMEs, agriculture), given the elevated macro and fiscal sovereign risk scores in the SRS (Systemic Risk Survey).

Liquidity and funding: The environment calls for tighter Assets and Liability Management (ALM), shorter tenor funding strategies, and closer monitoring of deposit growth concentration, higher group concentration on bank borrowing and renewal risk, especially in light of caps imposed on some LFCs.

Governance and operational risk: Recent CBSL directions highlight enhanced expectations on board oversight, fraud risk management, outsourcing governance, and technology risk controls, which are increasingly treated as "institution level" systemic risk factors.

Macroeconomic volatilities

Inflation and policy stance: Inflation has fallen to very low levels (around 1–2% year on year by early 2026), but CBSL retains a cautious stance due to geopolitical risks and energy price pass-through, keeping interest rate and repricing uncertainty elevated for finance companies.

FX and external sector: The rupee has seen some depreciation pressure in early 2026, driven by global energy price spikes and Middle East tensions, which raises cost pass through and refinancing risk for vehicle and SME borrowers.

Growth and income risk: Economic growth is projected to moderate to around 3% in 2026, with fragmentary recovery; unemployment and income volatility remain elevated, especially in tourism and export linked segments. Singer Finance operates in a macro economy with subdued but uncertain inflation, FX pass through risk, and slowing growth, yet it continues to deliver strong earnings growth and portfolio resilience, supported by its embedded retail finance ecosystem.

Risks associated with the digitalisation of Singer Finance's business model continued to rise, reflecting a growing number of cybercrime attempts and data theft incidents during the year in the banking and finance sector. Nevertheless, Singer Finance's risk management framework - regularly updated and enhanced - remained sufficiently resilient and agile in adapting to evolving risks throughout

2025/26. Singer Finance was well aware of the market opportunities and mitigates downside risks, thereby strengthening its portfolios and expanding its bottom line.

Integrated Approach of Managing Risk

Singer Finance's risk management system is structured around a clear top down governance model, anchored at Board level and cascaded through dedicated committees and frameworks. The Board of Directors plays the central role in defining Singer Finance's overall risk appetite and setting the strategic direction for risk management across the organisation. To discharge this responsibility, the Board fulfils its risk oversight mandate primarily through the Board Integrated Risk Management Committee (BIRMC).

The BIRMC serves as the key governance body for risk at Singer Finance. It is responsible for establishing risk appetite, overseeing risk architecture, setting and monitoring risk limits, reviewing significant risk issues, governance focus, value enhancing risk approach, business enabling culture, ongoing oversight of capital and regulatory requirements in addition playing a critical role in fostering a strong risk culture across Singer Finance.

Risk Universe

Singer Finance has structured its approach to risk management by broadly categorising its risk universe into traditional risks and new emergent risks. This bifurcation is designed to enable greater specialisation, sharper focus, and more targeted governance across the full spectrum of risks the Company faces in its evolving operating environment.

Traditional risks encompass the core risk categories that have long been associated with financial institutions in their day-to-day operations. These include credit risk, market risk, liquidity risk, operational risk, fraud risk, and certain elements of legal and regulatory risk that arise from conventional banking and finance activities. These risks are generally well understood, with established frameworks, measurement methodologies, mitigating controls, and regulatory expectations. Within Singer Finance, traditional risks are managed through established risk management frameworks, policies, and governance structures that are continuously refined to reflect changes in the business mix, product complexity, and macroeconomic conditions.

In contrast, new emergent risks are those that have gained prominence or evolved significantly in recent years, largely driven by the accelerating digitalisation of Singer Finance's business model as well as broader social, environmental, and regulatory developments. These include cyber and technology related risks, such as data breaches, cyber attacks, frauds, system failures, and dependencies on third party digital infrastructure. Alongside technology driven risks, Singer Finance also recognises emergent social and environmental risks, including climate related financial risks, environmental degradation, and broader environmental, social, and governance (ESG) factors that influence long term business sustainability, stakeholder expectations, and reputational standing.

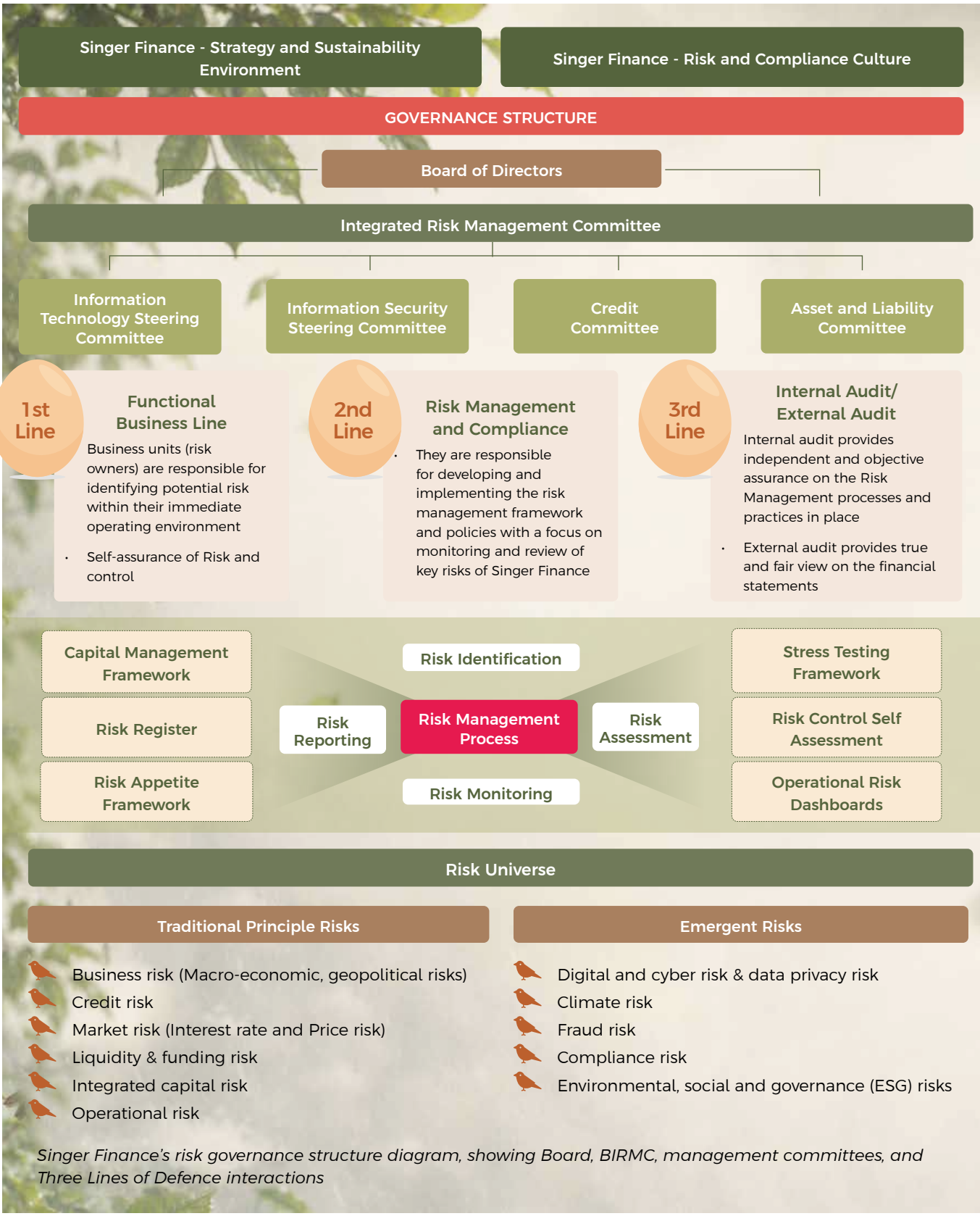
Furthermore, regulatory and compliance related risks are viewed as an integral part of the emergent risk category, reflecting the fast changing landscape of digital finance regulations, data privacy laws, anti money laundering standards. These new emergent risks often interact with traditional risks.

The Company evaluates the likelihood of occurrence of both traditional and emerging risks using a four-point probability scale—remote (25%), possible (50%), likely (75%), and certain (100%)—which are applied in the mapping of the risk matrix.

Risk Culture

Singer Finance fosters a strong risk culture by embedding a sense of responsibility and ownership for risk management at every level of the organisation, rather than treating it as a standalone function. This culture is built on clear structures, accountability, and continuous employee engagement, ensuring that risk awareness becomes an integral part of daily decision making and behaviour across all business units and support functions. Singer Finance defines and communicates explicit risk related roles and responsibilities for each business unit aligned with the Company's overall risk governance framework. Every individual understands not only what they are accountable for but also how their actions contribute to the broader risk profile of the organisation. Singer Finance ensures that risk ownership is not only formal but also practical, discouraging excessive risk taking while encouraging prudent, informed decision-making. Singer Finance's risk culture emphasises open communication, transparency, and psychological safety. Employees are encouraged to speak up about potential risks, control gaps, or ethical concerns without fear of reprisal. Mechanisms such as whistleblowing channels, anonymous reporting, and regular "risk open" forums help reinforce this expectation. The risk culture at Singer Finance is strongly shaped by tone from the top. The Board and senior management consistently emphasise the importance of risk aware behaviour, ethical conduct, and long term sustainability over short term gains. This leadership emphasis is reflected in communications, policies, and decisions, reinforcing that risk management is not a constraint but a critical enabler of sustainable growth.

RISK MANAGEMENT



Singer Finance's risk governance structure diagram, showing Board, BIRMC, management committees, and Three Lines of Defence interactions

RISK APPETITE STATEMENT

Risk Appetite Key Risk Indicator	Risk Appetite	2026
Credit risk		
90 DPD ratio - Gross	**<12%**	**3.09%**
90 DPD ratio - Net	**<10%**	**1.27%**
Impairment to Stage 3 loans ratio	**>40%**	**40.06%**
Credit concentration risk		
Maximum exposure to single borrower - Individual-Secured	**<13% of core capital**	**2.67%**
Maximum exposure to aggregate unsecured financing	**<4% of core capital**	**Nil**
Maximum exposure to top 25 advances out of Total Advances	**<15% of advances**	**1.72%**
Gold loan portfolio LTV (At Sea Street prices)	**<85%**	**72.19%**
Liquidity risk		
Liquid assets ratio	**>10%**	**11.91%**
12 Months cum Maturity Gap of total liabilities	**<-10%**	**-1.45%**
Maximum top 25 largest deposits of total deposits	**<40%**	**37.85%**
Integrated Capital Risk (Capital Adequcy)		
Tier 1 CAR	**>9.50%**	**10.92%**
Total CAR	**>13.50%**	**15.43%**
Capital funds to deposit liabilities	**>10%**	**23.35%**
Creditworthiness - Fitch rating	**BBB-**	**BBB+(lka)**
Strategic risk		
NIM	**>8%**	**9.74%**
Market Risks (Interest rate risk, Equity price risk, Exchange rate risk, Commodity price risk)		
Margin of Safety - Gold loan (At Sea Street prices)	**>25%**	**27.81%**
Exposure to foreign currency borrowings out of total assets	**<15%**	**Nil**
Operational risk		
No. of information security breaches	**0**	**0**
Overall staff turnover ratio (Annualized)	**Industry ratio**	**17.91%**
No. of high severity compliance issues	**0**	**0**
Penalty/ action by a regulatory body	**0**	**Nil**
Total Cost to Total Income Ratio (excluding tax)	**LFC sector ratio of 68.24%**	**52.52%**

RISK MANAGEMENT

Strategic Focus and Risk Response Framework

Singer Finance's risk management framework comprehensively tackles key risk types through targeted impacts, strategic responses, and proactive forward-looking measures. The following sections detail our structured approach to principal risks.

Key Risk	Particulars	
Credit risk	This encompasses risks from portfolio concentration, borrower defaults, and counterparty exposures. Inadequate credit risk oversight can diminish profitability, impair asset quality, and drive-up credit losses alongside growing non-performing loans. In the long run, such dynamics can jeopardize overall financial soundness and constrain returns for investors and shareholders.	
Impact to Singer Finance	Strategic response	Way forward
The 90 DPD ratio improved by approximately 43%, while the year end ratio stood at 3.09%. Provision coverage ratio improved from 37.58% to 40.06%. Gold loan portfolio LTV was managed at 77% level at CBSL prices with no significant financial implication during gold auctions held during the FY.	Ongoing evaluation of the clearly defined risk appetite statement incorporates threshold levels benchmarked against internal historical key risk indicator (KRI) patterns, regulatory limits, and industry statistics. Efforts persist in bolstering independent risk assessments attuned to market dynamics, thereby pre-empting potential risk events. Credit quality oversight extends to both existing and new Delegated Authority (DA) levels, entailing periodic DA reviews, performance evaluations, and responsive actions for elevated arrears; post-credit evaluations advance alongside scrutiny of high-value facilities. Credit Guidelines (CGLs) undergo continual refinement, factoring in PESTEL influences and core business imperatives.	To fortify risk management resilience, we will rigorously refine the risk appetite statement by dynamically calibrating thresholds against historical KRI trends, stringent regulatory benchmarks, and peer industry analytics for proactive alignment. Independent risk assessments will be intensified with more depth and scenario modelling to decisively pre-empt emerging threats. Credit quality vigilance will encompass comprehensive monitoring of all Delegated Authority (DA) tiers - existing and new - through quarterly performance audits, swift remediation of high-arrears portfolios, accelerated post-credit evaluations, and granular reviews of high-value exposures to safeguard asset integrity. Credit Guidelines (CGLs) will evolve iteratively with strategic business priorities to ensure agile, forward-looking adaptability.

Key Risk	Particulars	
Operational risk	Operational risk involves financial losses from internal process failures, system breakdowns, human errors, or external shocks, with impacts that are often sudden, severe, and organization-wide. Effective management is essential to safeguard capital, reputation, and compliance.	
Impact to Singer Finance	Strategic response	Way forward
No material damage arose from lapses in the operational risk management framework during the fiscal year. The residual financial impact from operational risk incidents was negligible with the availability of the adequate insurance coverage and the minimal effects stemming from a strong, established risk mitigation framework.	Continuously enhance the internal control framework while fostering a robust risk-reporting culture while developing operational risk management framework. Improved BCP and DR planning to ensure our operational resilience against unforeseen incidents Enhanced incident response processes through the adoption of a centralized system for logging all risk incidents, coupled with diligent follow-up on requisite mitigation action plans to ensure effective management of materialized risks. Initiated developing comprehensive operational risk reporting dashboards reporting to the BIRMC. Heightened emphasis was placed on adhering to Personal Data Protection Act requirements, to achieve comprehensive compliance, including the appointment of a Data Protection Officer (DPO), awareness campaigns for top management, establishment of essential frameworks across the respective lines of defence.	Extend the rollout of the operational risk reporting dashboard to encompass all operational functions throughout the Company. Persist in elevating team awareness and proactive response capabilities for operational risks through sustained training programs. Risk incident reporting and response ensures consistent follow-up until mitigation is verified and implemented. Being developed a stringent fraud risk management (FRM) framework strengthening the existing operational risk management (ORM) by embedding fraud-specific controls into broader processes.

Key Risk	Particulars	
Liquidity and funding risk	Funding and liquidity risk refers to the potential inability of the Company to secure or produce enough cash or funding to fulfil its short- and long-term commitments on time. This risk is vital because delays in meeting these obligations can trigger financial distress or even insolvency. Robust liquidity risk management enables the Company to honour payments under both routine and stressed scenarios, thereby upholding financial stability and stakeholder trust.	
Impact to Singer Finance	Strategic response	Way forward
Liquidity ratio was maintained at 11.91% and well above minimum regulatory requirement. Return on investments/ liquid assets was well above the risk free rate of return emphasising the effectiveness of liquidity management	Diversifying the funding mix with varied maturity profiles and reduced concentrations, strengthens liquidity resilience amid volatility like recent gold price pressures. This strategy spreads risk across debt types, currencies, and timelines to ensure steady cash access. Ongoing stress testing for liquidity risk helps proactively manage cash positions and anticipate crises by simulating adverse scenarios like deposit outflows or market shocks. This practice builds buffers ahead of time, ensuring the Company can withstand pressures without distress. Maturity mismatches, or gaps between asset and liability maturities, were kept within safe, manageable thresholds across the fiscal year through vigilant oversight that factored in behavioural patterns like early withdrawals and thereby renewal ratios. Monthly cash flow forecasts were prepared and scrutinized to sustain liquidity at optimal levels, enabling data-driven strategies for funding and risk mitigation. Pre-approved banking facilities were sustained year-round to guarantee access to ample contingency funding during stressed scenarios.	Improving the contingency funding plan (CFP) by clearly defining thresholds and authorities enhances liquidity risk preparedness, ensuring swift, structured responses to crises. Enhancing the counterparty and investment risk management methodology.

Key Risk	Particulars	
Market risk	Market risk arises from adverse movements in market variables like FX rates, interest rates, equity prices, commodity prices (e.g., gold), property values, credit spreads, and volatilities, potentially eroding portfolio value.	
Impact to Singer Finance	Strategic response	Way forward
Interest expense to interest income was recorded at 48.16% in 2025/26 whereas 46.64% in 2024/25 NIM has improved over the average levels both for FY2025/26 and 2024/25 1-year behavioural cumulative maturity gap was reported as -1.45% which is stable (0.77% in 2024/25)	Continuing to diversify the portfolio aims to minimize repricing risk by optimizing the mix of fixed and variable rate loans across term lengths. Stress testing evaluated market risk impacts on Capital Adequacy Ratio (CAR), confirming maintenance of capital adequacy ratios over and above the minimum requirements even under different scenarios. Close monitoring of maturity mismatches, asset-liability matching, and forecast-based analyses under interest rate stress ensured adequate margins/spreads to cover overheads. Ongoing monitoring of product pricing with rapid responses to market interest rate fluctuations ensures competitiveness while preserving optimal margins/ spreads. Stress testing on plausible scenarios assesses negative price vulnerabilities (e.g., sharp gold declines) against margins of safety to proactively mitigate market risk.	Improving the portfolio's fixed-to-variable interest composition minimizes repricing risk by balancing sensitivity to rate changes across assets and liabilities. Diversifying the portfolio into niche segments and high-yielding products boosts margins by tapping underserved markets. Implementing risk-based pricing sets interest rates according to borrower-specific risks, ensuring higher rates for elevated risks to maintain optimal spreads and cover potential losses. Continuing to enhance branch-wise contributions by targeting higher margins/spreads drives decentralized profitability while maintaining risk discipline.

RISK MANAGEMENT

Key Risk	Particulars	
Integrated capital risk	Integrated capital risk management unifies assessment and allocation of economic capital across all risk types (market, liquidity, operational, fraud, credit) to optimize returns while maintaining buffers above regulatory CAR minima.	
Impact to Singer Finance	Strategic response	Way forward
Total CAR as of March 2026 was recorded as 15.43% which is well above the regulatory minima. Ability to enhance our business/ asset base aggressively due to availability of capital buffers.	Capital adequacy was consistently maintained in alignment with the Singer Finance's capital plan, supported by routine ALCO and periodical BIRMC monitoring to ensure regulatory compliance and resilience. Comprehensive forecasting and stress testing across diverse scenarios guide capital planning and management by projecting capital needs under baseline, adverse, and severe conditions. Dividend management was conducted prudently to ensure payout levels remained sustainable, balancing shareholder returns with capital preservation and growth needs. Issuing subordinated debt alongside a rights issue effectively boosts the capital position by layering Tier 2 capital with equity infusion, enhancing CAR buffers and loss absorption capacity.	Improving internal capital generation (ICGR) through a robust earnings profile and disciplined risk management practices builds sustainable equity buffers without external dilution. Applying stress testing and ICAAP framework, ensures forward-looking capital adequacy.

Key Risk	Particulars	
IT and cyber security risk	Cybersecurity threats, system outages, and tech risks can disrupt operations, undermine customer trust, regulatory standing, and organizational resilience. Weak controls, technical glitches, or cyber attacks may cause major financial hits from downtime, recovery expenses, fines, plus lasting damage to reputation and client confidence.	
Impact to Singer Finance	Strategic response	Way forward
Technology and cyber-related incidents may affect operational continuity, customer service delivery, regulatory compliance, and organizational reputation. Increasing digitalization and evolving cyber threats require continuous enhancement of security controls, monitoring capabilities, and staff awareness. No material incidents from IT system failures or cyber attacks were observed during the fiscal year, reflecting the effectiveness of existing controls and monitoring practices.	Continued investments were made in strengthening cybersecurity capabilities, infrastructure resilience, and protective technologies to address evolving threats. Regular risk assessments, vulnerability assessments, security testing, and independent audits were conducted to identify and remediate potential weaknesses in a timely manner. Cybersecurity awareness initiatives and simulation exercises were carried out to strengthen staff awareness relating to phishing, ransomware, and other cyber threats. Ongoing initiatives were undertaken to further strengthen data protection and privacy practices in line with the Sri Lanka Personal Data Protection Act (PDPA) No. 9 of 2022. Security monitoring and governance practices were enhanced to support proactive identification and management of emerging cyber risks.	Continue strengthening cybersecurity governance, monitoring, and incident response capabilities in line with evolving industry and regulatory expectations. Further enhance data protection controls and monitoring mechanisms to support the secure handling of sensitive information. Continue employee awareness and training programs to address emerging cyber and information security threats. Sustain investments in technology resilience and security improvements to support secure digital operations and customer trust.

Key Risk	Particulars	
Regulatory and compliance risk	Legal and regulatory risk encompasses potential sanctions, fines, financial losses, or reputational harm from failing to comply with laws, regulations, codes of conduct, and best practices. This notably covers AML/CTF frameworks to prevent exploitation of products like gold loans for illicit activities.	
Impact to Singer Finance	Strategic response	Way forward
Maintained compliance and kept AML/CFT risks at manageable levels throughout the year, avoiding any regulatory sanctions or penalties. While regulatory expectations and the complexity of AML/CFT obligations continue to evolve, Singer Finance has remained fully compliant and resilient.	Robust compliance and ML/TF risk management through solid governance structures, flexible frameworks, regular risk evaluations, sophisticated monitoring tools, continuous employee training, forward-looking regulator dialogue, and swift resolution of issues Enhanced transaction monitoring: KYC data integration with transaction patterns generates more relevant alerts, supporting daily monitoring, prompt escalation, and effective anomaly resolution. Risk-based compliance program: Informed by thorough ML/TF risk assessments and periodic compliance reviews to guide mitigation efforts, resource distribution, and focused compliance initiatives.	In alignment with Sri Lanka's national preparations for the 2026 APG and FATF Mutual Evaluation on AML/CFT, Singer Finance is proactively bolstering its compliance infrastructure: Comprehensive ML/TF risk assessments and risk-based compliance programs. Enhanced transaction monitoring. Robust governance, staff training, and regulatory engagement for adaptive risk management. Strengthening compliance reviews by intensifying oversight across departments and branches through targeted spot checks, thematic audits, and evaluations leveraging core system data.

Key Risk	Particulars	
Environmental, social and governance (ESG) risk	ESG (environmental, social, governance) risks stem from potential impacts by stakeholders (customers, suppliers, employees, environment) on an NBFI, and vice versa from the NBFI's operations on them. ESG events can impair assets, profitability, earnings, and reputation.	
Impact to Singer Finance	Strategic response	Way forward
As a socially and environmentally responsible organization, we upheld a firm commitment to ESG stewardship throughout the financial year. Our activities aligned with sustainable practices, ensuring zero adverse effects on the environment.	Broadened our Green Finance portfolio via EV loans and solar project financing. Aligned annual GHG assessments with global Scope 1and 2 standards.	Subsequent to the disclosure requirements under Scope 1 and 2, it is expected to incorporate sector-specific strategies and Scope 3 emission disclosures. Strengthen E&S risk tools across lending.

RISK MANAGEMENT

Future Outlook

Sri Lanka's economy grew 4.8% in Q4 2025, achieving 5.0% full-year growth through lower inflation, exchange rate stability, tax reforms, and IMF agreements. Despite anticipated future inflationary pressures from global commodity volatility and domestic demand recovery, CBSL forecasts 4.5–5.5% GDP growth in 2027, driven by exports, tourism, and remittances, supporting 10-12% LFC credit growth in leasing, green finance, and digital SME lending amid rate normalization. Digital shifts amplify phishing, ransomware, and supply chain threats, risking breaches and downtime. Our robust capital and liquidity buffers exceed CBSL minimums, fortifying resilience against these inflationary and cyber shocks for steady, sustainable growth.

The capital/liquidity buffers of Singer Finance exceed CBSL minimums, shielding against shocks while enabling sustainable expansion in high-yield niches and ESG initiatives for steady level of Return On Equity.

Going Concern Assessment

In preparing the financial statements for the year ended 31 March 2026, Singer Finance's management conducted a comprehensive going concern evaluation, considering deposit retention, regulatory changes, profitability, excess liquidity, recovery efforts, and funding availability. Based on best-case, base-case, and worst-case scenarios, we concluded that Singer Finance has sufficient resources to operate as a going concern, supported by robust capital and liquidity buffers.

Tackling Global Trends: Challenges and Opportunities

Singer Finance strategically addresses regulatory, technological, and sustainability shifts amid global volatility. Our proactive risk frameworks and capital buffers position us to convert challenges into growth opportunities while ensuring compliance and resilience:

1. Enhanced Regulatory Oversight: Stricter CBSL regulations, aligned with Basel standards, raise compliance costs but strengthen financial stability. Singer Finance's proactive AML/CFT framework, Infarsoft real-time monitoring, and enhanced KYC processes ensure full regulatory adherence, building stakeholder trust through continuous policy updates and staff training.

2. Advanced risk practices: Singer Finance employs sophisticated risk management frameworks to navigate economic volatility, ensuring resilience and growth opportunities. Stress Testing and ICAAP (Internal Capital Adequacy Assessment Process) framework integrates scenario analysis, forward-looking capital planning, and risk appetite calibration across credit, market, liquidity, operational, and ESG horizons. BIRMC oversight drives continuous risk monitoring of KRIs, early warning indicators, and mitigation strategies, aligning ALCO tactics with Board guidance to achieve dynamic, risk-adjusted NIM targets.

3. Managing Market and Liquidity Risks: Interest rate swings, Group borrower exposure and tight market conditions create funding pressures. Monthly liquidity assessments and KRI-driven alerts bolster our defences, while sustained ALM rigor and buffer maintenance ensure operational stability and adaptability.

4. Embracing Technology and Innovation: Rapid technological adoption heightens cybersecurity risks but drives efficiency and customer engagement gains. Singer Finance's internal audits and CBSL Technology Risk Management Framework alignment deliver strong controls. We will harness digital platforms and AI to boost operations and financial inclusion.

5. Integrating Sustainability and ESG Considerations: ESG compliance demands upfront investment, but Singer Finance's ESG policy and green finance initiatives, solar financing align seamlessly with global sustainability goals. Further initiatives to drive the same would sharpen ESG risk tools to champion environmental stewardship while drawing eco-conscious clients.

6. Diversification of Products and Services: Diversification brings fresh risk profiles but boosts financial inclusion and long-term sustainability. Singer Finance targets to further strengthen seeking markets through leasing, microfinance, and green finance, with plans to further expand product offerings to address evolving customer demands.

7. Addressing Global Market Volatility: Geopolitical tensions disrupt FX rates and commodity prices, but Singer Finance's stress testing and ICAAP frameworks effectively counter market shocks. We are tracking global developments closely and minimize exposure to volatile assets to safeguard financial stability.

Summary

In FY 2025/26, Singer Finance exhibited remarkable resilience in tackling a multifaceted risk environment through its comprehensive integrated risk management framework, underpinned by a strong risk and compliance culture, robust governance structures, and targeted strategic responses that adeptly handled economic volatility, evolving regulatory demands, and rising ESG challenges. By strategically harnessing technology for enhanced monitoring, diversifying across leasing, microfinance, and green finance portfolios to serve underserved markets, and aligning operations with global sustainability objectives like solar lending, the Company is looking for growth opportunities while maintaining financial stability and exceeding CBSL capital/liquidity minimums with sufficient buffers. Looking ahead, Singer Finance stays dedicated to sustainable, risk-adjusted expansion - supported by BIRMC oversight, ICAAP stress testing, and proactive cyber defences - delivering enduring value to stakeholders amid 2027's projected 4.5-5.5% GDP growth and digital threats like phishing.

DISCLOSURE REPORT UNDER FINANCE BUSINESS ACT DIRECTION NO. 05 OF 2021

Corporate Governance Directions

The Finance Business Act Direction No. 05 of 2021, along with its subsequent amendments, establishes the Corporate Governance guidelines that all finance companies must adhere to.

The company's compliance with these guidelines is comprehensively detailed in the Corporate Governance Report, pages 178 to 295, ensuring transparency and accountability in our operations.

External auditors, Messrs. Ernst & Young, have verified the contents of the Corporate Governance Report concerning the Finance Companies (Corporate Governance) Direction No. 05 of 2021. Their report, based on agreed-upon procedures dated May 7th, 2026, confirms that the disclosures are accurate and in order.

Reporting to Central Bank

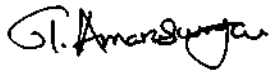
- The Company confirms that it has consistently submitted Weekly, Monthly, Quarterly, and Annual prudential reports to the Financial Information Network (FINNET) on time, ensuring no penalties have been incurred due to late submissions.
- The Company also certifies that the prudential returns and other information provided to the Central Bank of Sri Lanka are accurate and free from any material or intentional misstatements.
- Additionally, the Company has submitted the required large transaction reports to the Financial Intelligence Unit (FIU) of the Central Bank of Sri Lanka on a bi-monthly basis, as mandated.

Disclosure under Corporate Governance Direction No. 05 of 2021

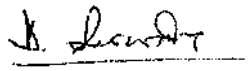
The Company certifies that it has adhered to all prudential requirements, regulations, laws, and internal controls, with no need for corrective actions due to non-compliance during the review period.

The Company also certifies that there have been no supervisory concerns regarding lapses in risk management or non-compliance with the Act, rules, and directions that required reporting to the Director of the Department of Supervision of Non-Bank Financial Institutions.

Furthermore, the Company certifies that it has complied with all Acts, rules, and directions issued by the Monetary Board throughout the review period.



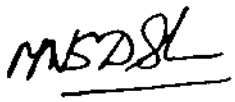
Thushan Amarasuriya
Managing Director



Dhammika Siriwardena
Chairman
Board Audit Committee



Chandana Nanayakkara
Chief Financial Officer



Nadeesha De Silva
Senior Manager - Compliance

7th May 2026
Colombo

BOARD AUDIT COMMITTEE REPORT

Composition and Meetings

The Board Audit Committee, under delegated authority from the Board, plays a key role in supporting the Board's responsibilities by providing structured oversight of the Company's financial reporting requirements, internal controls, internal audit, and external audit processes. The Committee, as at present, comprises three Independent Non-Executive Directors and a Non-Executive Director. As at 31st March 2026 the Committee comprised the following Directors.

Name	Category	Meetings Attended
Mr. Dhammika Siriwardene (Chairman)	INED	7/7
Mr. Ranil De Silva	INED	7/7
Mr. Saman Herath	Senior INED	7/7

Mr. Jonathan Alles (NED) was appointed to the Board Audit Committee with effect from 21st April 2026.

Brief profiles of each member are set out on pages 40 to 45 of this report. The individual and collective financial knowledge, business acumen and independence of the Committee members, are brought to bear on the deliberations and judgments on matters that are presented to the Committee's purview.

The Company Secretary acts as the secretary to the Audit Committee. The Managing Director, Chief Operating Officer, Chief Financial Officer, Senior Manager Compliance, Head of Credit, Head of Recoveries and the Internal Auditor attend all meetings of the Committee by invitation.

Charter of the Audit Committee

The Audit Committee Charter is reviewed and revised on a periodical basis with the concurrence of the Board of Directors to make sure that new developments relating to the function of the Committee are included.

The terms of reference of the Committee are clearly defined in the Charter of the Audit Committee. The Charter has considered and includes all relevant rules and guidelines that regulate the composition, roles and functions of the Board Audit Committee. These comply with the 'Rules on Corporate Governance' under listing rules of corporate governance under Colombo Stock Exchange, 'Code of Best Practice on Corporate Governance' issued by Institute of Chartered Accountants of Sri Lanka in 2023 and 'Finance companies (Corporate Governance) Direction No.5 of 2021 issued by the Central Bank of Sri Lanka under the Finance Business Act No 42 of 2011.

Meetings of the Audit Committee

The Committee met Seven (7) times during the year. The attendance of the meetings by the Committee members is set out above. Members of the management team of the Company, as well as the external auditors, were present at discussions where it was appropriate. The proceedings of the Audit Committee are reported to the Board of Directors on a regular basis.

The Authority of the Audit Committee

- Recommend appointment, dismissal, service period and audit fee of the external auditors.
- Establish and maintain a direct communication channel with the external auditors
- Resolve any issues in respect of financial reporting between the management and the External Auditor.
- Pre-approve all audit and non-audit services performed by the external audit firm and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations
- Meet with the management and external auditors as necessary to carry out the assigned duties.

Activities in 2025/2026

Financial Reporting System

The Committee reviewed the financial reporting system adopted by the Company in the preparation of its quarterly and annual financial statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from the Chief Financial Officer and the Managing Director. The Committee recommended the Financial Statements to the Board for their approval and issuance. The Committee, in its evaluation of the financial reporting system, also recognized the adequacy of the content and quality of routine management information reports forwarded to the Board of Directors.

BOARD AUDIT COMMITTEE REPORT

Internal Audits

The Committee reviewed the process to assess the effectiveness of the internal financial controls that have been designed to provide reasonable assurance to the Directors to ensure that the assets are safeguarded, and that the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

The Internal Audit Department reports on key control elements and procedures in various departments of the Company that are audited according to the audit plan. During the financial year 2025/26, 107 audits were performed across the company's operations. The Committee obtained the significant findings of the internal auditors and recommendations together with the responses provided by the management. The recommendations made by the internal auditors as improvements were discussed further.

The internal audit function is partly outsourced to Messers. BDO, Chartered Accountants. The internal audits during FY 2025/26 were carried out as per the agreed annual audit plan. The Committee also invited representatives from the audit firm to make presentations on their observations and findings. Follow-up reviews were scheduled to ensure that audit recommendations are implemented.

The Committee evaluated the Internal Audit function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the Internal Audit Department and Messers BDO Chartered Accountants, in the conduct of their assignments.

Risk Management

The Committee obtained and reviewed statements from Head of Risk on the Risk Matrix identifying major business risks, risk mitigation action taken or contemplated by the management to control and mitigate identified risks. The Company follows the COSO Enterprise Risk Reporting Process.

Review of the risk management processes, internal controls, business continuity planning and information security systems are carried out and appropriate remedial actions are recommended to the board.

The Risk Management aspect of the company is further strengthened by the Board Integrated Risk Management Committee (BIRMC) of the company.

External Audits

The Audit Committee held meetings with the External Auditors to review the nature, approach, scope, results and observations of the audit. The actions taken by the management in response to the issues raised by the auditors as well as the effectiveness of the internal controls which are in place were discussed with the respective officers of the Company. Further, remedial actions were recommended wherever necessary.

The Audit Committee also reviews the other services provided by the External Auditors to the Company to ensure that their independence as Auditors has not been compromised.

Appointment of External Auditors

The Audit Committee, after evaluating the scope, resources and quality of assurance initiatives, recommended to the Board to re-appoint Messers. Ernst & Young, Chartered Accountants as the External Auditors for the year ending 31st March 2027 subject to the approval of the shareholders at the Annual General Meeting.

Compliance

The Committee obtained representations from the Managing Director and the Chief Financial Officer of the Company on the adequacy of provisions made for possible liabilities and reviewed reports tabled by the Company certifying compliance with relevant statutory requirements. The Compliance Officer reviews and reports on any gaps or areas of non-compliance to the Audit Committee and monitors the Company's compliance with the applicable laws and regulations. Matters relating to Whistleblowing and Code of conduct are also reported to the Audit Committee.

Thus, the Committee ensures the completeness of the financial reporting framework, which is well monitored to provide accurate, appropriate and timely information to the Board of Directors, Management, Regulatory Authorities and shareholders.

Finance Business Act (Corporate Governance) No.5 Of 2021

The Audit Committee ensures that the highest standards of corporate governance are maintained along with adherence to internal policies and procedures to establish good governance within the organization.

The Audit Committee meetings are attended by the Chief Financial Officer and Senior Internal Audit Manager. Representatives of the external auditors are invited to Audit Committee meetings on a need basis.

The Managing Director attends meetings upon the invitation of the Committee. The Committee ensures to meet with the external auditors without the Executive Director being present at least twice a year. Accordingly, the Audit Committee last met with the external auditors without the presence of the Executive Director and Management on 25th March 2026

The Committee is satisfied with the present corporate governance framework of the organization which ensures sufficient balance of power and authority.

Ethics and Good Governance

The Committee continuously emphasizes the importance of upholding strong ethics and values by the staff members. Therein the Code of Ethics, Whistle-Blower policies and anti-corruption policies were put in place whilst educating and encouraging all members of the staff of these mechanisms. All appropriate procedures are in place to conduct independent investigations of incidents reported through Whistleblowing or identified through other means. The Whistle-Blower Policy maintains strict confidentiality of the identity of the Whistle-Blowers.

Support to the Committee

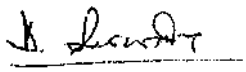
During the year, the Committee received information and support from the management to carry out its duties and responsibilities effectively.

Evaluation of the Committee:

An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year. Considering the overall conduct of the Committee and its contribution to the overall performance of the Company, the Committee has been rated as highly effective.

Conclusion

I wish to thank all the members who served on the Audit Committee during the year for their valuable contribution to the deliberations of the Committee.



Dhammika Siriwardena
Chairman
Board Audit Committee

15th May 2026
Colombo

BOARD NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Composition and Meetings

The Board Nominations and Governance Committee is a sub-committee of the Board of Directors and reports directly to the Board. As at 31st March 2026 the Committee comprised of two independent Non-Executive Directors and one Non-Executive Director. Brief profiles of the members are given on pages 38 and 45 of this Annual Report.

Name	Category	Date of appointment to Committee	Meetings Attended
Mr. Saman Herath (C)	Senior INED	02.09.2021	4/4
Mr. Aravinda Perera	NED	07.12.2017	4/4
Ms. Hiranthi De Silva	INED	11.07.2024	4/4

(C) – Chairman
INED – Independent Non-Executive Director
NED – Non-Executive Director

The Group Managing Director attends by invitation.

The Company Secretary Mr. Lasitha Dias functions as the secretary to the Committee.

Scope of the Committee

The Committee operates within the Terms of Reference approved by the Board, which stipulate that the Committee shall comprise of a minimum of three (03) directors out of which minimum of two (02) members shall be independent directors. The committee shall be Chaired by an Independent Non-Executive Director and members shall consist only of Non-Executive Directors.

The Committee's responsibilities include:

- Proposing a Charter for the appointment and re-appointment of Directors, considering qualifications, competencies, independence, and potential conflicts of interest.
- Recommending Directors who retire by rotation for re-election at the Annual General Meeting.
- Reviewing the structure, size, composition, and competencies (skills, knowledge, and experience) of the Board and proposing necessary changes.
- Reviewing Board succession plans for retiring/resigning Directors.
- Recommending appointments to fill Board vacancies.

The Committee ensured that Corporate Governance rules stipulated by both the Central Bank of Sri Lanka and Colombo Stock Exchange are adhered to by the Board and the company throughout the year.

Re-election of Directors at the Annual General Meeting

One Third (1/3) of all the Directors ,except a Director appointed to the office of Chairman, Managing Director and those who have been appointed to the Board since the last Annual General Meeting ,retire by rotation in terms of the Articles of Association and being eligible submit themselves for re election at the Annual General Meeting.

Accordingly In terms of Articles 24(4) of the Articles of Association of the Company, Ms. Darshini Talpahewa and Mr. Ranil De Silva retires by rotation and are eligible to offer themselves for re-election. Accordingly , the shareholders will be requested to re-elect Ms. Darshini Talpahewa and Mr. Ranil De Silva at the forthcoming Annual General Meeting.

Ms. Darshini Talpahewa, Non-Executive Director was appointed to the Board on 7th December 2017 ,and last re- appointed as a Director in June 2023. Her Directorships are given in the profile on page 43. She does not serve on any Board Committees.

Mr. Ranil De Silva ,Independent Non-Executive Director was appointed to the Board on 9th March 2021,and last re-appointed as a Director in June 2024.His Directorships are given in the profile on page 42. He Serves on the Audit Committee and Related Party Transaction Review Committee of the company.

None of the Directors coming up for re-election or their family members have any relationship with the other Directors ,or with the company or with shareholders holding more than 10% of the shares of the company.

Re-appointment of Director who has been appointed to the Board since the last AGM

In terms of Articles 24(9) of the Articles of Association of the Company, shareholders will be requested to re-elect Mr. Jonathan Alles who was appointed to the Board on 5th March 2026.

Performance Evaluation

The performance of the Board of Directors and the Managing Director is evaluated annually in compliance with Section 1.2.1 (b), (c), and (e) of the Central Bank of Sri Lanka Direction No. 06 of 2021. This process also ensures adherence to Section 9.11.5 (v) of the Listing Rules.

Knowledge enhancements to Board Members

The Board approves an annual training plan for its members. The programme typically covers areas such as updates to applicable regulations and listing rules, corporate governance, IT and cyber security, risk management, AML/CFT requirements, and sustainability and ESG frameworks. External resource personnel are also engaged to deliver these training and awareness programmes.

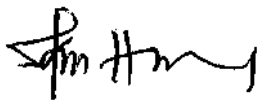
Independence of the Directors

The committee have checked the independence of the Independent Non Executive Directors against the Criteria for independence as set out in the FBA No. 05 of 2021 and Listing Rules. The Committee ensured that the Declarations of independence is carried out by the Independent Directors and concluded that all Independent Directors of the company meet the criteria for determining independence. The Committee also evaluated all the Directors against the Fit and Proper assessment criteria.

Conclusion

I extend my sincere appreciation to all the members who served on the Nomination and Governance Committee during the year for their dedicated service and valuable contribution.

For and on behalf of the Board
Nominations and Governance Committee,



Saman Herath

Chairman
Board Nomination and Governance Committee

7th May 2026
Colombo

BOARD INTEGRATED RISK MANAGEMENT COMMITTEE REPORT

The Establishment of the Committee

The Board Integrated Risk Management Committee (BIRMC) is a Board Subcommittee established in Compliance with the Corporate Governance Finance Business Act Direction No 5 of 2021 by the Central Bank of Sri Lanka and is mainly responsible for establishing risk management framework across the Company ensuring adherence to established policies and framework.

Scope of the Committee

The BIRMC functions in conformity with the terms of reference (TOR) as approved by the Board of Directors.

Summarized responsibilities

- Review and oversight of the risk and compliance profile of the Company within the context of the Board determined risk parameters
- Making recommendations to the Board concerning the Company's risk parameters and particular risk or compliance management practices of concern to the Committee
- Review and oversight of management's plans for mitigation of the material risks faced by the various business units of the Company
- Oversight of the implementation and review of risk management and regulatory compliance related policies including the Risk Appetite Statement (RAS) at least annually
- The Committee shall assess aspects of risk management including updated business continuity and disaster recovery plans
- Review and oversight of Climate-Related Risks and Opportunities (CRROs) in line with SLFRS S1 and SLFRS S2 requirements, including identification, assessment, monitoring, and mitigation of climate-related financial risks (physical and transition risks) and opportunities relevant to the Company's operations and strategy

Composition and Meetings

The Committee, as at present, comprises three Independent Non-Executive Directors and a Non-Executive Director. As at 31st March 2026 the Committee comprised the following Directors.

Name	Category	Meetings Attended
Mr. Saman Herath (C)	Senior INED	6/6
Mr. Dammika Siriwardene	INED	5/6
Ms. Hiranthi De Silva	INED	5/6

(C) – Chairman

INED – Independent Non-Executive Director

Mr. Jonathan Alles (NED) was appointed to the Board Integrated Risk Management Committee with effect from 21st April 2026.

The Head of Risk is functioned as the Secretary to the Committee. The Managing Director, Chief Operating Officer, Consultant to the Chairman, Head of Treasury and Financial Services, Chief Financial Officer, Head of Credit, Head of Recovery, Senior Manager Compliance, Head of Legal, Chief Information Security Officer, Assistant General Manager – IT and Digital Transformation and Head of Operations participate to the Committee meeting by invitation.

Committee Meetings and Methodology

Six meetings were held during the financial year under review in conformity with the related Corporate Governance rules and regulations and its subsequent changes. Both the financial and non-financial risks including but not limited to the credit, operational, market, liquidity and strategic risks were assessed through the risk heat map, risk dashboard and other risk assessment tools discussed in detail on periodical basis. The key risk items together with meeting minutes were referred to the Board seeking the Board's views, concurrence and/or specific directions in line with the section 10 subsection (3) (j)(vii) of the direction no. 05 of 2021 of the Corporate Governance.

Committee activities and Reporting during the Financial Year

The positions over the Key Risk Indicators (KRIs) in the risk appetite statement were monitored compared with trigger points set in the risk appetite statement along with the set internal thresholds, regulatory thresholds and industry benchmarks and significant deviations were assessed providing key takeaways/implications to the Company. Accordingly, necessary risk based directions were provided to mitigate the risk beforehand.

Risk Heat Map

Risk matrix applicable to the company was assessed via the risk heat map which is embedded with risk assessment tools such as variance analysis and scenario-based stress testing to measure their impact and it was reported to the Committee for their directions.

Risk Monitoring

It is ensured the adequacy of all risk monitoring tools assisting to early detection providing early warning signals to prevent from realizing risk events. The Risk based MIS reporting was implemented to assess the position and making sufficient space to adjust accordingly if necessary.

Business Continuity Plan (BCP) and Disaster Recovery (DR)

DR drills are conducted to make sure that all the critical processes outlined in the business continuity plans are functioning as per pre-determined norms. Accordingly the Company operations have tested engaging with critical business operations with minimal interruption and enabling to deliver the services to the end customer ensuring company's capability to continue its key functions amidst any unforeseen external/ internal threats.

Review of Other Committees

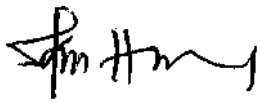
The Committee reviewed the minutes of the management level committees who are also involved in the risk management process. In line with regulatory requirements, the Company has established an AML/ CFT Committee to oversee the risks associated with AML/CFT.

Way Forward

The Committee will continue to further strengthen the risk management process based on the dynamic well accepted best practices related to all risks including but not limited to the operational risk management, capital and liquidity risk management updated to the well defined risk appetite framework. The special emphasis would make for the emerging risk including the technology risk, geopolitical risks as applicable with possible implications to the focused industry sector.

Conclusion:

I extend my sincere appreciation to all the current members and members who served prior to the reconstitution for their dedicated service and valuable contribution.



Saman Herath
Chairman
Board Integrated Risk Management Committee

7th May 2026
Colombo

BOARD CREDIT COMMITTEE REPORT

Composition and Meetings

Board Credit Committee is responsible for providing oversight in the formulation of credit policies, credit strategies, reviewing of credit approvals and post credit monitoring coordinating with the business line management team ensuring overall credit quality is maintained optimising the credit risk.

As at 31st March 2026, the Credit Committee comprise of two Independent Non-Executive directors and one Non-Executive Director.

Brief profiles of the members are given on pages 40 to 45 of this Annual Report.

Name	Category	Meetings Attended
Mr. Saman Herath (C)	Senior INED	4/4
Mr. Aravinda Perera	NED	2/4
Ms. Hiranthi De Silva	INED	4/4

(C) – Chairman
INED – Independent Non-Executive Director
NED – Non-Executive Director

Key members of the senior management team including Managing Director, Chief Operating officer, Chief Financial Officer, Consultant to the Chairman, Head of Treasury and Financial Services, Head of Credit, Head of Risk, Head of Recoveries and Head of Legal represented the management team invited to attend the committee meeting as and when desired. National Manager Credit Compliance functions as the Secretary to the Committee.

Scope of the Committee

The Committee provides guidance to credit management process including review of credit policies, establishing and maintaining diversified portfolio of assets in line with the desired risk return profile and within the risk appetite of the company and sector and asset exposure limits recommended by the Integrated Risk Management Committee.

Recommending delegation of lending, approving powers to the management involved with the credit approval process for the approval of board and review such limits regularly.

Reviewing and approving credit proposals exceeding the delegated authority limits granted to key management and reviewing and recommending to board credit proposals beyond D/A limits in line with the board approved credit policies.

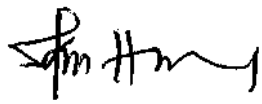
Committee reviews the quality and the performances of the credit portfolio, non performance and collection related management information, monitors the progress of yard vehicles and recommends write-offs to the Board of Directors.

Conclusion

The Committee is of the view that the company has made progress towards meeting the challenges of credit evaluation and the management of the Company's credit exposure complying with the best practices.

I extend my appreciation to all the members who served on the Credit Committee for their devoted efforts to the Committee over the course of the year, making substantial contributions to our discussions.

For and on behalf of the credit committee.



Saman Herath
Chairman
Credit Committee

7th May 2026
Colombo

BOARD HUMAN RESOURCES AND REMUNERATION COMMITTEE REPORT

Composition and Meetings

The Remuneration Committee is a sub-committee of the Board of Directors of the Company and reports directly to the Board. The Human Resources and Remuneration Committee consists of three Independent Non- Executive Directors and two Non-Executive Directors. As at 31st March 2026 the Committee comprised the following Directors. Brief profiles of the members are given on pages 40 to 45 of this Annual Report.

Name	Category	Meetings Attended
Mr. Dhammika Siriwardene (C)	INED	2/2
Mr. Aravinda Perera	NED	2/2
Mr. Saman Herath	Senior INED	2/2
Ms. Hiranthi De Silva	INED	2/2
Mr. Mahesh Wijewardene	NED	2/2

(C) - Chairman
INED - Independent Non-Executive Director
NED - Non-Executive Director

The Company Secretary Mr. Lasitha Dias functions as the Secretary to the Committee.

The Managing Director attends the Committee by invitation and assists the Committee by providing the relevant information and participating in its analysis and deliberations.

The Committee meets from time to time and reviews the Company's remuneration and fee structures to assure alignment with strategic priorities and with compensation offered by comparative companies.

Regulations/Rules Relevant to the Functions of the Committee

The Human Resources and Remuneration Committee was formed by the Board in compliance with the Listing Rules of the Colombo Stock Exchange and the FBA Direction No. 5 of 2021. Its composition and functions are in conformity with the Listing Rules and FBA Direction No. 5 of 2021.

Scope of the Committee

The scope of the Committee includes:

- Reviewing and recommending fees, remuneration and perquisites of the Managing Director, who is also an Executive Director of the Board of the Company, Independent Directors and Non-Executive Directors
- Reviewing the policies pertaining to the remuneration and perquisites of the Executives of the Company.
- Setting goals and targets for the Directors, Managing Director and Key Management Personnel.
- Evaluate the performance of the Managing Director and Key Management Personnel against the pre-agreed targets and goals.

The primary objective of the Remuneration Policy of the Company is to align remuneration with performance, whilst ensuring that the Company is able to attract and retain employees critical to deliver the Company's strategy and to make continued progress towards ensuring a high performing culture in line with the Company's values.

Through the Remuneration Policy, the Company endeavors to encourage an entrepreneurial mindset by creating a working environment that motivates high performance so that all employees can positively and ethically contribute to the strategy, vision and goals of the Company while upholding its values.

Professional Advice

The Committee is authorized to seek external professional advice on matters within its purview.

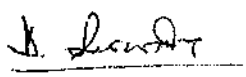
Remuneration Paid to Directors

The remuneration paid to Directors during the year under review is disclosed in Note 10 to the financial statements.

All Independent Non-Executive Directors receive a fee for serving on the Board and sub-committees.

Conclusion

I wish to thank all the members who served on the Human Resource and Remuneration Committee during the year and the Managing Director for their valuable contribution to the deliberations of the Committee.



Dhammika Siriwardene

Chairman
Human Resources and Remuneration Committee

7th May 2026
Colombo

BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

Composition and Meetings

The Related Party Transactions Review Committee comprises three Independent Non- Executive Directors. Chairman, Group Managing Director, Managing Director of the Company, Chief Financial Officer and Senior Manager Compliance attend the Committee by invitation. As at 31st March 2026 the Committee comprised the following Directors.

Name	Category	Meetings Attended
Ms. Hiranthi De Silva (C)	INED	4/4
Mr. Dhammika Siriwardene	INED	4/4
Mr. Ranil De Silva	INED	4/4

(C) – Chairman
INED - Independent Non-Executive Director

The above composition is in compliance with the provisions of the Central Bank of Sri Lanka, Listing Rules of CSE and Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (referred to as code) . Brief profiles of the members are given on pages 40 to 45 of this Annual Report.

The Company Secretary Mr. Lasitha Dias functions as the Secretary to the Committee.

Scope of the Committee

The mandate of the Committee as set out in the Board approved Terms of Reference (TOR) is derived from the Listing Rule of the CSE ,the FBA Direction No. 5 of 2021 and the Code and sets out the purpose of the Committee. As outlined by the TOR, the roles and responsibilities of the Committee are as follows.

- Developing a Related Party Transaction Policy in compliance with the provisions of the Listing Rules and the FBA Direction.
- Reviewing in advance all proposed Related Party Transactions ("RPTs")
- Advising the Board on making Immediate market disclosures and disclosures in the Annual Report where necessary, in respect of RPTs, in compliance with the provisions of the Listing Rules.
- Ensure the Availability of Processes and Practices for the Following;
    - Policies & Procedures Adopted by the RPTRC for reviewing Related Party Transactions (RPT's)
    - Relevant information to capture RPTs are fed into the Company Data Collection System.
    - All officers concerned are informed of the applicable regulatory requirements relating to the reporting of RPTs.
    - Key Management Personnel (KMPs) and their Close Family Members (CFMs) are identified half yearly together with their NIC numbers and business registration numbers.
    - Systems are updated with KMP and their CFM details on a half yearly basis or as and when the need arises in the event of a material change.
    - Data extracted from the system is verified and validated.
    - All Managers are advised to report RPTs to the Chief Financial Officer who has been identified as the focal point, for this purpose.
    - Data is shared with the Chief Financial Officer and the Company Secretary to meet the regulatory requirements if required.

Task of the Committee

The Committee reviews the related party transactions and their compliance and communicates to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management and in compliance with Section 9 of the CSE Listing Rules.

Related Party Transactions are disclosed in the Note 39 to the Financial Statements.

Reporting to the Board

The minutes of the RPTRC meetings are tabled at Board meetings enabling all Board members to have access to same.

The Chairman also provides a verbal statement to the Board regarding any material related party transactions at the quarterly meetings.

Conclusion

I wish to thank all the members who served on the Related Party Transaction Review Committee during the year for their valuable contribution to the deliberations of the Committee.



Ms. Hiranthi De Silva

Chairman
Board Related Party Transactions
Review Committee

7th May 2026
Colombo

AUDITOR'S REPORT ON THE DIRECTORS' STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

EY
Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE BOARD OF DIRECTORS OF SINGER FINANCE (LANKA) PLC

Report on the Statement on Internal Control Over Financial Reporting included in the Directors' Statement on Internal Control

We were engaged by the Board of Directors of Singer Finance (Lanka) PLC ("The Company") to provide assurance on the Statement of Internal Control Over Financial Reporting included in the Directors' Statement on Internal Control for the year ended 31 March 2026 ("The Statement") 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 "Guidance for Directors of License Finance Companies/ Finance Leasing Companies on the Directors' Statement on Internal Control" issued in compliance with section 16 (1) (ix) of Finance Companies Corporate Governance Direction No 05 of 2021, by the Institute of Chartered Accountants of Sri Lanka.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Sri Lanka Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities and compliance with SLSAE 3051

Our 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.

We conducted our 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 Charted Accountants of Sri Lanka.

This Standard required that we 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, we are not responsible for updating or reissuing any reports, nor have we, in the course of this engagement, performed an audit or review of the financial information.

Summary of work performed

We conducted our 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 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 us 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 us 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 our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the Statement has been prepared.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Statement included in the annual report is inconsistent with our 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.

15th May 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

DIRECTORS' STATEMENT ON INTERNAL CONTROL

DIRECTORS' STATEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Responsibility

In line with the section 16 (1) (ix) of the Finance Business Act Direction No. 05 of 2021 – Corporate Governance, and Principle of the Code of Best Practice on Corporate Governance 2023 issued by Institute of Chartered Accountants of Sri Lanka, the Board of Directors ("Board") of Singer Finance (Lanka) PLC ("Company") presents this report on internal control over financial reporting.

The Board of Directors (Board) is responsible for the adequacy and effectiveness of the Singer Finance (Lanka) PLC ('the Company') system of internal controls. However, such a system is designed to manage the Company's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Company. Accordingly, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement of financial information against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and this process includes enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board and Board appointed sub committees in accordance with the Guidance for Directors of Banks, Licensed Finance Companies and Finance Leasing Companies on the Directors' Statement on Internal Control issued by the Institute of Chartered Accountants of Sri Lanka. The Board has assessed the internal control system taking into account principles for the assessment of internal control system as noted therein.

The Management assists the Board in the implementation of the policies and procedures on risk and control by identifying and assessing the risks faced and, in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

Key Features of the Process Adopted in Applying and Reviewing the Design and Effectiveness of Internal Control System on Financial Reporting

The following processes have been established in reviewing the adequacy and integrity of the internal control systems in respect of financial reporting:

- Various committees are established by the Board to assist the Board in ensuring the effectiveness of the Company's operations and that they are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions approved by the Board.
- The Internal Audit Division of the Company checks for compliance with Board approved policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlight significant findings in respect of any non-compliance. Audits are carried out on all units and branches, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report. The annual audit plan is reviewed and approved by the Board Audit Committee. Findings of the internal audit are submitted to the Board Audit Committee for review at their periodic meetings.
- The Board Audit Committee of the Company reviews internal control issues identified by the Internal Audit Division, regulatory authorities and Management and evaluates the adequacy and effectiveness of risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and the quality of internal audits.

The Minutes of the Board Audit Committee meetings are tabled at the meetings of the Board of Directors of the Company. Further, details of the activities undertaken by the Board Audit Committee of the Company are set out in the 'Board Audit Committee Report' which appears on pages 307 to 309.

- The observations made by the External Auditors in connection with the internal control system during the financial year 2025/2026 will be taken into consideration and appropriate steps will be taken to address them as appropriate during the ensuing year.
- In assessing the internal control system, the officers responsible of the Company continued to review and update all procedures and controls that are connected with significant accounts and disclosures in the Financial Statements. The Internal Audit Department continuously verifies the suitability of design and effectiveness of these procedures and controls on an ongoing basis.

DIRECTORS' STATEMENT ON INTERNAL CONTROL

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 in accordance with the 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 Auditors

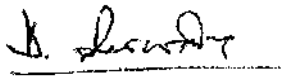
The External Auditors, Messers Ernst & Young, Chartered Accountants have reviewed the above Directors' Statement on Internal Controls included in the Annual Report of the Company for the year ended 31st March 2026 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in the review of the design and effectiveness of the internal control system over financial reporting of the Company.

STATEMENTS ON PRUDENTIAL REQUIREMENTS, REGULATIONS AND LAWS

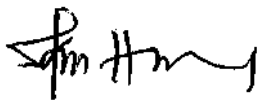
There are no non-compliances to prudential regulatory requirements, laws and internal controls affecting the Company. There were no lapses which caused supervisory concern on the Company's Risk Management Systems or non-compliance with these directions which led to them being pointed out by the Director of Nonbank 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 disclosed in this regard.

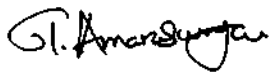
By order of the Board



Dhammika Siriwardene
Chairman
Board Audit Committee



Saman Herath
Senior Independent Non-Executive Director



Thushan Amarasuriya
Executive Director/ MD

7th May 2026
Colombo

BOARD OF DIRECTORS COMMUNICATION POLICY GRI 2-16

Policy Statement

Singer Finance (Lanka) PLC ("the Company") values the input and insights of all its stakeholders, including lenders, creditors, shareholders, borrowers and other interested parties and believes that effective communication strengthens

The role of the Company's Board of Directors ("the Board") as an active, informed and engaged body. To facilitate communication, this Policy outlines the procedures for communicating with the Board, its Committees and its members. This policy has been approved by the Board of Directors and became effective from 31st March 2016. The Board of Directors will oversee this Policy, review it and may recommend any changes from time to time. The Board can modify this Policy unilaterally at any time without notice.

Communications to the Board Stakeholders and other interested parties can communicate with the Board as a whole, the Independent Directors, or any individual member of the Board or any Committee of the Board. All such written communications shall be forwarded to the following address;

Mr. Lasitha Dias,

Company Secretary
No. 498, R.A. De Mel Mawatha,
Colombo 03

Procedures for Handling Communications to the Board :

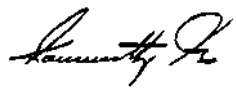
The Board has designated the Company Secretary as its agent to receive and review written communications addressed to the Board, any of its Committees, or any Board member or group of members. The Company Secretary may communicate with the sender for any clarification. In addition, the Company Secretary will promptly forward to the Chairman of the Audit Committee any communication regarding legal, ethical or compliance issues by Management or any other matter deemed by the Company Secretary to be potentially material to the Company.

As an initial matter, the Company Secretary will determine whether the communication is a matter that requires the Board's attention. The Company Secretary will not forward to the Board, any Committee or any

Director communications of a personal nature or not related to the duties and responsibilities of the Board, including, without limitation, junk mail and mass mailings, business solicitations, opinion survey polls or any other communications deemed by the Company Secretary to be immaterial to the Company.

Separately, the Company's Audit Committee has established a Whistle-Blower Policy for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, auditing matters, fraud or unethical business practices, sexual harassment/ misconduct, racial or religious discrimination and the confidential, anonymous submission by employees or any other concerned persons of concerns regarding questionable practices or events that would be harmful to the Company's progress and reputation.

There were no critical concerns reported during the year under consideration.



Lasitha Dias
Company Secretary

7th May 2026
Colombo

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Basis of Preparation

1. Reporting Entity, Organization Boundary and Value Chain

This report represents the sustainability-related financial disclosures of Singer Finance (Lanka) PLC ("the Company") for the financial year ended 31 March 2026. The disclosures cover the Company's operations within Sri Lanka and reflect activities across its core business segments including leasing, gold loans, deposits, and other financial services.

The organisational boundary is aligned with the financial reporting boundary of the Company.
The value chain considered for these disclosures includes direct operations, customer financing activities, and key external stakeholders, particularly borrowers and depositors, whose financial resilience may be impacted by sustainability-related risks and opportunities.

2. Basis of Materiality

The Company applies both qualitative and quantitative considerations in determining the materiality of sustainability-related information, in line with SLFRS S1 and S2.

In assessing materiality, the Company evaluates whether information relating to sustainability-related risks and opportunities could reasonably be expected to influence the decisions of primary users of financial statements by affecting their assessment of:

- The amount, timing, and uncertainty of future cash flows
- The Company's access to finance and cost of capital
- The stewardship of economic resources

Quantitative Materiality Thresholds

The Company has established a quantitative materiality threshold based on Core Capital, ensuring a consistent and transparent approach to evaluating the financial significance of Climate-Related Risks and Opportunities (CRROs).

Metric	Materiality Threshold	Rationale
Core Capital	3% of Core Capital	Threshold is based on Tier 1 capital to ensure a prudent and financially relevant assessment of the gross impact of CRROs

Only those CRROs with an estimated impact exceeding this threshold are considered material and disclosed. Items below this threshold are considered immaterial for the purpose of SLFRS Sustainability related Financial Disclosures.

This threshold has been reviewed and approved by the Board Integrated Risk Management Committee (IRMC).

Qualitative factors

In addition to quantitative thresholds, the Company also considers qualitative factors when assessing the materiality of Climate-Related Risks and Opportunities (CRROs). These include the potential impact of CRROs on regulatory compliance, stakeholder confidence, operational resilience, reputation, strategic objectives, customer relationships, and long-term business sustainability.

The Company also considers emerging regulatory expectations, evolving market conditions, governance implications, and the extent to which identified CRROs may influence decision-making by primary users of the financial statements. Accordingly, certain CRROs may be considered material due to their strategic or operational significance even where the immediate quantitative financial impact is not considered material.

3. Probability / Likelihood Framework

The Company assesses the likelihood of occurrence of each CRRO using a structured probability framework which is shown in the Risk Management chapter in page 296.

4. Functional Currency

All disclosures are presented in Sri Lankan Rupees (LKR), which is the functional and presentation currency of the Company.

5. Sources of Guidance

These disclosures have been prepared in accordance with:

- **SLFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information**
- **SLFRS S2 – Climate-Related Disclosures**

  In developing these disclosures, the Company has also considered relevant regulatory expectations, industry benchmarks, and implementation guidance, including:

- Central Bank of Sri Lanka (CBSL) Sustainable Finance Roadmap 2.0
- Sri Lanka's Nationally Determined Contributions (NDC) 3.0

- United Nations Environment Programme Finance Initiative (UNEP FI) guidance and sustainable finance principles
- Industry practices and climate-related disclosure benchmarks within the Sri Lankan financial services sector

These frameworks and guidance sources were considered in strengthening the Company's sustainability-related governance, climate-related risk management, and disclosure readiness processes.

6. Reporting Period

The reporting period for these disclosures is from 01 April 2025 to 31 March 2026, which is consistent with the Company's financial reporting period.

7. Time Horizon

The Company has defined time horizons for assessing climate-related risks and opportunities as follows:

Time Horizon	Definition	Period
Short Term	Immediate and near-term exposures	01 April 2026 – 31 March 2027
Medium Term	Emerging impacts and strategic adjustments	Financial Years 2028 and 2029
Long Term	Structural and long-term transformations	Beyond FY 2029

The reporting period for these disclosures is from 01 April 2025 to 31 March 2026, which is consistent with the Company's financial reporting period. The defined short, medium, and long-term time horizons used for assessing Climate-Related Risks and Opportunities (CRROs) are also aligned with the Company's strategic planning horizons and long-term business objectives.

8. Connected Information

The Company presents sustainability-related and climate-related financial disclosures in a connected manner to enable users to understand the relationships between identified Climate-Related Risks and Opportunities (CRROs), governance oversight, risk management processes, strategic responses, and related financial implications.

The disclosures within this section are interconnected across Governance, Strategy, Risk Management, and Metrics and Targets to demonstrate how sustainability-related and climate-related matters are identified, assessed, monitored, managed, and integrated into the Company's overall business operations and strategic decision-making processes.

The identified CRROs disclosed within the Strategy section are linked to the governance oversight responsibilities of the Integrated Risk Management Committee (IRMC) and ESG Management Committee, while the Risk Management section explains the processes used to identify, assess, prioritise, and monitor such risks and opportunities. The related Metrics and Targets disclosures provide supporting quantitative and qualitative information relevant to the management and monitoring of identified CRROs.

These sustainability-related disclosures are also connected with other information presented within the Annual Report, including the Corporate Strategy and ESG Roadmap 2030, Corporate Governance Report, Risk Management Framework, Management Discussion and Analysis, Chairman's and Managing Director's Statements, and the Audited Financial Statements where applicable.

This integrated approach supports consistency, transparency, and a more comprehensive understanding of how sustainability-related and climate-related matters may influence the Company's strategy, operations, financial position, financial performance, and long-term resilience.

9. Transitional Relief

As this is the Company's first year of reporting under SLFRS S1 and S2, the Company has applied the permitted transitional reliefs.

Accordingly:

- SLFRS S1 - Disclosure of information on only climate-related risks and opportunities: In the first annual reporting period in which an entity applies this Standard, the entity is permitted to disclose information on only climate-related risks and opportunities (in accordance with SLFRS S2) and consequently apply the requirements in this Standard only insofar as

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

they relate to the disclosure of information on climate-related risks and opportunities.

- SLFRS S1 - Disclosure of comparative information: in the first annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its climate-related risks and opportunities; and in the second annual reporting period in which the entity applies this Standard, it is not required to disclose comparative information about its sustainability-related risks and opportunities, other than its climate-related risks and opportunities.
- SLFRS S2 - Disclosure of Scope 3 greenhouse gas emissions: Entities must initially report only Scope 1 and Scope 2 emissions. Full compliance with Scope 3 emissions, becomes mandatory two years after the initial application date.
- SLFRS S2 - Disclosure of qualitative information regarding anticipated financial effects of climate-related risks and opportunities: entities are permitted to defer the disclosure of qualitative information regarding anticipated financial effects for a period of two years following the mandatory application of the standard
- SLFRS S2 - Disclosures on Climate resilience: Relief period of two years are granted to apply the requirements from the date of mandatory application to fully comply with climate resilience disclosure requirement

10. Significant Judgements, Uncertainties and Proportionality

The preparation of sustainability-related disclosures requires significant judgement, particularly in:

- Identifying and defining Climate-Related Risks and Opportunities (CRROs)
- Estimating financial impacts and probabilities
- Determining materiality thresholds
- Assessing forward-looking risks and opportunities

These judgements were made using internally approved assessment frameworks, management evaluations, portfolio-level analysis, operational risk assessments, regulatory guidance, and industry practices relevant to the financial services sector. The Company also considered historical operational experience, emerging market developments, climate-related regulatory expectations, and professional judgement exercised by relevant management personnel and governance committees during the CRRO identification and assessment process.

The assessment of probability, impact severity, and materiality of identified CRROs was guided by internally approved probability and impact assessment frameworks linked to the Company's Core Capital thresholds and enterprise risk management practices. CRROs were reviewed and tabled to the Integrated Risk Management Committee (IRMC) for oversight and approval.

Given the evolving nature of climate-related reporting, data availability limitations, and the developing maturity of sustainability-related assessment methodologies, certain disclosures involve inherent uncertainties and forward-looking assumptions.

The Company has applied a proportionality approach, ensuring that disclosures are appropriate to the scale, nature, and complexity of its operations as a non-banking financial institution while progressively enhancing sustainability-related governance, reporting, and assessment capabilities aligned with SLFRS S1 and SLFRS S2 requirements.

11. Statement of Compliance

This report represents a complete set of sustainability-related financial disclosures for Singer Finance (Lanka) PLC, for the year ended 31 December 2025. The Company's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

Governance

Board Oversight Role

Responsibility

The Integrated Risk Management Committee (IRMC) is the primary governance body responsible for overseeing sustainability-related risks and opportunities, including CRROs.

The IRMC is responsible for:

- Reviewing and approving Climate-Related Risks and Opportunities (CRROs) and broader Sustainability-Related Risks and Opportunities (SRROs)
- Overseeing sustainability-related and climate-related risk exposures
- Ensuring integration of sustainability and climate-related considerations into risk management and strategy
- Monitoring compliance with applicable regulatory and sustainability-related disclosure requirements

Skills and Competencies GRI 2-17

The members of the Integrated Risk Management Committee (IRMC) collectively possess a broad and complementary range of expertise

across banking, financial services, credit risk management, treasury, finance, compliance, governance, sustainability, and enterprise risk management. Their diverse professional backgrounds and industry exposure strengthen the Company's ability to effectively oversee sustainability-related risks and opportunities, including Climate-Related Risks and Opportunities (CRROs), while ensuring alignment with the Company's strategic priorities and long-term resilience objectives.

The IRMC is supported by internal management expertise and cross-functional operational representation through the ESG Management Committee, enabling a holistic assessment of sustainability-related impacts across the Company's business operations and lending portfolio.

The Board and the IRMC also maintain access to internal and external expertise, including regulatory guidance, professional advisors, industry benchmarking, and periodic training sessions on evolving sustainability disclosure requirements, climate-related risks, and emerging market practices. Further, the Board of Directors participated in a dedicated awareness and training session on SLFRS Sustainability Disclosure Standards conducted to strengthen the Board's understanding of sustainability-related and climate-related disclosure requirements and bridge knowledge gaps relating to emerging sustainability reporting expectations. These initiatives support the continuous enhancement of governance capabilities relating to SLFRS S1 and SLFRS S2 implementation.

Inform

The IRMC meets bi-monthly is regularly informed of sustainability-related risks and opportunities through structured reporting mechanisms established across the Company. The ESG Management Committee provides periodic updates to the IRMC on identified CRROs, emerging regulatory developments, portfolio exposures, mitigation initiatives, and progress against sustainability-related objectives.

Information presented to the IRMC includes both qualitative and quantitative assessments relating to climate-related exposures, operational resilience, regulatory compliance, and strategic sustainability initiatives. This reporting process ensures that the IRMC remains adequately informed to support effective oversight and decision-making relating to sustainability-related matters.

Address

The IRMC addresses sustainability-related risks and opportunities by integrating climate-related considerations into the Company's broader enterprise risk management and strategic decision-making processes. The Committee evaluates the potential impact of CRROs on the Company's operations, financial performance, lending portfolio, and long-term strategic direction.

Where material risks or opportunities are identified, the IRMC provides oversight on the development and implementation of appropriate mitigation actions, policy enhancements, operational controls, and strategic responses. This includes strengthening climate-sensitive credit assessment practices, monitoring emerging regulatory expectations, enhancing operational resilience, and supporting the gradual integration of sustainable financing initiatives into the Company's business model.

During the reporting period, the IRMC undertook several key actions to strengthen sustainability-related governance and oversight. These included the review and approval of identified CRROs, approval of the quantitative materiality threshold framework for CRRO assessments, and updates to the Committee's Terms of Reference (TOR) to incorporate oversight responsibilities relating to CRROs and broader SRROs. These initiatives further strengthened the integration of sustainability-related considerations into the Company's governance and risk management framework.

Monitor

The IRMC continuously monitors sustainability-related risks and opportunities through periodic reviews, management reporting, and risk assessment processes. Monitoring activities include the review of material CRRO exposures, progress of mitigation initiatives, evolving regulatory requirements, and the effectiveness of sustainability-related governance and risk management frameworks.

The Committee also monitors the integration of sustainability-related considerations into the Company's operational activities, lending practices, and strategic initiatives to ensure ongoing alignment with the Company's sustainability objectives and long-term resilience priorities. Continuous oversight by the IRMC supports the timely identification of emerging risks and opportunities and strengthens the Company's ability to respond proactively to evolving sustainability-related challenges.

Management Role

Delegation

Operational oversight is delegated to the ESG Management Committee, which plays a central role in embedding sustainability across the organisation.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Component	Description
Chair	Chief Operating Officer
Secretary	Sustainability Champion
Members	Key Resource Persons (KRPs) representing a cross functional team

This structure ensures that sustainability is integrated into the Company's operational and decision-making processes.

The Company follows a structured governance process:

1. CRROs are identified by the ESG and Risk Departments and then assessed by the ESG Management Committee
2. CRROs are refined and finalised at the management level
3. CRROs are submitted to the IRMC
4. The IRMC reviews, challenges, and approves CRROs

This ensures robust oversight and accountability.

Policies and procedures

The Company has established governance mechanisms, internal reporting structures, and risk management procedures to support the identification, assessment, monitoring, and management of sustainability-related risks and opportunities, including Climate-Related Risks and Opportunities (CRROs). These processes are integrated into the Company's broader enterprise risk management and governance framework to ensure sustainability-related considerations are embedded within strategic and operational decision-making.

The ESG Management Committee operates as the central management-level forum responsible for coordinating sustainability-related initiatives, monitoring emerging sustainability-related developments, and facilitating cross-functional collaboration across the organisation. The Committee works closely with relevant business units and Key Resource Persons (KRPs) to ensure that sustainability-related matters are identified and escalated appropriately.

The Company applies a structured process for evaluating CRROs through the stages of identification, assessment, prioritisation, and management. Materiality assessments, probability assessments, and impact evaluations are performed using internally approved frameworks and thresholds reviewed by the IRMC.

Periodic reporting mechanisms have also been established to provide the IRMC with updates on material CRROs, emerging regulatory developments, portfolio exposures, mitigation initiatives, and sustainability-related strategic developments. These reporting processes support informed decision-making and strengthen oversight of sustainability-related matters across the organisation. In addition, the Company continues to enhance its sustainability-related governance and disclosure processes in line with evolving regulatory requirements, industry practices, and SLFRS S1 and SLFRS S2 reporting expectations.

STRATEGY

CRRO 1	Extreme Weather Events Related Risk	
CRROs impact on Prospects	Description	Climate change and increasing frequency of extreme weather events in Sri Lanka, including floods and cyclonic conditions, may adversely impact the Company's lending portfolio, branch operations, and overall operational resilience. As a non-banking financial institution with exposure to vehicle financing, SME lending, and customer segments dependent on daily income generation, the Company is exposed to heightened credit risk arising from disruptions to customer cash flows and economic activity caused by severe weather conditions. Extreme weather events may also result in operational disruptions, temporary branch closures, deterioration in collateral values, delays in recovery processes, and increased regulatory and customer support obligations.
	Physical Risk or Transition Risk	Physical Risk
	Time Horizon	S, M, L
	Define time horizon	Refer Note 7 Time Horizons
Business Model and Value Chain	Current Effects on Business Model and Value Chain	Based on the Company's approved materiality threshold, the overall impact on the Company's business model and value chain was assessed to be immaterial for the current reporting period.
	Anticipated Effects on Business Model and Value Chain	**Short Term** Extreme weather-related disruptions may temporarily impact borrower repayment capacity, particularly among transport operators, SME customers, and daily-income earners operating within vulnerable geographic regions. The Company may experience increased monitoring requirements, delays in collections and recoveries, temporary operational disruptions, and increased customer support measures including restructuring and moratorium arrangements in response to adverse climate-related events. **Medium Term** Over the medium term, increasing frequency and severity of extreme weather events may result in heightened portfolio vulnerability across climate-sensitive customer segments and geographic regions. The Company may experience increased credit risk exposure arising from disruptions to borrower income generation, particularly within transport-related financing and SME lending segments. Climate-related disruptions may also contribute to increased recovery timelines, operational interruptions, higher portfolio monitoring requirements, and elevated pressure on operational resilience and customer support mechanisms. **Long Term** Over the longer term, increasing frequency and severity of climate-related events may influence customer affordability, asset values, portfolio resilience, and overall lending patterns within climate-sensitive sectors. The Company also anticipates evolving regulatory expectations relating to climate risk integration, sustainability-related disclosures, and resilience assessments, requiring further enhancement of governance structures, operational capabilities, and climate-related risk management frameworks.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 1	Extreme Weather Events Related Risk	
	Where is it Concentrated?	**Credit Risk** Extreme weather events may adversely impact borrowers operating within climate-sensitive sectors and regions, leading to disruptions in income generation, deterioration in repayment capacity, and increased non-performing loan (NPL) risk. Customer segments dependent on transportation, micro and small business operations, and daily cash flows remain comparatively more vulnerable to climate-related disruptions. During the reporting period, recent DITWAH-related weather conditions resulted in a limited number of affected lending facilities requiring temporary relief measures and moratorium arrangements in line with applicable CBSL guidelines. **Operational Risk** Severe weather conditions may disrupt branch operations, collections activities, field operations, and operational continuity while increasing infrastructure recovery and restoration requirements. **Reputational Risk** The Company's ability to respond effectively and responsibly to climate-related events and affected customers may influence stakeholder confidence, customer trust, and overall reputation.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	**Credit Risk** **Direct Mitigation Actions** Progressive integration of climate-sensitive considerations into borrower assessments and credit evaluation processes, particularly within vulnerable customer segments and geographic regions. Geographic diversification of lending activities to reduce concentration risk exposure arising from climate-sensitive regions and customer segments. **Indirect Mitigation Actions** Supporting affected customers through moratorium arrangements and restructuring assistance in line with applicable CBSL regulatory guidelines. Enhancing customer engagement and awareness relating to financial resilience. **Operational Risk** **Direct Mitigation Actions** Strengthening Business Continuity Planning (BCP), disaster recovery arrangements, and operational response mechanisms to minimise disruptions during severe weather-related events. Enhancing operational resilience measures relating to branch operations, field collections, and operational continuity. **Indirect Mitigation Actions** Continuous review and enhancement of operational recovery procedures. Strengthening cross-functional coordination through the ESG Management Committee and operational management teams during climate-related disruptions.

CRRO 1	Extreme Weather Events Related Risk	
		Reputational Risk **Direct Mitigation Actions** Ensuring timely customer communication and support measures during climate-related disruptions. Maintaining transparent engagement relating to operational recovery measures and customer assistance initiatives. **Indirect Mitigation Actions** Strengthening stakeholder confidence through responsible governance, sustainability-related oversight, and regulatory-compliant customer support measures. Continued enhancement of sustainability-related governance and disclosure practices aligned with evolving SLFRS S1 and SLFRS S2 expectations.
	How the Company is Resourcing and Plan to Resource Activities	**Financial Resources** Capital expenditure was incurred towards restoration and operational recovery activities relating to branch locations impacted by the recent DITWAH-related cyclonic and flood conditions, including the revamping of affected branch infrastructure to restore normal business operations. The Company continues to allocate financial resources towards strengthening branch-level operational resilience, disaster recovery capabilities, and climate-related governance and reporting processes aligned with SLFRS S1 and SLFRS S2 implementation requirements. **Non-Financial Resources** Enterprise-wide coordination through the ESG Management Committee and Key Resource Persons (KRPs) representing all departments to support identification, monitoring, and management of climate-related risks. Strengthening management awareness, governance oversight, and cross-functional collaboration relating to climate-related risk management and operational resilience. Periodic management discussions and governance oversight through the ESG Management Committee and IRMC relating to climate-related developments and sustainability-related disclosures.
	Progress (qualitative and quantitative)	During the reporting period, the Company further strengthened its climate-related governance and risk management processes through the formalisation of CRRO assessment mechanisms and integration into the enterprise risk management framework. Following the DITWAH-related weather disruptions experienced during the year, the Company implemented operational recovery measures, customer support initiatives, and branch revamping activities across impacted locations and customer segments in line with applicable regulatory guidance. The Company also did strengthen governance oversight through tabling ESG related CRROs at the IRMC.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 1	Extreme Weather Events Related Risk	
Financial Effects GRI 201-2	Current year financial effects to PL, BS and CF	Based on the approved materiality threshold, the Company has not identified material financial effects to the financial position, financial performance, or cash flows for the current reporting period.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	Based on historical data and currently available information and assessments, the Company has not identified a significant risk of material adjustments to the carrying value of assets and liabilities in the next financial year arising from this CRRO.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer Note 09 Transitional Relief
Climate resilience	Resilience Assessment	Refer Note 09 Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer Note 09 Transitional Relief
Judgements and Uncertainties	Judgements	The Company applied judgement in identifying climate-related risks and assessing their potential impact on operations, customer repayment capacity, and the lending portfolio. Judgement was also applied in determining the materiality, probability, and severity of identified CRROs based on currently available information and internal assessments.
	Uncertainties	Climate-related risks are subject to evolving weather conditions, regulatory developments, and economic factors which may impact the future severity and financial implications of such events. As this represents the Company's initial year of reporting under SLFRS S1 and SLFRS S2, certain assessments are based on currently available data and may continue to evolve as reporting processes and data availability improve over time.

CRRO 2	Regulatory and Market Transition Risk	
CRROs impact on Prospects	Description	The transition towards a low-emission economy, evolving customer preferences, and increasing regulatory expectations on sustainability and climate-related disclosures may affect the Company's lending portfolio, product strategy, compliance processes, and long-term competitiveness. As a non-banking financial institution with a significant exposure to vehicle financing, the Company may be impacted by gradual changes in demand for fuel-based vehicles, increased preference for electric vehicles and lower-emission assets, and evolving expectations from regulators, investors, lenders, and customers. This may create transition-related risks including portfolio obsolescence, higher compliance requirements, increased reporting obligations, and potential shifts in revenue composition over the medium to long term.
	Physical Risk or Transition Risk	Transition Risk
	Time Horizon	M and L
	Define time horizon	Refer Note 07 – Time Horizons
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The Company has not identified a material current impact on its business model and value chain arising from regulatory and market transition risk during the reporting period.
	Anticipated Effects on Business Model and Value Chain	**Medium Term** Over the medium term, the Company anticipates increasing regulatory and market expectations relating to sustainable finance, climate-related risk assessment, and ESG-aligned disclosure practices. This may require further strengthening of internal policies, credit assessment processes, product-level monitoring, and sustainability-related reporting capabilities. The Company may also experience gradual changes in customer demand as awareness and availability of electric vehicles, solar solutions, and other green assets increase within the Sri Lankan market. **Long Term** Over the long term, the transition towards a lower-emission economy may influence the composition of the Company's lending portfolio, particularly in relation to fuel-based vehicle financing. Demand may gradually shift towards electric vehicles, renewable energy-linked financing, and energy-efficient assets. If not proactively managed, this could create portfolio obsolescence risk, reduced demand for certain carbon-intensive assets, and potential pressure on future revenue streams. Accordingly, the Company expects to progressively align its credit policies, product strategy, and sustainable finance initiatives with emerging market and regulatory developments.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 2	Regulatory and Market Transition Risk	
	Where is it Concentrated?	**Credit Risk** Transition risk may be concentrated in lending exposures connected to carbon-intensive or fuel-dependent assets, particularly certain categories of vehicle financing where market preferences, fuel costs, taxation, import policies, or environmental regulations may influence affordability, resale values, and borrower repayment capacity over time. **Market and Strategic Risk** The Company may face strategic risk if market demand shifts faster than the Company's product portfolio, credit policies, or financing capabilities. A gradual movement towards EVs, solar-related financing, and lower-emission assets may require the Company to adjust its product strategy and market positioning. **Compliance Risk** Evolving CBSL ESG expectations, SLFRS S1 and S2 disclosure requirements, and broader sustainability-related reporting expectations may increase compliance obligations, data requirements, internal coordination needs, and reporting costs.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	**Credit Risk** **Direct Mitigation Actions** Progressive integration of ESG and climate-related considerations into credit evaluation and portfolio monitoring processes. **Indirect Mitigation Actions** Strengthening internal awareness among credit, business, and risk teams on transition-related developments affecting lending portfolios. Encouraging customer awareness of lower-emission and energy-efficient asset financing options as such markets develop. **Market and Strategic Risk** **Direct Mitigation Actions** Gradual development of financing propositions linked to EVs, solar solutions, and other sustainable assets where commercially feasible. Alignment of product development initiatives with the Company's ESG Roadmap 2030 and long-term strategic direction. Monitoring market developments, customer preferences, vendor ecosystems, and regulatory incentives relating to green assets. **Indirect Mitigation Actions** Exploring partnerships with EV, solar, and energy-efficient asset vendors to support future sustainable financing opportunities. Positioning the Company to capture emerging green finance opportunities while maintaining prudent risk management practices.

CRRO 2	Regulatory and Market Transition Risk	
		Compliance Risk **Direct Mitigation Actions** Strengthening sustainability-related governance, disclosure processes, and internal reporting mechanisms in line with SLFRS S1 and SLFRS S2. Continued reporting of CRROs through the ESG Management Committee and IRMC review process. Progressive enhancement of data collection and documentation processes to support future sustainability-related disclosures. **Indirect Mitigation Actions** Engaging with external advisors, regulatory guidance, industry benchmarks, and training programmes to improve internal readiness. Building cross-functional ownership through Key Resource Persons representing all departments.
	How the Company is Resourcing and Plan to Resource Activities	**Financial Resources** Allocation of Rs. 3 million from the annual training budget towards strengthening sustainability-related disclosure readiness, ESG reporting processes, and SLFRS S1 and SLFRS S2 implementation capabilities across the organisation, including sustainability-related training, awareness sessions, and governance capacity building initiatives. Future financial resources may be allocated towards development of green financing products, digital monitoring capabilities, and partnerships supporting EV, solar, and energy-efficient asset financing, subject to commercial feasibility and market readiness. **Non-Financial Resources** Oversight and coordination through the ESG Management Committee headed by the Chief Operating Officer, with the Sustainability Champion serving as Secretary. Cross-functional support through Key Resource Persons representing all departments, enabling sustainability considerations to be embedded across business, credit, risk, operations, finance, and reporting functions. Continued use of internal expertise, external guidance, industry benchmarking, and sustainability-related training to enhance readiness for evolving regulatory and market transition requirements.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 2	Regulatory and Market Transition Risk	
	Progress (qualitative and quantitative)	During the reporting period, the Company strengthened its sustainability-related governance and disclosure readiness through the development of CRRO identification and assessment processes aligned with SLFRS S1 and SLFRS S2. The identified transition risk was assessed through the ESG Management Committee and tabled to the IRMC for review and approval. The Company also continued progressing its ESG Roadmap 2030, which provides strategic direction for embedding sustainability across operations, governance, people, and future business development. Initial steps were taken to strengthen ESG-related reporting, internal coordination, and climate-related risk awareness across the organization. As the market for EV financing, solar financing, and sustainable asset financing continues to evolve, the Company expects to progressively assess commercially viable opportunities and align future product development with prudent credit risk management and stakeholder expectations.
Financial Effects	Current year financial effects to PL, BS and CF	The Company has not identified material financial effects to the financial position, financial performance, or cash flows for the current reporting period arising from regulatory and market transition risk.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	Based on currently available information and assessments, the Company has not identified a significant risk of material adjustments to the carrying value of assets and liabilities in the next financial year arising from this CRRO.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer Note 09 Transitional Relief
Climate resilience	Resilience Assessment	Refer Note 09Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer Note 09 Transitional Relief
Judgements and Uncertainties	Judgements	The Company applied judgement in identifying transition-related risks and assessing their potential impact on the lending portfolio, product strategy, compliance processes, and future market positioning. Judgement was also applied in determining the probability, impact, and materiality of this CRRO based on currently available information and internal assessments.
	Uncertainties	Transition-related risks are subject to changes in regulation, customer preferences, technology adoption, vehicle market conditions, fuel prices, taxation, and availability of green assets such as EVs and solar solutions. As this represents the Company's initial year of reporting under SLFRS S1 and SLFRS S2, certain assessments are based on currently available data and may evolve as market conditions, reporting processes, and data availability improve over time.

CRRO 3	Green Funding and Sustainable Financing Opportunity	
CRROs impact on Prospects	Description	The increasing transition towards sustainable finance, renewable energy adoption, environmentally responsible investments, and climate-related financing initiatives presents new growth opportunities for the Company. As customer awareness, regulatory focus, and market demand for sustainable financing solutions continue to evolve, the Company may benefit from expanding into green financing avenues including electric vehicle (EV) financing, solar-related financing, and other energy-efficient asset financing opportunities. In addition to revenue growth and portfolio diversification, the development of sustainable financing capabilities may enhance the Company's long-term competitiveness, strengthen stakeholder confidence, improve access to potential ESG-linked funding opportunities, and support alignment with evolving sustainability-related regulatory expectations.
	Opportunity	
	Time Horizon	M and L
	Define time horizon	Refer Note 07– Time Horizons
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The Company has progressively expanded its exposure towards sustainable financing opportunities through EV-related financing and solar-related financing activities during the reporting period. Green financing activities contributed to portfolio diversification and supported the Company's initial positioning towards emerging sustainable finance opportunities within the Sri Lankan market. In line with evolving market trends and sustainable financing opportunities, the Company recorded approximately Rs. 1.3 billion in EV-related financing and Rs. 153 million in solar-related financing during FY 2025/26. These developments reflect the Company's gradual alignment towards emerging sustainable financing opportunities while maintaining prudent credit risk management practices. The Company also strengthened sustainability-related governance and disclosure readiness through the implementation of SLFRS S1 and SLFRS S2 aligned processes, including the formalisation of CRRO identification, governance, and reporting mechanisms through the ESG Management Committee and IRMC oversight structure.
	Anticipated Effects on Business Model and Value Chain	**Medium Term** The Company anticipates gradual growth in demand for sustainable financing solutions including EV financing, solar financing, and energy-efficient asset financing as customer awareness, market availability, and regulatory focus continue to evolve. This may support revenue diversification, enhancement of the lending portfolio, and improved market positioning within emerging sustainable finance segments. The Company also anticipates increasing opportunities to strengthen stakeholder confidence and align with evolving sustainability-related expectations from regulators, customers, investors, and funding institutions.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 3	Green Funding and Sustainable Financing Opportunity	
		Long Term Over the long term, sustainable financing opportunities may contribute towards strengthening the Company's competitive positioning, portfolio resilience, and alignment with evolving market and regulatory developments relating to climate-related finance and ESG integration. The Company also expects potential opportunities to access ESG-linked concessional funding lines and sustainable finance partnerships as sustainability-related governance, disclosures, and financing capabilities continue to mature.
	Where is it Concentrated?	**Lending and Investment Portfolios** The opportunity is primarily concentrated within the Company's lending portfolio through the expansion of EV financing, solar-related financing, and other sustainable financing opportunities which support portfolio diversification and future growth. **Investor Relations and Capital Raising Activities** Strengthened sustainability-related governance, ESG disclosures, and sustainable financing capabilities may improve the Company's positioning for future ESG-linked concessional funding opportunities and sustainable finance partnerships. **Product Development and Marketing** The development and promotion of sustainable financing products may support improved market positioning, customer acquisition, and alignment with evolving customer preferences towards environmentally responsible financing solutions. **Compliance and Risk Management Frameworks** The Company continues to strengthen sustainability-related governance, disclosure readiness, and climate-related risk management processes aligned with SLFRS S1 and SLFRS S2 requirements to support the long-term integration of sustainable financing initiatives into business operations and decision-making processes.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	**Lending Portfolio and Product Development** **Direct Opportunity Actions** Progressive expansion of EV financing, solar financing, and other sustainable financing opportunities aligned with evolving market demand and commercial feasibility. Scale EV Vehicle Financing to 8% of lending portfolio by 2030 as per the ESG Roadmap 2030. **Indirect Opportunity Actions** Exploring strategic partnerships with EV vendors, solar providers, and other sustainable asset suppliers to support future financing opportunities.

CRRO 3	Green Funding and Sustainable Financing Opportunity	
	How the Company is Resourcing and Plan to Resource Activities	**Financial Resources** Allocation of financial resources towards expanding sustainable financing opportunities including EV financing and solar-related financing activities. Ongoing investment in sustainability-related governance, reporting readiness, and SLFRS S1 and SLFRS S2 implementation processes. **Non-Financial Resources** Oversight and coordination through the ESG Management Committee headed by the Chief Operating Officer, supported by the Sustainability Champion and departmental KRPs. Strengthening cross-functional collaboration across business, credit, operations, finance, risk management, and ESG-related functions to support sustainable financing initiatives. Utilisation of internal expertise, external guidance, sustainability-related training, and industry benchmarking to enhance sustainable finance readiness and governance capabilities.
	Progress (qualitative and quantitative)	During the reporting period, the Company strengthened its sustainability-related governance and disclosure readiness through the formalisation of CRRO identification and assessment processes aligned with SLFRS S1 and SLFRS S2. The identified climate-related opportunity was assessed through the ESG Management Committee and tabled to the IRMC for review and approval. The Company also continued progressing its ESG Roadmap 2030, which provides strategic direction for embedding sustainability across operations, governance, people, and future business development. Initial steps were taken to strengthen ESG-related reporting, internal coordination, and climate-related opportunity assessment across the organisation. In line with evolving market trends and sustainable financing opportunities, the Company recorded approximately Rs. 1.3 billion in EV-related financing and Rs. 153 million in solar-related financing during FY 2025/26, compared to Rs. 319 million and Rs. 66 million respectively recorded during FY 2024/25. Overall green financing activities recorded a growth of approximately 282% during the financial year, primarily driven through the expansion of EV and solar-related financing activities. These developments reflect the Company's gradual alignment towards emerging sustainable financing opportunities while maintaining prudent credit risk management practices.
Financial Effects	Current year financial effects to PL, BS and CF	Sustainable financing activities contributed positively towards portfolio diversification and financing growth during the reporting period. In line with evolving market trends and sustainable financing opportunities, the Company recorded approximately Rs. 1.3 billion in EV-related financing and Rs. 153 million in solar-related financing during FY 2025/26. (refer Page 322)
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	Based on currently available information and assessments, the Company has not identified a significant risk of material adjustments to the carrying value of assets and liabilities in the next financial year arising from this climate-related opportunity.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

CRRO 3	Green Funding and Sustainable Financing Opportunity	
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Refer Note 09 Transitional Relief
Climate resilience	Resilience Assessment	Refer Note 09Transitional Relief
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Refer Note 09 Transitional Relief
Judgements and Uncertainties	Judgements	The Company applied judgement in identifying sustainable financing opportunities and assessing their potential impact on the lending portfolio, product development initiatives, stakeholder positioning, and future funding opportunities. Judgement was also applied in assessing the probability, impact, and materiality of this climate-related opportunity based on currently available information and market developments.
	Uncertainties	Sustainable financing opportunities remain subject to evolving market conditions, customer demand, regulatory developments, technology adoption, and availability of sustainable assets such as EVs and solar-related solutions. Future growth in sustainable finance may also depend on broader economic conditions, government policies, and development of the local sustainable finance ecosystem. As this represents the Company's initial year of reporting under SLFRS S1 and SLFRS S2, certain assessments are based on currently available data and may evolve as market conditions and sustainability-related reporting capabilities continue to mature.

RISK MANAGEMENT

Processes and Policies Relating to Climate-related Risks

Identification

i. Inputs and Parameters the Company Use

The Company identifies climate-related risks using a combination of internal and external inputs relevant to its lending portfolio, operations, and business environment. Key inputs considered include lending portfolio exposures by product category, borrower vulnerability to climate-related disruptions, geographic concentration of lending activities, operational risk assessments, branch-level exposure to severe weather events, customer repayment behaviour, and portfolio performance trends within climate-sensitive sectors.

The Company also considers external factors including evolving regulatory and disclosure requirements, CBSL sustainability-related guidance, market developments relating to sustainable finance, economic conditions, climate-related events experienced within operational regions, and emerging trends relating to EV financing, renewable energy financing, and environmentally sustainable assets.

Climate-Related Risks and Opportunities (CRROs) are assessed using internally approved probability and impact assessment frameworks linked to materiality thresholds based on Core Capital. Identified CRROs are reviewed through the ESG Management Committee and subsequently tabled to the IRMC for review and approval.

ii. Whether the Company Uses Climate-related Scenario Analysis

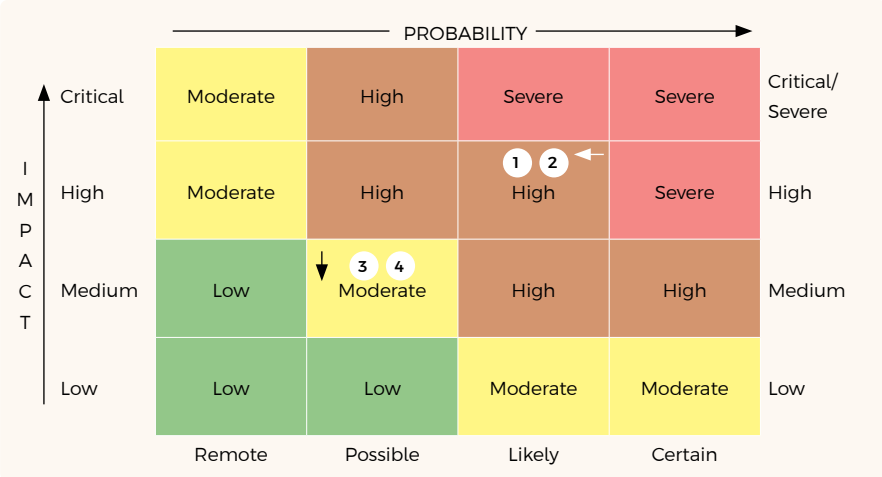
As this represents the Company's initial year of reporting under SLFRS S1 and SLFRS S2, formal climate-related scenario analysis processes are not used at the reporting date. The Company intends to progressively strengthen its climate resilience and scenario assessment capabilities in line with the applicable transitional relief provisions.

Assessment

iii. How the Company Assess:

By developing a comprehensive risk management framework, the Company demonstrates a commitment to identifying, assessing, and mitigating risks throughout the organization. This

framework provides a systematic and integrated approach to managing risks, allowing for better decision-making and minimizing potential adverse consequences. Singer Finance uses a risk matrix to assess key risks based on likelihood and impact, with risks categorized into low, moderate, high, and critical levels. The company focuses on traditional principal risks and emergent risks as illustrated in the risk governance structure depicted on page no. 298. The framework establishes robust mechanisms to identify, assess, and prioritize risks based on their potential impact and likelihood.



Nature

The Company categorises identified CRROs as physical risks, transition risks, or climate-related opportunities based on their nature and potential impact on operations, lending activities, and strategic direction.

Magnitude/Impact of CRROs

The Company evaluates the impact levels of CRROs based on materiality, using unimpaired core capital and an internally recognized probability framework reviewed by the BIRMC, as shown below.

Impact level	Definition with materiality
Low	Minor effect on finances, operations, or reporting; below materiality and unlikely to affect decisions
Medium	Noticeable effect, but still within tolerable limits; may require management attention and partial action
High	Significant effect that may exceed materiality thresholds and affect performance, reporting, or objectives
Critical/Severe	Severe effect with major financial, operational, or reputational damage; clearly material and needs immediate action

Likelihood

The Company assesses the likelihood of identified CRROs using an internally approved probability framework categorised as Remote, Possible, Likely, or Certain.

The probability of occurrence of identified CRRO event is assessed with reference to materiality, considering both the likelihood of the event and its potential financial or operational impact. Events with a higher probability and a more material effect are given greater priority in risk management and mitigation planning. The below table illustrates the definitions of the same.

Likelihood level	Definition with materiality
Remote	Very unlikely to occur; impact is usually immaterial unless combined with other issues (probability of occurrence:25%)
Possible	Could occur at some point; may become material if it affects key areas or repeats often (probability of occurrence:50%)
Likely	Expected to occur in normal circumstances; usually material and needs active monitoring (probability of occurrence:75%)
Certain	Almost or fully expected to occur; highly material and requires immediate action (probability of occurrence:100%)

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Magnitude/Exposure

The Company assesses the magnitude of CRROs based on their potential impact on operations, customer repayment capacity, portfolio quality, financial performance, and business continuity using internally approved materiality thresholds linked to Core Capital.

Prioritization

iv. **Whether and how the entity prioritises climate-related risks relative to other types of risk**

In line with the integrated risk management framework, the heat map is used to prioritize risks by assessing each risk against its likelihood and impact, allowing the most significant risks to be identified clearly. As shown in the risk matrix table on page 300, risks in the upper-right quadrant, where both likelihood and impact are high, are treated as the highest priority and typically require immediate action. CRROs are subject to enhanced monitoring and governance oversight through the ESG policy framework and highlighted at the periodical BIRMC meetings.

Monitoring

v. **how the entity monitors climate-related risks**

The Company monitors climate-related risks through portfolio reviews, operational risk assessments, management reporting processes, and governance oversight mechanisms. Climate-related risks and opportunities are periodically reviewed through the ESG Management Committee and reported to the IRMC.

Changes in the Process

vi. **whether and how the entity has changed the processes it uses compared with the previous reporting period**

Compared to the previous reporting period, there have been no significant changes in the Company's risk identification and assessment processes. However, the Company strengthened its sustainability-related governance and disclosure readiness during the reporting period through the formalisation of CRRO-related processes aligned with SLFRS S1 and SLFRS S2 requirements.

Processes and Policies Relating to Climate-related Opportunities

vii. **The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.**

The Company identifies climate-related opportunities through the assessment of market trends, customer demand, regulatory developments, and sustainable financing opportunities including EV financing and solar-related financing. Opportunities are assessed based on their potential impact on portfolio diversification, revenue growth, strategic positioning, and long-term business sustainability.

Climate-related opportunities are prioritised based on strategic relevance, potential financial impact, and alignment with the Company's ESG Roadmap 2030 and overall business strategy. Monitoring activities include periodic reviews of sustainable financing trends, customer demand, and evolving regulatory expectations.

Integration to Overall ERM

the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process:

Climate-related risks and opportunities are integrated into the Company's overall enterprise risk management framework through governance oversight, portfolio monitoring, operational risk assessments, and strategic planning processes. The ESG Management Committee and the BIRMC oversee material CRROs alongside other principal risks within the Company's broader risk management framework. This should be read in conjunction with the strategic focus and risk response framework presented on page 300 of the annual report.

METRICS AND TARGETS

GRI 305-1, 305-2

Cross Industry Metrics

1) Greenhouse Gas Emissions (GHG)

Basis of Determination of Organizational Boundary and Operational Boundary

The Company has adopted the operational control approach in determining the organizational and operational boundaries for GHG emissions reporting. Accordingly, all operations and facilities over which Singer Finance (Lanka) PLC has operational control during the reporting period have been included within the reporting boundary.

The disclosure covers the Company's branch network, Head Office operations, company-owned vehicles, generators, purchased electricity consumption, refrigerant usage, fire extinguishers, and other relevant operational activities.

The reporting boundary is aligned with the Company's financial reporting boundary for the year ended 31 March 2026.

Methodology used for the measurement and disclosure of GHG Emissions

GHG emissions were measured and disclosed in accordance with the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, SLFRS S2 – Climate-related Disclosures, and relevant guidance issued by internationally recognised frameworks and standards.

The Company calculated greenhouse gas emissions using an activity-based methodology whereby activity data is multiplied by the applicable emission factors and Global Warming Potential (GWP) conversion factors to derive carbon dioxide equivalent emissions (CO_2e). The methodology applied can be summarised as follows:

Activity Data × Emission Factor = Emissions

Emissions × Global Warming Potential (GWP) = CO_2e

Scope 1 emissions comprise direct emissions arising from:

- Stationary combustion
- Mobile combustion
- Fugitive emissions

Scope 2 emissions comprise indirect emissions arising from purchased electricity consumption across the Company's operational locations.

The Company utilised internationally recognised emission factors and GWP values

Summary of GHG Emissions

Scope	2025 ($mtCO_2e$)
Scope 1	4,424.23
Scope 2	542.08
Scope 3 (Note 09: Refer Transitional Relief)	
Total	**4,966.32**

The Company recorded total Scope 1 and Scope 2 GHG emissions of 4,966.32 $mtCO_2e$ during FY 2025/26. In addition, the Company achieved a GHG emission saving of 679.23 $mtCO_2e$ through the utilisation of 1,100,568 kWh of solar-generated electricity, supporting its transition towards cleaner and more sustainable energy sources.

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

			($mtCO_2e$)			
			Scope 1			Scope 2
GHG Emissions	Measurement	Quantity	Stationary Combustion	Mobile Combustion	Fugitive Combustion	Purchased Electricity
Diesel	Liters	241	0.15	0.45	-	-
Petrol	Liters	33,374	-	71.72	-	-
Refrigerant Leakages/ Refilling	kgs	2,316	-	-	4,351.04	-
CO_2 Fire Extinguishers Leakages/Refilling	kgs	960	-	-	0.87	-
Electricity	kWh	1,431,934	-	-	-	542.08
		1,468,825	**0.15**	**72.17**	**4,351.91**	**542.08**
					4,424.23	**542.08**
Total $mtCO_2e$						**4,966.32**
GHG Savings	kWh	**1,100,568**				**679.23**

Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Generators	-	https://www.ipcc.ch/assessment-report/ar6/	https://ghgprotocol.org/sites/default/files/Emission_Factors_from_Cross_Sector_Tools_March_2017.xlsx
Scope 1	Mobile combustion	Own Vehicles - Diesel	-	https://ghgprotocol.org/sites/default/files/Emission_Factors_from_Cross_Sector_Tools_March_2017.xlsx	https://www.ipcc.ch/meetings/session25/doc4a4b/vol2.pdf
Scope 1	Process combustion	-	-	-	-
Scope 1	Fugitive Emissions	Refrigerant Refill and CO2 Fire Extinguishers	-	1	https://ghgprotocol.org/sites/default/files/ghgp/Global-Warming-Potential-Values%20%28Feb%2016%202016%29_1.pdf
Scope 2	Electricity Consumption		http://www.energy.gov.lk/images/energy-balance/energy-balance-2019-lq.pdf	0.4173	http://www.energy.gov.lk/images/energy-balance/energy-balance-2021.pdf

2) Climate-related Physical Risks

The Company identified Extreme Weather Events Related Risk as the primary climate-related physical risk during the reporting period. 3% of the number of branch locations and lending exposures are situated within geographic regions susceptible to floods, cyclonic conditions, and adverse weather-related disruptions, particularly within the Western and North Western provinces.

Climate-related physical risks may impact borrower repayment capacity, branch operations, collections, recoveries, and operational continuity. During the reporting period, DITWAH-related cyclonic and flood conditions impacted two branch locations and a limited segment of the lending portfolio. The Company continues to strengthen operational resilience, business continuity planning, and climate-sensitive portfolio monitoring processes.

3) Climate-related Transition Risks

The Company identified Regulatory and Market Transition Risk as the primary climate-related transition risk during the reporting period. Transition risks may arise from evolving sustainability-related regulations, increasing ESG disclosure expectations, changing customer preferences, and the gradual transition towards lower-emission economic activities.

Potential impacts may include reduced demand for fuel-based vehicle financing, changes in collateral values, increased compliance and reporting costs, and shifts in lending portfolio composition over time. These risks may influence balance sheet exposures through changes in lending asset quality, portfolio growth patterns, impairment levels, and operational expenditure associated with sustainability-related compliance and reporting requirements.

As at 31 March 2026, exposures identified as vulnerable to transition-related risks were primarily concentrated within segments of the vehicle financing portfolio associated with fuel-based transportation assets. However, based on the Company's approved materiality threshold assessment framework, the overall financial impact of identified transition risk exposures on the Statement of Financial Position was assessed to be immaterial during the current reporting period.

4) Climate-related Opportunities

Based on the Company's approved materiality threshold assessment framework, the percentage of assets and business activities aligned with climate-related opportunities was assessed to be immaterial as at 31 March 2026. Accordingly, no material balance sheet concentration relating to climate-related opportunities has been identified for disclosure purposes during the reporting period.

5) Capital Expenditure

The Company currently does not have material amounts allocated for climate-aligned capital deployment.

6) Internal Carbon Pricing

The Company has not implemented internal carbon pricing as at 31st March 2026.

7) Remuneration

As at the reporting date, the Company has not formally integrated climate-related performance indicators, sustainability-linked targets, or CRRO-related metrics into director remuneration structures. Accordingly, climate-related remuneration disclosures are currently not applicable to the Company.

However, the Company recognises the increasing importance of aligning sustainability objectives with performance management and governance practices and may evaluate the incorporation of sustainability-related considerations into remuneration frameworks as its ESG and climate-related governance maturity further evolves.

Industry Specific Metrics

Sustainability Accounting Standards Board (SASB) Index

The relevant SASB industry specific standard will be properly adopted from next year onwards with the identification and disclosure of wider sustainability-related risks and opportunities

SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

Climate Related Targets

Green Financing Targets

CRRO 1	Green Funding and Sustainable Financing Opportunity
Metric/measurement/KPI	Increase EV financing portfolio allocation from approximately 0.5% of the total lending portfolio in FY 2024/25 to 8% of the total lending portfolio by FY 2030. Increase annual EV financing disbursements from Rs. 319 Mn in FY 2024/25 to sustain growth beyond Rs. 1,316 Mn recorded in FY 2025/26, while progressively expanding the green mobility financing portfolio through FY 2030. Expand solar financing disbursements from Rs. 66 Mn in FY 2024/25 to Rs. 700 Mn cumulative solar financing portfolio by FY 2030, with an annual solar financing disbursement target of approximately Rs. 150 Mn.
Objective	Mitigation and climate adaptation through expansion of sustainable finance solutions, promoting low-carbon mobility, renewable energy adoption, and climate-resilient financing aligned with sustainable finance initiatives.
Scope	Applies to Singer Finance (Lanka) PLC's lending portfolio, specifically green financing activities including EV financing, solar financing.
Period	FY 2025/26 to FY 2030
Base Period	FY 2024/25
Milestones and interim targets – mentioned in our ESG Roadmap	Increase EV financing portfolio allocation progressively toward 8% by 2030 · Achieve minimum 1.5% annual EV portfolio allocation growth · Expand solar lending portfolio from Rs. 66 Mn to Rs. 700 Mn by 2030 · Achieve annual solar lending disbursement target of Rs. 150 Mn
Target type (if quantitative whether it is a absolute or intensity target)	Quantitative absolute and portfolio intensity-based targets.
Alignment with jurisdiction **Commitment**	Targets are aligned with the Central Bank of Sri Lanka Sustainable Finance Roadmap, Sri Lanka Green Finance Taxonomy, and national commitments toward low-carbon development, renewable energy adoption, and climate resilience.
Validation	Not Currently
Review Process	Progress against green finance targets is periodically reviewed by the ESG Management Committee, senior management, and the Integrated Risk Management Committee (IRMC)
Metrics for monitoring progress	Percentage of EV financing within total lending portfolio · Total green financing disbursements · Solar financing portfolio growth
Revision	Targets may be revised periodically depending on market conditions, technological developments, customer demand for sustainable finance products, regulatory developments, and changes in national sustainable finance priorities.
Progress achieved during the year and status at year end	During the year under review, Singer Finance significantly strengthened its sustainable finance portfolio through the expansion of environmentally responsible lending solutions. The Company recorded EV financing disbursements amounting to Rs. 1,316 Mn during the year, reflecting growing customer demand for sustainable mobility solutions and supporting the transition toward lower-carbon transportation alternatives. In addition, solar financing disbursements reached Rs. 153 Mn, supporting increased adoption of renewable energy solutions among customers

GHG Emission Related Targets

CRRO 2	Extreme Weather Events
Metric/measurement/KPI	Reduce total Scope 1 and Scope 2 GHG emissions by 15% by FY 2030 from the FY 2024/25 baseline within the current operational boundary.
Objective	CO2 emission reduction
Scope	Scope 1, Scope 2 greenhouse gas emissions are covered by the target
Period	FY 2026/27 to FY 2030
Base Period	FY 2025/26
Milestones and interim targets	Establish complete Scope 3 inventory by FY 2028 · Achieve approximately 3% annual reduction in Scope 1 & 2 emissions
Target type (Gross or Net GHG emission target)	Gross
Target type (absolute or intensity)	Quantitative targets comprising both absolute and intensity-based targets.
Alignment to sectorial decarbonization approach	N/A
Entity's plan to use Carbon credits to offset GHG emissions	N/A currently
Alignment with jurisdiction Commitment	Targets are aligned with the Central Bank of Sri Lanka Roadmap for Sustainable Finance, Sri Lanka Green Finance Taxonomy, Hayleys Lifecode
Validation	Currently internally monitored and reviewed through governance structures. External assurance through Group GHG Emission Audit.
Review Process	Performance and climate-related risks are reviewed periodically through the ESG Management Committee and tabled to the Integrated Risk Management Committee (IRMC)
Metrics for monitoring progress	Scope 1 & 2 emissions (mtCO2e) · Renewable energy contribution (%) · GHG intensity per employee
Revision	Currently internally monitored and reviewed through governance structures. External assurance
Progress achieved during the year and status at year end	During the year, the Company continued progressing toward improved climate resilience and operational sustainability. Scope 1 and Scope 2 emissions were monitored, renewable energy initiatives continued, and climate-related operational vulnerabilities were identified across selected branches susceptible to adverse weather conditions.

GRI CONTENT INDEX

Statement of use	Singer Finance (Lanka) PLC has reported in accordance with the GRI Standards for the period 1 April 2025 to 31 March 2026
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	IBC				
	2-2 Entities included in the organization's sustainability reporting	4, 5				
	2-3 Reporting period, frequency and contact point	4, 8				
	2-4 Restatements of information	5				
	2-5 External assurance	6				
	2-6 Activities, value chain and other business relationships	5, 68, 69, 143,156				
	2-7 Employees	111				
	2-8 Workers who are not employees	111, 112				
	2-9 Governance structure and composition	180 - 183				
	2-10 Nomination and selection of the highest governance body	181				
	2-11 Chair of the highest governance body	196				
	2-12 Role of the highest governance body in overseeing the management of impacts	184				
	2-13 Delegation of responsibility for managing impacts	184				
	2-14 Role of the highest governance body in sustainability reporting	8, 184				
	2-15 Conflicts of interest	217				
	2-16 Communication of critical concerns	321				
	2-17 Collective knowledge of the highest governance body	180, 181, 325				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-18 Evaluation of the performance of the highest governance body	181				
	2-19 Remuneration policies	184, 185				
	2-20 Process to determine remuneration	184, 185				
	2-21 Annual total compensation ratio		2-21	Confidentiality Constraints	The Company does not publicly disclose detailed compensation breakdowns due to the sensitive and confidential nature of remuneration structures.	
	2-22 Statement on sustainable development strategy	22 - 27				
	2-23 Policy commitments	122,183				
	2-24 Embedding policy commitments	183				
	2-25 Processes to remediate negative impacts	122				
	2-26 Mechanisms for seeking advice and raising concerns	183, 186				
	2-27 Compliance with laws and regulations	186				
	2-28 Membership associations	158				
	2-29 Approach to stakeholder engagement	75 - 84				
	2-30 Collective bargaining agreements	113				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	70 - 74				
	3-2 List of material topics	71 - 73				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	18, 127, 138, 150, 162, 183				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	18, 83				
	201-2 Financial implications and other risks and opportunities due to climate change	330				
	201-3 Defined benefit plan obligations and other retirement plans	428 - 431				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	124,148,150				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	141				
	203-2 Significant indirect economic impacts	141				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	150				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	156				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	183				
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	183				
	205-3 Confirmed incidents of corruption and actions taken					No incidents of corruption
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	385, 386				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 207: Tax 2019	207-1 Approach to tax	385, 386				
	207-2 Tax governance, control, and risk management	385, 386				
	207-3 Stakeholder engagement and management of concerns related to tax	81				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	162				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	163, 164				
	302-3 Energy intensity	163, 164				
	302-4 Reduction of energy consumption	163, 164				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	162				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	166, 167				
	303-2 Management of water discharge-related impacts	166, 167				
	303-5 Water consumption	166, 167				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	162				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	166, 341				Refer SLFRS Sustainability Financial Disclosers Section
	305-2 Energy indirect (Scope 2) GHG emissions	166, 341				Refer SLFRS Sustainability Financial Disclosers Section
	305-4 GHG emissions intensity	166				Refer SLFRS Sustainability Financial Disclosers Section
GRI 306: Waste 2020	306-4 Waste Diverted from Disposal	167,168				

GRI CONTENT INDEX

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	115,120,121				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	120				
	401-3 Parental leave	120				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	119				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	121				
	403-2 Hazard identification, risk assessment, and incident investigation	121, 122				
	403-5 Worker training on occupational health and safety	121				
	403-6 Promotion of worker health	120				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			Remarks
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	117				
	404-2 Programs for upgrading employee skills and transition assistance programs	117				
	404-3 Percentage of employees receiving regular performance and career development reviews	116				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	112				
	GRI 405 - 2 Ratio of basic salary and remuneration of women to men	113				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	108				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	122				

INDEPENDENT IR ASSURANCE REPORT TO SINGER FINANCE (LANKA) PLC

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Independent practitioner's assurance report to the Board of Directors of Singer Finance (Lanka) PLC on the Integrated Annual Report 2026

Scope

We have been engaged by Singer Finance (Lanka) PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Singer Finance (Lanka) PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in the Singer Finance (Lanka) PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Singer Finance (Lanka) PLC

In preparing the Subject Matter, Singer Finance (Lanka) PLC applied the Integrated Reporting Framework (<IR> Framework) initially developed by the International Integrated Reporting Council (IIRC) and currently maintained by the Integrated Reporting and Connectivity Council (IRCC) of the IFRS Foundation. (the "Criteria"),

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Singer Finance (Lanka) PLC's responsibilities

Singer Finance (Lanka) PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Singer Finance (Lanka) PLC on 7 April 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

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Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

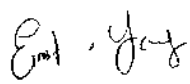
Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Singer Finance (Lanka) PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.



21 May 2026
Colombo

INDEPENDENT GRI ASSURANCE REPORT TO SINGER FINANCE (LANKA) PLC

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Independent practitioner's assurance report to the Board of Directors of Singer Finance (Lanka) PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2025/26

Scope

We have been engaged by Singer Finance (Lanka) PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Singer Finance (Lanka) PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Singer Finance (Lanka) PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Singer Finance (Lanka) PLC

In preparing the Subject Matter, Singer Finance (Lanka) PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Singer Finance (Lanka) PLC's responsibilities

Singer Finance (Lanka) PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Singer Finance (Lanka) PLC on 7 April 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/ frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

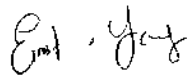
Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

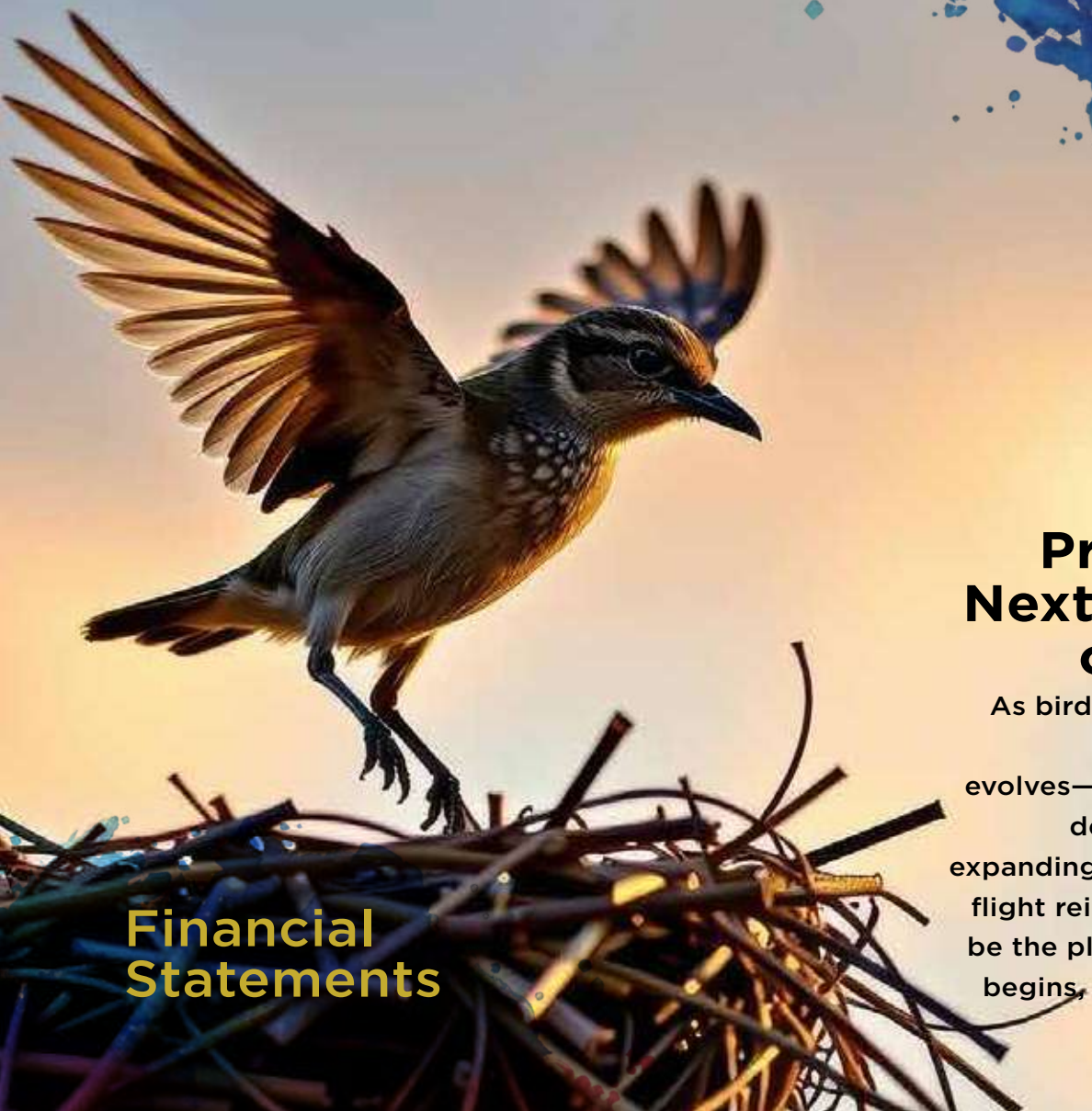
Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Singer Finance (Lanka) PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.



21 May 2026
Colombo

FROM FIRST FLIGHT TO BOUNDLESS HORIZONS



Preparing the Next Generation of Dreamers

As birds return stronger to the nest, Singer Finance evolves—strengthening systems, deepening inclusion, and expanding reach. Each successful flight reinforces our purpose: to be the place where every dream begins, grows, and takes flight.

Financial Statements

Financial Calendar – 2025/26

Annual Report 2024/25 06th May 2025
Eighteenth Annual General Meeting 24th June 2025

Interim Financial Statements in terms of listing Rule 7.4 of the Colombo Stock Exchange

1st Quarter

For the three months ended 30th June 2025
(Unaudited) 22nd July 2025

2nd Quarter

For the six months ended 30th September 2025
(Unaudited) 28th October 2025

3rd Quarter

For the nine months ended 31st December 2025
(Unaudited) 20th January 2026

4th Quarter

For the twelve months ended 31st March 2026
(Unaudited) 07th May 2026

Annual Report & Annual General Meeting

Annual Report 2025/26 Approved on 15th May 2026
Nineteenth Annual General Meeting 23rd June 2026

Proposed Financial Calendar 2026/27

1st Quarter Results

For the three months period ending 30th June 2026
(Unaudited) July 2026

2nd Quarter Results

For the six months period ending 30th September 2026
(Unaudited) October 2026

3rd Quarter Results

For the nine months period ending 31st December 2026
(Unaudited) January 2027

4th Quarter Results

For the twelve months period ending 31st March 2027
(Unaudited) May 2027

Annual Report and Audited Accounts for 2026/27

(Audited) June 2027
Twentieth Annual General Meeting June 2027

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Singer Finance (Lanka) PLC has pleasure in presenting their Report on the affairs of the Company together with the Audited Financial Statements of the Company for the year ended 31st March 2026.

Review of the Year

The Chairman's Review (pages 22 to 27), the Group Managing Director's Review (pages 28 to 31), the Managing Director's Review (pages 32 to 37) and Capital Reports (pages 86 to 170), describe the Company's affairs and mention important events that occurred during the year, and up to the date of this report. The Financial Review on pages 86 to 107 elaborates the financial results of the Company. These reports together with the Audited Financial Statements reflect the state of affairs of the Company.

Principal Activities

The principal activities of the Company consist of finance leasing, granting loans, mobilizing fixed and saving deposits, financing of consumer durables under loan scheme and invoice discounting under factoring business.

Independent Auditors' Report

The independent Auditors' report on the Financial Statements is given on pages 364, 365 and 366 in this Annual Report.

Financial Statements

The Financial Statements for the year ended 31st March 2026 are prepared in accordance with Sri Lanka Accounting Standards, SLFRS/LKAS issued by the Institute of Chartered Accountants of Sri Lanka, the Directions issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, the Rules of the Colombo Stock Exchange and the requirement of Section 151 of the Companies Act No. 7 of 2007.

The Financial Statements duly signed by the Directors are provided on pages 367 to 371 in this Annual Report.

Accounting Policies

The accounting policies adopted in preparing the Financial Statements are provided in notes to the Financial Statements on pages 372 to 460.

The accounting policies adopted are consistent with the previous financial year.

Property, Plant and Equipment

During the year under review, the Company invested Rs. 340.9 million (2024/25, Rs. 228.2 million) in Property, Plant and Equipment. Rs. 86.2 million was spent on renovating and upgrading leasehold premises. Further Rs.94.4 million, Rs.80.2 million and Rs. 20.5 million were spent on purchasing of EDP Equipment, Office Equipment and Furniture and Fittings respectively.

Details of Property, Plant and Equipment and their movements are given in Note 23 to the Financial Statements.

Intangible Assets

During the year under review, the Company acquired Rs. 46.6 million worth of software to develop the IT infrastructure of the Company. Total investment in software as at the Balance Sheet date was Rs. 112.8 million. Details of intangible assets are given under Note 22 to the Financial Statements.

Directors' Responsibilities

The Statement of Directors' Responsibility is given on page 363.

Corporate Governance

The Company has complied with Corporate Governance Rules laid down under the Listing Rules of the

Profit and Appropriations	**2026**	2025
	Rs.	Rs.
Company profit before tax for the year ended 31st March after deducting all expenses, known liabilities and depreciation amounts	2,655,261,149	1,458,142,680
Provision for income tax	-1,080,106,736	-606,419,696
Profit after tax for the year	1,575,154,413	851,722,984
Profit brought forward from the previous year	3,599,726,040	2,831,011,004
Unclaimed Dividends adjustments	-	-
Profit available for appropriation	5,174,880,453	3,682,733,988
The following appropriations have been proposed:		
Transfer to Reserve Fund	-315,030,883	-170,344,596
Transfer to Regulatory Loss Allowance Reserve Fund	-	51,093,499
Actuarial (Gain)/Loss on Retirement Benefit Obligation	-70,431,115	51,775,927
Tax on Other Comprehensive Income	21,129,335	-15,532,778
Total appropriation before Other Comprehensive Income	-364,332,663	-83,007,948
Balance on Company basis to be carried forward	4,810,547,790	3,599,726,040

Colombo Stock Exchange, Code of Best Practice on Corporate Governance issued in year 2023 by the Institute of Chartered Accountants of Sri Lanka and the Corporate Governance Direction No. 05 of 2021 issued by the Central Bank of Sri Lanka. The corporate governance section on pages 178 to 295 describes the good corporate governance principles adopted by the Company.

Dividend

There were no dividend payment made during the financial year.

Reserves

The Company's Reserves and Retained Profits as at 31st March 2026 amounted to Rs. 5,631.3 million vs Rs. 4,107.6 million as at 31st March 2025. The break- up and movement are shown in the Statement of Changes in Equity in the Financial Statements.

Stated Capital

As per the terms of the Companies Act No. 7 of 2007, as at 31st March 2026, the stated capital of the company was Rs. 4,004,555,574 comprising of 277,851,853 ordinary shares. The company concluded a successful Right Issue during the year increasing the stated capital by Rs. 2,008,111,117 (75.777.778 shares). Details and movement of the stated capital are given in Note 33 to the Financial Statements on page 432.

Events after the Reporting Period

There have been no material events occurring after the reporting date which requires adjustments to or disclosure.

Statutory Payments

The declaration relating to statutory payments is made in the Statement of Directors' Responsibility on page 363.

Directors Interests and Interest Register

Details of transactions with Director related entities are disclosed in page 461, have been declared at the Board Meetings, pursuant to the Section 192 (2) of the Companies Act No. 7 of 2007.

During the financial year Mr. Thushan Amarasuriya subscribed to 18,808 shares of the company under the Rights Issue and 40,000 shares were disposed in the month of November 2025,There were no other share/ debenture transactions by the Directors during the financial year in the Company.

Board of Directors and Board Sub-Committees

The following Directors served on the Board of the Company during the period under review:

Executive

Mr. Thushan Amarasuriya - MD

Non-Executive

Mr. Aravinda Perera - Chairman

Mr. Mahesh Wijewardene
Group Managing Director

Ms. Darshini Talpahewa

Mr. Jonathan Alles
(appointed w e f 05th March 2026)

Independent Non-Executive

Mr. Saman Herath
(Senior Independent)

Mr. Ranil De Silva

Mr. Dhammika Siriwardene

Ms. Hiranthi De Silva

Brief profiles of the Directors are shown on pages 40 to 45.

Retirement, Re-election, Resignation and Appointment of Directors

In terms of Article 24 (4) of the Articles of Association of the Company, Ms. Darshini Talpahewa and Mr. Ranil De Silva retires by rotation and being eligible offers themselves for re-election and the shareholders will be requested to re-elect them at the forthcoming Annual General Meeting.

In terms of Article 24 (9) of the Articles of Association of the Company shareholders will be requested to re-elect Mr. Jonathan Alles who has been appointed to the Board since the last Annual General Meeting.

Independence of Directors

In accordance with the Finance Companies (Corporate Governance) Direction No. 5 of 2021, Section A 5.4 of Code of Best Practice on Corporate Governance and Section 9.8.5 of the Colombo Stock Exchange (CSE) Listing Rules, Mr. Ranil De Silva, Mr. Saman Herath, Mr. Dhammika Siriwardene and Ms. Hiranthi De Silva who are Independent Non-Executive Directors of the Company, have submitted a signed and dated declaration as per the specimen given in appendix 9A of continuing listing requirement of CSE.

The Board has designated Mr. Saman Herath as the Senior Independent Director in order to ensure compliance with Section 6 (3) of Finance Business Act Direction No. 5 of 2021.

Corporate Governance Director's Declaration

The Directors declare that having considered all information and explanations made available to them that:

(a) The Company complied with all applicable laws and regulations in conducting its business

(b) The Directors have declared all material Interest in contracts involving the Company and refrained from voting on matters in which they were materially interested

(c) The Company has made all endeavours to ensure the equitable treatment of shareholders

(d) The business is a going concern with supporting assumptions or qualifications as necessary,

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

(e) A review of internal controls covering financial, operational and compliance controls and risk management has been conducted and reasonable assurance of their effectiveness and successful adherence has been obtained.

The Corporate Governance report is given under the governance section of the Annual Report.

Board Sub Committees

Audit Committee

Following are the names of the Directors comprising the Audit Committee of the Board:

Mr. Dhammika Siriwardene
(Independent Non-Executive Director) - Chairman

Mr. Saman Herath
(Senior Independent Non-Executive Director)

Mr. Ranil De Silva
(Independent Non-Executive Director)

Mr. Jonathan Alles
(Non -Executive Director, appointed to the Audit Committee w.e.f 21st April 2026)

Mr. Lasitha Dias
Secretary to the Committee

The Report of the Audit Committee on pages 307 to 309 sets out the manner of compliance by the Company in accordance with the requirements of Finance Companies (Corporate Governance) Direction No. 5 of 2021 and subsequent amendments issued by the Central Bank of Sri Lanka, and Section 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance.

Board Integrated Risk Management Committee

Following are the names of the Directors comprising the Board Integrated Risk Management Committee:

Mr. Saman Herath
(Senior Independent Non-Executive Director)- Chairman

Mr. Dhammika Siriwardene
(Independent Non-Executive Director)

Ms. Hiranthi De Silva
(Independent Non-Executive Director)

Mr. Jonathan Alles
(Non-Executive Director, appointed to the Integrated Risk Management Committee w.e.f 21st April 2026)

Mr. Arunda De Silva
Head of Risk - Secretary to the committee

The Report of the Board Integrated Risk Management Committee on page 312 sets out the manner of compliance by the Company in accordance with the requirements of the Finance Companies (Corporate Governance) Direction No. 05 of 2021 and subsequent amendments issued by the Central Bank of Sri Lanka.

Human Resources and Remuneration Committee

Following are the names of the Directors comprising the Human Resources and Remuneration Committee of the Board:

Mr. Dhammika Siriwardene
(Independent Non-Executive Director) Chairman

Mr. Aravinda Perera
(Non-Executive Director)

Mr. Saman Herath
(Independent Non-Executive Director)

Ms. Hiranthi De Silva
(Independent Non-Executive Director)

Mr. Mahesh Wijewardene
(Non-Executive Director)

Mr. Lasitha Dias
Secretary to the Committee

The Report of the Human Resources and Remuneration Committee on page 315 contains a statement of the remuneration policy. The details of the aggregate remuneration paid to the Executive and Non- Executive Directors during the financial year are given in Note 10 to the Financial Statements on page 384.

Board Nominations and Governance Committee

Following are the names of the Directors comprising the Nomination and Governance Committee of the Board:

Mr. Saman Herath
(Senior Independent Non-Executive Director) - Chairman

Mr. Aravinda Perera
(Non-Executive Director)

Ms. Hiranthi De Silva
(Independent Non-Executive Director)

Mr. Lasitha Dias
Secretary to the Committee

The Report of the Board Nomination and Governance Committee on page 310 sets out the manner of compliance by the Company in accordance with the requirements of the Code of Best Practice on Corporate Governance issued in 2023 by the Institute of Chartered Accountants of Sri Lanka.

Related Party Transactions Review Committee

The following are the names of the Directors comprising the Board Related Party Transaction Review Committee.

Ms. Hiranthi De Silva
(Independent Non-Executive Director) – Chairman

Mr. Dhammika Siriwardene
(Independent Non-Executive Director)

Mr. Ranil De Silva
(Independent Non-Executive Director)

Mr. Lasitha Dias
Secretary to the Committee

The report of the Board Related Party Transactions Review Committee on page 316 sets out the manner of compliance by the Company.

The Board of Directors has given the following statement;

The related party transactions of the Company, during the financial year have been reviewed by the Related Party Transactions Review Committee during respective periods of review and are in compliance with Section 9 of the Listing Rules.

Directors' and Officers' Liability Insurance

The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance cover including Singer Group from a reputed insurance Company in Sri Lanka providing worldwide cover to indemnify all past, present and future liability towards the Directors and Officers of the Company.

Share Information and Substantial Shareholdings

The distribution of shareholding, public holding percentage, market value of shares, twenty largest Shareholders are given on pages 467 & 468 in this Annual Report.

Earnings per share, dividend per share, dividend pay-out and net assets value per share are given in the financial highlights of this Annual Report.

Directors' Interest in Ordinary Shares and Debentures

The Shareholding of Directors and Managing Director at the beginning of the year and as at the end of the year were as follows:

As at 31st March	Shareholding		Debenture Holding	
	2026	2025	2026	2025
	No. of shares	No. of shares	No. of shares	No. of shares
Mr. Aravinda Perera	Nil	Nil	Nil	Nil
Mr. Saman Herath	Nil	Nil	Nil	Nil
Mr. Ranil De Silva	Nil	Nil	Nil	Nil
Mr. Thushan Amarasuriya	28,963	50,155	Nil	Nil
Mr. Mahesh Wijewardene	Nil	Nil	Nil	Nil
Ms. Darshini Talpahewa	Nil	Nil	Nil	Nil
Mr. Dhammika Siriwardene	Nil	Nil	Nil	Nil
Ms. Hiranthi De Silva	Nil	Nil	Nil	Nil
Mr. Jonathan Alles (Appointed to the Board w.e.f 05th March 2026)	Nil	Nil	Nil	Nil

Employment

The number of persons employed by the Company as at 31st March 2026 was 1225 (2025 – 987).

Material issues pertaining to employees and industrial relations

Details relating to material issues pertaining to employees and industrial relations are given in Human Capital on pages 108 to 123.

Donations

Donations amounting to Rs. 15,000 were made during the year.

Appraisal of the Board Performance

Performance of the Board, and Committees of the Board are reviewed periodically. Chairman gets feedback on the status and affairs of respective Committees through respective Chairmen of such Committees quarterly. Further, the members of the Board are subjected to an annual self-evaluation of their performance.

Code of Conduct and Ethics

The Company is following the Code of Conduct established by the Company. All the Key and Senior Managers need to adhere to the code of conduct of the Company and escalate down the same to their reports. If there are any deviations, such matters need to be brought to the notice of the Managing Director.

Cyber Security Risk

Cyber Security risks of the Company are monitored by the IT division of both the Company and Parent Company. During the financial year company appointed a Chief Information Security Officer (CISO) to further strengthen cyber security aspects of the company.

Consultants are also engaged from time to time to review cyber security risks and to establish relevant controls.

Auditors

The Financial Statements for the period under review were audited by Messrs Ernst & Young, Chartered Accountants for the FY 2025/26 audit.

The Audit Committee recommended to the Board to re appoint Messers Ernst & Young Chartered Accountants as the External Auditors for the year ending 31st March 2027.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

A resolution proposing Messrs Ernst & Young as Auditors of the Company for the year 2026/27 and to authorise Directors to determine their remuneration will be proposed at the Annual General Meeting.

The audit and non-audit fees paid to the Auditors by the Company is disclosed in Note 10 on page 384 in this Annual Report.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company.

The Audit Committee reviews the appointment of the Auditor, its effectiveness and its relationship with the Company including the level of audit and non-audit fees paid to the Auditors.

Details on the work of the Board Audit Committee are set out in the Board Audit Committee Report.

Environmental, Social & Governance

Embracing Sustainability on pages 172 to 177 contains the ESG initiatives under taken by the Company.

Notice of Meeting

The 19th Annual General Meeting will be held at the Chas P.Hayley Lounge of Hayleys PLC, No.400, Deans Road, Colombo 10, Sri Lanka on 23rd June 2026 at 1.00 p.m.

The Notice of the Annual General Meeting of the shareholders is given on page 476.

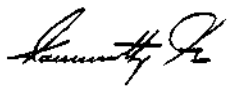
For and on behalf of the Board,



Aravinda Perera
Non-Executive Director/ Chairman



Thushan Amarasuriya
Managing Director



Lasitha Dias
Company Secretary

Colombo
15th May 2026

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies Act No. 7 of 2007 ('the Companies Act') requires Directors to ensure that the Company keeps accounting records, which correctly record and explain the Company's transactions and prepare Financial Statements that give a true and fair view of the state of the Company's affairs as at the reporting date and of the profit and loss for the year.

In terms of Section 150 (1) and Section 151 of the Companies Act, the Directors are responsible to ensure compliance with the requirements set out therein to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the company as at the end of financial year and of the profit or loss of the company for the financial year then ended, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that it is in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

The Directors confirm the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS), the Directions issued by the Monetary Board of the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, The Companies Act No. 7 of 2007 and the Rules of the Colombo Stock Exchange and consistent with the underlying books of accounts.

The Directors have taken proper and sufficient measures to safeguard the assets of the Company, have instituted appropriate systems of internal control and accounting records to prevent and detect frauds and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis. The Board has conducted a review of Internal controls covering material risk to the company and have obtained reasonable assurance of their effectiveness through an independent review.

In preparing the Financial Statements, the Directors are responsible to ensure that appropriate accounting policies have been selected and applied consistently, reasonable and prudent judgments and estimates have been made and all applicable accounting standards have been complied with.

The Directors have taken appropriate steps to ensure that the Company maintains proper books of accounts and the financial reporting system is directly reviewed by the Directors at their regular meetings and also through the Board Audit Committee.

The Board of Directors has also instituted an effective and comprehensive systems of internal control for identifying, recording, evaluating and managing the significant risks faced by the Company throughout the year, which is primarily handled through the Board Audit Committee and the Integrated Risk Management Committee. The Directors have taken adequate measures to ensure that all stakeholders including depositors are fairly treated.

The Directors have a reasonable expectation, that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore, have continued to adopt the going concern basis in preparing the accounts.

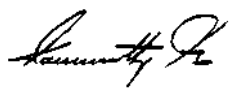
The Financial Statements of the Company have been certified by the Chief Financial Officer of the Company, the officer responsible for their preparation as required by Section 150(1) (b) and they have also been signed by two Directors of the Company as required by Section 150(1)(c) of the Companies Act.

Messrs. Ernst & Young Chartered Accountants, the Auditors of the Company, have examined the Financial Statements made available by the Board of Directors together with all relevant financial records, related data, minutes of Shareholders' and Directors' meetings and express their opinion in their Report on pages 364 to 366 of the Annual Report.

Compliance Report

Based on the Report of the Compliance Officer, the Directors confirm that to the best of their knowledge and belief, that the company has not engaged in any activity which contravenes laws and regulations, all taxes, duties, and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid, or were provided for.

By Order of the Board



Lasitha Dias
Company Secretary

Colombo
7th May 2026

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

TO THE SHAREHOLDERS OF SINGER FINANCE (LANKA) PLC

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Singer Finance (Lanka) PLC (the Company), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our 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 our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our 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 18.4, 18.3 and 18.2 is determined by management based on the accounting policies described in Note 09 to the financial statements. This was a key audit matter due to ◆ the significant management judgements, assumptions and high level of 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.	In addressing the allowances for expected credit losses of loan and advances measured at amortised cost, our 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 our 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 of Directors and management.

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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Key Audit Matter	How our audit addressed the key audit matter
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 Note 09.	◆ 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 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. ▸ Our 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 18.1, 18.2, 18.3, 18.4 and 40.1.1
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.	**Our 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 our 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 cybersecurity risks affecting the Company and the actions taken to address these risks primarily through inquiry. ◆ Tested source data of the reports used to generate disclosures for accuracy and completeness, including review of the general ledger reconciliations.

Other information included in the Company's 2026 Annual Report

Other information consists of the information included in the Company's 2026 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2026 Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

INDEPENDENT AUDITOR'S REPORT

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determines 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs 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 SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 8513.

15th May 2026
Colombo

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31st March	Note	2026 Rs.	2025 Rs.
Gross Income	5	**15,068,122,010**	9,706,033,056
Interest Income	6.1	**13,651,832,484**	8,982,589,570
Interest Expense	6.2	**(6,575,047,978)**	(4,189,822,409)
Net Interest Income	6	**7,076,784,506**	4,792,767,161
Fee and Commission Income	7	**1,336,674,594**	612,180,156
Other Operating Income	8	**79,614,932**	111,263,330
Total Operating Income		**8,493,074,032**	5,516,210,647
Impairment (Charges)/ Reversals for Loans & Receivables	9	**(389,369,940)**	(233,037,168)
Net Operating Income		**8,103,704,092**	5,283,173,479
Expenses			
Personnel Expenses	10.1	**(1,819,001,253)**	(1,327,688,789)
Depreciation & Amortisation	10	**(357,828,767)**	(300,097,142)
Other Operating Expenses	10.2	**(2,283,901,572)**	(1,610,510,873)
Operating Profit Before Tax on Financial Services	10	**3,642,972,500**	2,044,876,675
Tax on Financial Services	11	**(987,711,351)**	(586,733,995)
Profit Before Income Tax		**2,655,261,149**	1,458,142,680
Income Tax Expense	12	**(1,080,106,736)**	(606,419,696)
Profit for the Year		**1,575,154,413**	851,722,984
Other Comprehensive Income			
Items that will never be Classified to Profit or Loss			
Actuarial Gain/ (Loss) on Defined Benefit Obligation	32.1	**(70,431,115)**	51,775,927
Deferred Tax on Actuarial Gain/ (Loss) on Defined Benefit Obligation	31.1	**21,129,335**	(15,532,778)
Total Other Comprehensive Income/ (Expenses) for the Year, Net of Tax		**(49,301,780)**	36,243,149
Total Comprehensive Income for the Year		**1,525,852,633**	887,966,133
Basic Earnings Per Share	13	**6.07**	3.53
Dividend Per Share		**-**	-

The Notes on pages 378 to 460 form an integral part of these Financial Statements.

Figures in the brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31st March		2026	2025
	Note	Rs.	Rs.
Assets			
Cash and Cash Equivalents	15.1	**1,690,764,989**	1,830,533,616
Placement with Banks	16	**289,929,330**	2,776,950,496
Financial Assets at Amortised Cost-Hire Purchase Receivables	18.1	**-**	-
Financial Assets at Amortised Cost-Finance Lease Receivables	18.2	**20,609,615,011**	17,209,188,966
Financial Assets at Amortised Cost-Loans and Advances	18.3	**67,451,609,139**	30,407,087,007
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	19	**2,185,043**	2,185,043
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	20	**3,699,761,613**	2,812,655,388
Due from Related Companies	29.1	**80,624,650**	24,669,533
Other Financial Assets	21.1	**100,366,819**	61,984,122
Other Non Financial Assets	21.2	**621,179,750**	312,699,411
Deferred Tax Assets	31	**340,161,884**	246,454,499
Intangible Assets	22	**112,761,334**	83,215,301
Property, Plant and Equipment	23	**858,440,714**	710,856,585
Right-of-Use Assets	24	**891,793,965**	638,108,661
Total Assets		**96,749,194,241**	57,116,588,628
Liabilities and Equity			
Liabilities			
Bank Overdraft	15.2	**975,169,082**	905,920,208
Financial Liabilities at Amortised Cost-Due to Customers	25	**41,278,533,265**	28,314,140,318
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	26	**40,795,801,090**	19,508,211,518
Lease Liabilities	27	**1,044,628,392**	789,620,206
Other Financial Liabilities	28.1	**1,686,270,251**	649,131,809
Other Non Financial Liabilities	28.2	**558,236,731**	286,828,765
Due to Related Companies	29.2	**10,282,253**	16,891,865
Current Tax Liabilities	30	**519,445,197**	402,815,307
Retirement Benefit Obligations	32	**242,794,651**	138,959,053
Total Liabilities		**87,111,160,912**	51,012,519,049
Equity			
Stated Capital	33	**4,004,555,574**	1,996,444,457
Statutory Reserves	34.1	**820,786,222**	505,755,339
Fair Value Reserve (FVOCI)		**2,143,743**	2,143,743
Regulatory Loss Allowance Reserve	34.2	**-**	-
Retained Earnings		**4,810,547,790**	3,599,726,040
Total Equity		**9,638,033,329**	6,104,069,579
Total Liabilities and Equity		**96,749,194,241**	57,116,588,628
Net Assets Per Share		**34.69**	30.21
Commitments and Contingencies	37		

The Notes on pages 372 to 460 form an integral part of these Financial Statements.
I certify that the financial statements of the Company comply with the requirements of the companies Act 07 of 2007.

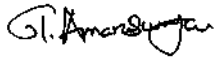


Chandana Nanayakkara
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for on behalf of the board,



Aravinda Perera
Chairman



Thushan Amarasuriya
Director/ Managing Director

Colombo.
15th May 2026

STATEMENT OF CHANGES IN EQUITY

		Attributable to Equity Holders of the Company					
	Note	Stated Capital	Statutory Reserve Fund	Fair Value Reserve of Financial Assets at FVOCI	Regulatory Loss Allowance Reserve	Retained Earnings	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1st April 2024	33, 34	1,996,444,457	335,410,743	2,143,743	51,093,499	2,831,011,004	5,216,103,446
Total Comprehensive Income For The Year							
Profit for the Year		-	-	-		851,722,984	851,722,984
Other Comprehensive Income		-	-	-		36,243,149	36,243,149
Total Comprehensive Income for the Year		-	-	-	-	887,966,133	887,966,133
Transactions with Owners, Recognized Directly in Equity							
Distribution to Owners of the Company							
Transferred to/(from) during the year	34	-	170,344,596	-	(51,093,499)	(119,251,097)	-
Total Transactions with Equity Owners		-	170,344,596	-	(51,093,499)	(119,251,097)	-
Balance as at 31st March 2025		1,996,444,457	505,755,339	2,143,743	-	3,599,726,040	6,104,069,579
Balance as at 1st April 2025	32, 33	1,996,444,457	505,755,339	2,143,743	-	3,599,726,040	6,104,069,579
Total Comprehensive Income for the Year							
Profit for the Year		-	-	-	-	1,575,154,413	1,575,154,413
Other Comprehensive Income		-	-	-	-	(49,301,780)	(49,301,780)
Total Comprehensive Income for the Year		-	-	-	-	1,525,852,633	1,525,852,633
Transactions with Owners, Recognized Directly in Equity							
Distribution to Owners of the Company							
Right Issue		2,008,111,117	-	-	-	-	2,008,111,117
Transferred to/(from) during the year	34	-	315,030,883	-	-	(315,030,883)	-
Total Transactions with Equity Owners		2,008,111,117	315,030,883	-	-	(315,030,883)	2,008,111,117
Balance as at 31st March 2026		4,004,555,574	820,786,222	2,143,743	-	4,810,547,790	9,638,033,329

The Notes on pages 372 to 460 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the Year Ended 31st March	Note	2026 Rs.	2025 Rs.
Cash Flows from/ (Used in) Operating Activities			
Profit Before Tax		**2,655,261,149**	1,458,142,680
Adjustments For			
Interest Income from Investing Activities		**(262,485,850)**	(273,030,761)
Interest Income from Placement with Banks		**(102,303,529)**	(113,754,586)
Finance Cost		**6,445,858,006**	4,139,314,708
Depreciation/ Amortisation		**357,828,767**	300,097,142
Retirement Benefit Obligation	32.1	**44,466,533**	38,660,636
Impairment Charges/ (Reversals) for Loans & Receivables	9	**389,369,940**	233,037,168
(Gain)/ Loss on Disposals of Property, Plant & Equipment		**9,989,632**	136,761
(Gain)/ Loss on Mark to Market Valuation of Government Securities		-	1,183,099
Gain on Modification of ROU Asset		-	(250,239)
Securitization Issue Cost		**106,078,715**	27,950,797
Debenture Issue Cost		**5,309,761**	2,753,293
Operating Profit Before Changes in Operating Assets And Liabilities		**9,649,373,124**	5,814,240,698
Changes in;			
(Increase)/ Decrease in Finance Lease Rentals Receivables		**(3,588,660,379)**	(6,310,624,746)
(Increase)/ Decrease in Loans and Advances		**(37,245,657,741)**	(13,828,841,408)
(Increase)/ Decrease in Other Financial Assets		**(38,382,697)**	(4,488,051)
(Increase)/ Decrease in Other Non-Financial Assets		**(309,836,486)**	(33,523,705)
(Increase)/ Decrease in Due from Related Companies		**(55,955,117)**	(24,669,533)
Increase/ (Decrease) in Deposits		**12,361,140,349**	6,323,700,066
Increase/ (Decrease) in Amounts Due to Related Companies		**(6,609,612)**	(88,153,881)
Increase/ (Decrease) in Other Financial Liabilities		**1,037,138,442**	344,625,163
Increase/ (Decrease) in Other Non-Financial Liabilities		**271,407,966**	(6,413,691)
Cash Flows (Used in)/ from Operations		**(17,926,042,151)**	(7,814,149,088)
Finance Costs Paid		**(4,123,433,647)**	(3,962,348,010)
Retiring Gratuity Paid	32	**(8,347,050)**	(14,916,950)
Gratuity Transfer	32	**(2,715,000)**	4,994,450
Income Tax Paid	30	**(1,034,698,749)**	(458,686,914)
Net Cash Generated (Used in)/ from Operating Activities		**(23,095,236,597)**	(12,245,106,512)
Cash Flows from/ (Used in) Investing Activities			
Acquisition of Property, Plant & Equipment		**(340,997,280)**	(228,212,417)
Proceeds from Disposals of Property, Plant and Equipment		**382,926**	78,889
Purchase of Intangible Assets	22.1	**(46,652,429)**	(10,496,508)
Net Change in Debt and Other Financial Instruments		**(896,981,840)**	(29,549,871)
Net Change in Placement with Banks		**2,483,119,820**	(2,520,808,908)
Interest Income Received		**378,566,340**	542,730,031
Net Cash Flows from/ (Used in) Investing Activities		**1,577,437,537**	(2,246,258,784)

For the Year Ended 31st March	Note	2026 Rs.	2025 Rs.
Cash Flows from/ (Used in) Financing Activities			
Proceeds from issuance of Right Issue		**2,008,111,117**	-
Proceeds from Securitization Loan	26.3	**17,415,952,732**	10,127,876,339
Issue of Subordinated Debenture	26.1.1	**4,000,000,000**	-
Loans Obtained from Banks	26.2	**33,550,000,000**	17,600,000,000
Repayment of Bank Loans	26.2	**(31,387,312,849)**	(14,901,113,089)
Repayment of Debenture	26.1.1	**(5,000,000)**	-
Repayment of Securitization Loan	26.3	**(3,836,807,253)**	(364,400,000)
Securitization Loan Issue Cost		**(161,201,233)**	(118,304,321)
Debenture Issue Cost		**(16,147,974)**	-
Lease Rentals Paid	27	**(258,812,982)**	(222,247,380)
Net Cash Flows from/ (Used in) Financing Activities		**21,308,781,559**	12,121,811,549
Net Increase/ (Decrease) in Cash and Cash Equivalents		**(209,017,501)**	(2,369,553,747)
Cash and Cash Equivalents at the Beginning of the Year		**924,613,408**	3,294,167,155
Cash and Cash Equivalents at the End of the Year Note (A)	15.2	**715,595,907**	924,613,408
Note (A)			
Breakup of the Cash and Cash Equivalents			
Cash in Hand		**522,724,462**	442,827,827
Cheques in Hand		**162,390,115**	136,935,032
Balance with Banks in Local Currency		**974,655,969**	1,229,729,969
Balance with Banks in Foreign Currency		**30,994,443**	21,040,788
Bank Overdrafts		**(975,169,082)**	(905,920,208)
Cash and Cash Equivalents at the End of the Year		**715,595,907**	924,613,408

The Notes on pages 372 to 460 form an integral part of these Financial Statements.

Figures in the brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

1.1.1. General

Singer Finance (Lanka) PLC ("Company"), a Licensed Finance Company registered under the Finance Business Act No. 42 of 2011, was incorporated on 19th April 2004 as a Public Limited Liability Company domiciled in Sri Lanka under the provisions of the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 7 of 2007. The registered office of the Company is located at No. 498, R. A. De Mel Mawatha, Colombo 3 and the principal place of business is situated at the same place. The Company was listed on the Main Board of the Colombo Stock Exchange on 17th January 2011. The Staff strength of the Company as at 31st March 2026 was 1,225 (987 as at 31st March 2025).

1.1.2. Principal Activities and Nature of Operations

The principal activities of the Company consist of finance leasing, gold loans, financing of consumer durables under loan scheme and granting loans, factoring, authorised foreign currency dealer and mobilising fixed deposits and savings deposits.

There were no significant changes in the nature of the principal business activities of the Company during the financial year under review.

1.1.3. Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is Singer (Sri Lanka) PLC. The Company's ultimate parent undertaking and controlling party is Hayleys PLC, which is incorporated in Sri Lanka.

1.2. Basis of Preparation

1.2.1. Statement of Compliance

The Financial Statements of the Company have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRSs and LKASs) laid down by The Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 7 of 2007 and the Finance Business Act No. 42 of 2011 and amendments thereto, and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange and the guidlines issued by the Central Bank of Sri Lanka. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

1.2.2. Responsibility for Financial Statements

The Board of Directors of the Company is responsible for the preparation and presentation of these Financial Statements as per the provisions of the Companies Act No. 7 of 2007 and SLFRSs and LKASs.

The Board of Directors acknowledges their responsibility for Financial Statements as set out in the "Annual Report of the Board of Directors on the Affairs of the Company", "Statement of Directors' Responsibilities," and the Certification on the Statement of Financial Position.

These Financial Statements include the following components:

A Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Company for the year under review.

A Statement of Financial Position providing the information on the financial position of the Company as at the year-end.

A Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Company.

A Statement of Cash Flows providing the information to the users, on the ability of the Company to generate cash and cash equivalents and utilization of those cash flows.

Notes to the Financial Statements comprising Accounting Policies and other explanatory information.

1.2.3. Approval of Financial Statement

The Financial Statements for the year ended 31st March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 15th May 2026.

1.2.4. Basis of Measurement

The Financial Statements have been prepared on an accrual basis except for cash flow information and under the historical cost basis except for following material items in the statement of financial position:

Financial assets measured at fair value through profit or loss (FVTPL)

Financial Assets measured at Fair Value through Other Comprehensive Income (FVOCI).

Liabilities for defined benefit obligations are recognised using an actuarial technique (projected unit credit method)

1.2.5. Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the Functional Currency).

There was no change in the Company's Presentation and Functional Currency during the year under review.

These Financial Statements are presented in Sri Lankan Rupees, the Company's Functional and Presentation Currency.

1.2.6. Presentation of Financial Statements

The assets and liabilities of the Company presented in the Statements of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

No adjustments have been made for inflationary factors affecting the Financial Statements.

An analysis on 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 36 to the Financial Statements.

1.2.7. Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 01 on "Presentation of Financial Statements".

1.2.8. Going Concern Basis for Accounting

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management has assessed the existing and anticipated effects of current economic condition on the Company and is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements of the Company continue to be prepared on a going concern basis.

1.2.9. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the 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 realise the assets and settle the liabilities simultaneously.

1.2.10. Rounding

The amounts in the Financial Statements have been rounded off to the nearest Rupee, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 01 on "presentation of Financial Statements".

1.2.11. Comparative Information

Comparative 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,

NOTES TO THE FINANCIAL STATEMENTS

where relevant for better presentation and to be comparable with those of the current year.

1.2.12. Events After the Reporting Date

Events after the reporting date are those events, favourable and unfavourable, that occur between the Reporting date and the date when the Financial Statements are authorised for issue.

In this regard, all material and important events that occurred after the Reporting Period have been considered and appropriate disclosures are made in the Financial Statements where necessary.

1.2.13. Use of Judgments and Estimates

In preparing the Financial Statements of the Company in conformity with SLFRSs and LKASs the management has make judgments, estimates and assumptions which affect the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The most significant areas of estimation, uncertainty and critical judgments in applying Accounting Policies that have most significant effect on amounts recognised in the Financial Statements of the Company are as follows:

Note 14.2 - Fair Value Measurement

Note 9 - Impairment of Financial Assets

Note 23 - Useful life of Property, Plant and Equipment

Note 3.1 - Impairment of Non-Financial Assets

Note 32 - Employee Benefit

Note 31 - Deferred Taxation

Note 37 - Commitments and Contingencies

Note 27 - Determination of Lease Term and Estimating Incremental Borrowing Rate.

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the Accounting Policies as set out in Notes 5 to 40 on pages 378 to 460 to all periods presented in these Financial Statements.

3. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following significant accounting policies to all periods presented in the Financial Statements by the Company.

3.1. Impairment of Non-Financial Assets

At each Reporting date, the Company reviews the carrying amounts of its non – financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 'Value in use' is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its related Cash-Generating unit (CGU) exceeds its estimated recoverable amount.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount

of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.2. Dividend Payable

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are recommended and declared by the Board of Directors.

3.3. Deposits due to Customers

These include term deposits and savings deposits. Subsequent to initial recognition, deposits are measured at their amortised cost using the effective interest method, except where the Company designates liabilities at fair value through profit or loss. Interest paid / payable on these deposits recognised in profit or loss.

3.4. Deposit Insurance Scheme

In terms of Administration and Management of the Sri Lanka Deposit Insurance Scheme, issued under the Banking (Special Provisions) Act, Direction No.17 of 2023 all Registered Finance Companies are required to insure their deposit liabilities in the Deposit Insurance and Liquidity Support Scheme.

Deposits to be insured shall include demand deposit and time deposit including certificates of deposit and savings deposits.

Registered Finance Companies are required to pay a premium of 0.15% per annum, payable monthly, calculated on the total amount of all eligible deposit liabilities, inclusive of any interest accrued as at the end of the month, to be paid within a period of 15 days from the end of the respective month.

3.5. Debt Securities Issued and Subordinated Term Debts

These represent the funds borrowed by the Company for long-term funding requirements. Subsequent to initial recognition debt securities issued are measured at their amortised cost using the effective interest method, except where the Company designates debt securities issued at fair value through profit or loss. Interest paid / payable is recognised in profit or loss.

3.6. Crop Insurance Levy (CIL)

As per the provisions of 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% p.a. of the profit after tax.

3.7. Withholding Tax on Dividends

Withholding tax that arises from the distribution of dividends by the Company is recognised at the time the liability to pay the related dividend is recognised.

3.8. Withholding Tax (WHT) on Deposit Interest Payments

In accordance with the Inland Revenue Act, the Company deducts 10% withholding tax (WHT) at source in interest payments made to eligible deposit holders. The interest expenses reported in these financial statements are presented gross of withholding tax (WHT).

3.9. Value Added Tax (VAT)

Liable Goods and Services are taxed at the rate of 18%.

3.10. Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method" of preparing Cash Flows in accordance with the Sri Lanka Accounting Standard

LKAS - 07 "Cash Flow Statements". Cash and cash equivalents comprise 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. The cash and cash equivalents include cash in hand and favorable and/ or unfavourable balances with banks.

NOTES TO THE FINANCIAL STATEMENTS

4. NEW AND AMENDED ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended accounting standards issued up to the date these financial statements are authorised for issue, but not yet effective for the current reporting period, are disclosed below. These standards and amendments will be adopted, if applicable, when they become effective.

- SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts including life, non-life, direct insurance, reinsurance as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

- SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

- SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

- Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments, particularly features such as sustainability-linked terms and nature-dependent electricity contracts. These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

- Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted, if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

5 GROSS INCOME

Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. The following specific criteria are used for the purpose of recognition of revenue.

5.1 Summary

As at 31st March	2026	2025
	Rs.	Rs.
Gross Income	**15,068,122,010**	9,706,033,056

5.2 Analysis of Gross Income

Interest Income (Note 6.1)	**13,651,832,484**	8,982,589,570
Fee and Commission Income (Note 7)	**1,336,674,594**	612,180,156
Other Operating Income (Note 8)	**79,614,932**	111,263,330
	15,068,122,010	9,706,033,056

6 NET INTEREST INCOME

Interest income and expense are recognised in profit or loss using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the EIR, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the EIR includes transaction costs and fees paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

When a financial asset becomes credit-impaired it is therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income and expense presented in the Income Statement include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated using EIR method;
- Over Due Interest which have been accounted for on a cash received basis;

As at 31st March	2026	2025
	Rs.	Rs.
Interest Income (Refer Note 6.1)	**13,651,832,484**	8,982,589,570
Less : Interest Expense (Refer Note 6.2)	**(6,575,047,978)**	(4,189,822,409)
Net Interest Income	**7,076,784,506**	4,792,767,161

As at 31st March	2026	2025
	Rs.	Rs.
6.1 Interest Income		
Interest Income on Finance Lease Receivables	**4,861,076,828**	3,649,391,581
Interest Income on Loans and Advances	**8,423,666,318**	4,945,942,895
Income on Financial Instruments at Amortised Cost	**262,485,850**	273,030,761
Interest Income on Placements with Banks	**102,303,529**	113,754,586
Interest Income on Inter Company Receivables	**2,299,959**	469,747
	13,651,832,484	8,982,589,570
6.2 Interest Expense		
Interest on Deposits Due to Customers	**3,340,842,878**	2,876,597,634
Interest on Securitization Loans	**1,760,564,362**	420,885,889
Interest on Bank Loans	**694,441,012**	454,398,896
Interest on Debt Securities	**552,865,427**	287,092,380
Securitization Loans Issue Cost	**106,078,715**	27,950,797
Interest on Lease Liabilities	**102,454,088**	103,093,202
Interest on Bank Overdrafts	**16,245,572**	10,451,480
Interest on Inter Company Payables	**1,555,924**	9,352,131
	6,575,047,978	4,189,822,409

7 FEE AND COMMISSION INCOME

Fees and commission income and expense that are integral to the EIR on a financial asset or liability are included in the measurement of the EIR. Other fees and commission income are recognised as the related services are performed.

As at 31st March	2026	2025
	Rs.	Rs.
Service Charge Income	**1,078,380,867**	458,433,768
Insurance Commission Income	**241,588,670**	139,824,823
Commission Income Other	**15,324,475**	12,417,215
Debit Card Related Income	**1,380,582**	1,504,350
	1,336,674,594	612,180,156

NOTES TO THE FINANCIAL STATEMENTS

8 OTHER OPERATING INCOME

As at 31st March	2026	2025
	Rs.	Rs.
Income from Foreign Exchange Operations	**597,876**	1,237,446
Gain/ (Loss) on Translation of Foreign Currencies	**2,509,359**	(913,801)
Unwinding Interest Income on Employee Loans	**21,793,497**	18,968,826
Gain/ (Loss) on Disposal of Property, Plant and Equipment	**(9,989,632)**	(136,761)
Realized/ (Loss) on Investment Securities (Refer Note 8.1)	-	(1,183,099)
Gain on Modification of ROU Asset	-	250,239
Recoveries of Bad-Debt Written Off	**22,988,430**	22,667,289
Credit Income	**10,254,272**	9,032,829
Other Sundry Income	**10,495,768**	37,435,792
Other Income	**20,965,362**	23,904,570
	79,614,932	111,263,330

8.1 Net Trading Gain/ (Loss) from Investment Securities

Realized/ (Loss) on Investment Securities	-	(1,183,099)
	-	(1,183,099)

9 IMPAIRMENT CHARGES/ (REVERSALS) FOR LOANS & RECEIVABLES

Accounting Policy

The Company recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments;
- Finance lease, loans and receivables;
- Financial guarantee contracts issued; and
- Loan commitments issued.

No impairment loss is recognised on equity investments.

The Company measures loss allowances at an amount equal to 12 months ECL and lifetime ECL for loans and receivable, except for the following,

for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments (other than loans and receivables) on which credit risk has not increased significantly since their initial recognition.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company does not apply the low credit risk exemption to any other financial instruments.

Overview of the Expected Credit Loss (ECL) Principles

The ECL allowance is based on the credit losses expected to arise over the life of the asset.

The 12 months ECL is the portion of Lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on such process Company allocates loans into Stage 01, Stage 02, Stage 03 as described below;

Stage 01

When loans are first recognised, the Company recognises an allowance based on 12 months ECLs. Stage 01 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 02.

Stage 02

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the Lifetime ECLs. Stage 02 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 03.

Stage 03

When a loan is considered to be credit impaired/contain objective evidences of incurred loss, the Company records an allowance for the Lifetime ECLs.

Significant Increase in Credit Risk (SICR)

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Company's historical experience and expert credit assessment and including forward looking information.

The Company considers an exposure to have significantly increased credit risk when contractual payments of a customer are more than 30 days past due.

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

NOTES TO THE FINANCIAL STATEMENTS

- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a financial asset that is overdue for more than 90 days is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in the bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of Allowance for ECL in the Statement of Financial Position.

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI.-The loss allowance is not recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Probability of Default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical models, and assessed using various categories based on homogeneous characteristics of exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. The Company forecast PD by incorporating forward looking economic variables (unemployment, GDP growth, inflation, interest rate, Credit growth, Sector NPL ratio, and using lag effect of these variables).

Loss Given Default (LGD)

LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties.

Exposure at default (EAD)

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount.

The Company has used these parameters from internally- developed statistical models using historical data. All inputs were adjusted to reflect forward-looking information and future economic scenarios.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Restructured Financial Assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Collateral Repossessed

The Company's policy is to sell the repossessed assets at the earliest possible opportunity. Such collateral repossessed are held on a memorandum basis without de recognising the underlying receivable.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company 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. This assessment is carried out at the individual asset level.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Impairment Charges/ (Reversals) on Hire Purchase Receivable (Note 18.1.2)	**2,500**	(19,120)
Impairment Charges/ (Reversals) on Lease Receivable (Note 18.2.4)	**188,234,335**	37,271,242
Impairment Charges/ (Reversals) on Loans and Advances (Note 18.3.4)	**201,133,105**	195,785,046
	389,369,940	233,037,168

9.1 Analysis of Impairment Charges/ (Reversals) for Loans & Receivables

As at 31st March	2026				2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Hire Purchase Receivables	-	-	**2,500**	**2,500**	-	-	(19,120)	(19,120)
Finance Lease Receivables	**57,298,857**	**69,766,138**	**61,169,340**	**188,234,335**	46,932,212	50,325,837	(59,986,807)	37,271,242
Loans and Advances	**43,707,444**	**41,331,110**	**116,094,551**	**201,133,105**	31,421,924	37,797,451	126,565,671	195,785,046
Total	**101,006,301**	**111,097,248**	**177,266,391**	**389,369,940**	78,354,136	88,123,288	66,559,744	233,037,168

10 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX ON FINANCIAL SERVICES AND INCOME TAX STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Auditors' Remuneration - Audit & Related Services	**5,767,481**	4,871,060
- Non-Audit Services	**3,990,946**	5,948,027
Directors' Emoluments	**49,591,309**	36,178,430
Amortization of Intangible Assets	**17,106,397**	15,105,749
Depreciation of Property Plant and Equipment	**183,040,594**	155,375,604
Depreciation of Right-of-Use Assets	**157,681,776**	129,615,788
Professional & Legal Expenses	**11,220,837**	9,942,813
Operating Lease Rentals	**19,843,051**	24,136,246
Deposit Insurance Expense	**47,685,311**	35,818,844
Donation	**15,000**	-
Crop Insurance Levy	**15,256,226**	6,379,034
Personnel Expenses (Note 10.1)	**1,819,001,253**	1,327,688,789

10.1 Personnel Expenses

Accounting Policy

Personal Expenses includes salaries and bonus, terminal benefits expenses and other employee related expenses.

The provision for bonus is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made on the amount of the obligation

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Salaries and Other Staff Related Expenses	**1,629,532,823**	1,173,391,448
Defined Contribution Plan Costs - MSPS and ETF	**145,001,897**	115,636,705
Defined Benefit Plan Costs - Retiring Gratuity (Note 32.1)	**44,466,533**	38,660,636
	1,819,001,253	1,327,688,789

Defined Contribution Plan Cost

Company and employee contribute 12% each on the salary of employees to the Mercantile Service Provident Fund.

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

Defined Benefit Plan Cost

Staff gratuity was considered as defined benefit plan cost as per Sri Lanka Accounting Standard - LKAS 19.

10.2 Other Operating Expenses

Marketing Expenses	**683,003,769**	427,760,724
Insurance Expenses	**164,457,222**	115,543,762
Repair & Maintenance	**124,263,630**	97,474,511
Stamp Duty and Crop Insurance Levy	**27,612,376**	13,553,904
Professional, Legal & Audit Fees	**20,086,667**	15,952,376
Other Operating Expenses	**1,264,477,908**	940,225,596
	2,283,901,572	1,610,510,873

11 TAX ON FINANCIAL SERVICES GRI 207-1, 207-2

Accounting Policy

Tax on Financial Services include Value Added Tax on Financial Services and Social Security Contribution Levy on financial services.

NOTES TO THE FINANCIAL STATEMENTS

Value Added Tax (VAT) on Financial Services - VAT on FS

The value base for the computation of value added tax on financial services is calculated by adjusting the 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 and provisions relating to terminal benefits.

VAT on FS rate applied during the 2025/26 was 18%. (2024/25 - 18%)

Social Security Contribution Levy (SSCL) - SSCL on FS

Social Security Contribution Levy came into effect from 1st October 2022. The base of the Calculation of Social Security Contribution Levy is the value addition attributable to financial services which includes operating profit before taxes on financial services adjusted for emoluments of employees and economic depreciation. SSCL rate applied during 2025/26 was 2.5%. (2024/25 - 2.5%)

For the Year Ended 31st March	**2026**	2025
	Rs.	Rs.
VAT on Financial Services	**866,181,830**	517,529,614
SSCL on Financial Services	**121,529,521**	69,204,381
	987,711,351	586,733,995

12 INCOME TAX EXPENSE GRI 207-1, 207-2

Accounting Policy

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Income Statement, except to the extent it relates to items recognised directly in Equity or in Other Comprehensive Income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current Taxation

'Current tax' comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted, at the Reporting date.

Accordingly, provision for taxation is made on the basis of the accounting profit for the year, as adjusted for taxation purposes, in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

Notes to Financial Statements include 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'.

The Company estimates and provides for potential losses and settlements that arise out of uncertain income tax positions to the extent that such losses are probable and can be estimated.

Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Income Tax Charged/ (Reversal) on Income Statement		
Current Income Tax Expense (Note 12.1)	**1,152,092,622**	701,359,375
Under/ (Over) Provision in respect of Prior Years	**592,164**	73,954,194
	1,152,684,786	775,313,569
Deferred Tax (Reversal)/ Expenses	**(72,578,050)**	(168,893,873)
Income Tax Charge for the Year (Note 12.1)	**1,080,106,736**	606,419,696
Income Tax Charged/ (Reversal) on Other Comprehensive Income		
Deferred Tax on Actuarial Gain/ (Loss)	**(21,129,335)**	15,532,778
Total Tax Expences for the Financial Year	**1,058,977,401**	621,952,474

12.1 Reconciliation Between Income Tax Expenses and the Accounting Profit

"Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue No. 24 of 2017 and the amendments thereto at the schedule specified below,

For the Year Ended 31st March	2026	2025
	Rs.	Rs.
Accounting Profit Before Tax	**2,655,261,149**	1,458,142,680
Tax Expenses as per Accounting Profit (30%)	**796,578,345**	437,442,804
Adjustments		
Non-deductible Lease Capital Repayments	-	-
Tax Effect of Disallowed Expenses	**568,059,821**	387,974,954
Tax Effect of Deductible Expenses	**(285,123,594)**	(292,952,256)
Income Tax Expense	**1,079,514,572**	532,465,502
Under/ (Over) Provision in Respect of Prior Years	**592,164**	73,954,194
Income Tax Expenses Reported in the Statement of Profit or Loss	**1,080,106,736**	606,419,696
Effective Tax Rate (Current Income Tax) (%)	**43%**	48%
Effective Tax Rate (Total Income Tax) (%)	**41%**	42%

NOTES TO THE FINANCIAL STATEMENTS

13 EARNINGS PER SHARE

Accounting Policy

Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding as at the reporting date as required by LKAS 33 "Earning Per Share" 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

For the Year Ended 31st March	**2026**	2025
	Rs.	Rs.
Amount Used as the Numerator		
Profit Attributable to Equity Holders of the Company (Rs.)	**1,575,154,413**	851,722,984
Amount Used as the Denominator		
Weighted Average Number of Ordinary Shares in Issue (Note 13.1)	**259,526,631**	241,201,410
Basic Earnings per Share (Rs.)	**6.07**	3.53

13.1 Movement in Ordinary Shares

	2026	2025	**2026**	2025
	Outstanding Number of Shares		Weighted Average Number of Shares	
	Rs.	Rs.	Rs.	Rs.
Issued Ordinary Shares at the Beginning of the Year	**202,074,075**	202,074,075	**202,074,075**	202,074,075
Right Issue of Ordinary Shares	**75,777,778**	-	**57,452,556**	-
Number of Ordinary Shares at the End of the Year	**277,851,853**	202,074,075	**259,526,631**	202,074,075
Restatement Due to Right Issue	-	-	-	39,127,335
Weighted Average Number of Ordinary Shares at the End of the Year	**277,851,853**	202,074,075	**259,526,631**	241,201,410

13.2 Diluted Earnings per Share

There were no potential dilutive ordinary shares outstanding at any time during the year. Therefore, diluted earnings per share is same as basic earnings per share as shown above.

14 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES AND FAIR VALUE MEASUREMENTS

Accounting Policy

i) Recognition and initial measurement

The Company initially recognises Lease and Hire Purchase receivables, loans and advances, deposits and debt securities issued on the date on which they are originated. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs. For an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

"Day 1" Profit or Loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Company recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Interest Income and Personnel Expenses'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the Profit or Loss when the inputs become observable, or when the instrument is de-recognised. The 'Day 1 loss' arising in the case of loans granted to employees at concessionary rates under uniformly applicable schemes is deferred and amortised using Effective Interest Rates (EIR) over the remaining service period of the employees or tenure of the loan whichever is shorter.

ii) Classification

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized 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 SPPI.

A debt instrument is measured at FVOCI only 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 achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI.

On initial recognition of an entity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified and measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

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- 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 realizing cash flows through the sale of the assets
- how the performance of the portfolio is evaluated and reported to the Company's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for 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 Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI Test)

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. "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 (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company 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 Company considers,

- contingent events that would change the amount and timing of cash flows;
- leverage features
- prepayment and extension terms
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements) and
- features that modify consideration of the time value of money.(e.g. periodical reset of interest rates.)

iii) Financial assets – Subsequent measurement and gains and losses

Reclassifications

Financial Assets are not reclassified subsequent to their initial recognition except in the period after the Company changes its business model for managing financial assets.

Financial Liabilities

The Company classifies its financial liabilities other than financial guarantees and loan commitments as measured at amortised cost Using the effective interest method.

Financial assets at amortised cost : These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI : These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets measured at fair value through profit or loss : These assets are subsequently measured at fair value. Interest income and any changes in fair value are recognised in proft or loss.

iv) Derecognition

Financial Assets

The Company derecognizes a financial assets when the contractual right to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of the ownership of the financial assets and transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that have been recognized in OCI is recognized in profit or loss.

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset or a portion of them in such cases the transferred assets are not derecognized.

When the assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale – and – repurchase transaction, because the company retains all the old or substantially all of the risks and rewards of ownership of such assets.

In transaction in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the assets, the Company continues to recognize its assets to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Company retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognized if it meets the derecognition criteria. An asset or a liability is recognizsed for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Financial Liabilities

A financial liability is de-recognised when the obligation under liability is discharged or cancelled or expired. On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid including any non- cash assets transferred or liabilities assumed is recognized in profit or loss.

Reclassification of Financial Assets and Liabilities

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

v) Modifications of Financial Assets and Liabilities

Financial Assets

If the terms of the financial assets are modified, then the Company evaluates whether the cash flows of the modified asset are substantially different.

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If the cash flows are substantially different then the contractual right to cash flows from the original financial assets are deemed to have expired. In this case, the original financial asset is derecognized and new financial asset is recognized at fair value plus any eligible transaction cost. Any fees received as a part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction cost are included in the initial measurement of the assets; and
- other fees are included in profit or loss as part of the gain or the loss on derecognition.

If the cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts result of the qualitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortized cost or FVOCI does not result in derecognition of the financial asset, then the Company first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognizes the result in adjustment as a modification gain or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any cost or fee incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortized over the remaining terms of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower then the gain or the loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Accordingly, the respective financial assets have been assessed for contract modification to incorporate the changes to the repayment terms of the moratorium customers.

There were no contracts modification during the financial year. Further, no contracts were transferred from lifetime expected credit loss to 12-month expected credit loss subsequent to the modifications.

Financial Liabilities

The Company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities the effect, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any cost and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortized over the remaining term of the financial liability by recomputing the effective interest rate on the instrument.

vi) Offsetting of 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 assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted under SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Amortised Cost Measurement

An 'Amortised Cost' of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

14.1 Classification of Financial Assets and Financial Liabilities

The following tables provide a reconciliations of the carrying amount of the financial assets and the financial liabilities reported in the statement of financial position to the categories of the financial instruments as defined in SLFRS 9 (Financial instruments)

As at 31st March 2026	Note	Amortised Cost	Fair Value through OCI	Fair Value through P&L	Total
		Rs.	Rs	Rs	Rs
Financial Assets					
Cash and Cash Equivalents	15.1	1,690,764,989	-	-	1,690,764,989
Placement with Banks	16	289,929,330	-	-	289,929,330
Financial Assets at Amortised Cost-Hire Purchase Receivables	18.1	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	18.2	20,609,615,011	-	-	20,609,615,011
Financial Assets at Amortised Cost-Loans and Advances	18.3	67,451,609,139	-	-	67,451,609,139
Financial Assets Measured at Fair Value through Other Comprehensive Income	19	-	2,185,043	-	2,185,043
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	20	3,699,761,613	-	-	3,699,761,613
Due from Related Companies	29.1	80,624,650	-	-	80,624,650
Other Financial Assets	21.1	100,366,819	-	-	100,366,819
Total Financial Assets		93,922,671,551	2,185,043	-	93,924,856,594
Financial Liabilities					
Bank Overdrafts	15.2	975,169,082	-	-	975,169,082
Financial Liabilities at Amortised Cost-Due to Customers	25	41,278,533,265	-	-	41,278,533,265
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	26	40,795,801,090	-	-	40,795,801,090
Due to Related Companies	29.2	10,282,253	-	-	10,282,253
Lease Liabilities	27	1,044,628,392	-	-	1,044,628,392
Other Financial Liabilities	28.1	1,686,270,251	-	-	1,686,270,251
Total Financial Liabilities		85,790,684,333	-	-	85,790,684,333

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As at 31st March 2025	Note	Amortised Cost	Fair Value through OCI	Fair Value through P&L	Total
		Rs.	Rs	Rs	Rs
Financial Assets					
Cash and Cash Equivalents	15.1	1,830,533,616	-	-	1,830,533,616
Placement with Banks	16	2,776,950,496	-	-	2,776,950,496
Financial Assets at Amortised Cost-Hire Purchase Receivables	18.1	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	18.2	17,209,188,966	-	-	17,209,188,966
Financial Assets at Amortised Cost-Loans and Advances	18.3	30,407,087,007	-	-	30,407,087,007
Financial Assets Measured at Fair Value through Other Comprehensive Income	19	-	2,185,043	-	2,185,043
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	17	-	-	-	-
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	20	2,812,655,388	-	-	2,812,655,388
Due from Related Companies	29.1	24,669,533	-	-	24,669,533
Other Financial Assets	21.1	61,984,122	-	-	61,984,122
Total Financial Assets		55,123,069,128	2,185,043	-	55,125,254,171
Financial Liabilities					
Bank Overdrafts	15.2	905,920,208	-	-	905,920,208
Financial Liabilities at Amortised Cost-Due to Customers	25	28,314,140,318	-	-	28,314,140,318
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	26	19,508,211,518	-	-	19,508,211,518
Due to Related Companies	29.2	16,891,865	-	-	16,891,865
Lease Liabilities	27	789,620,206	-	-	789,620,206
Other Financial Liabilities	28.1	649,131,809	-	-	649,131,809
Total Financial Liabilities		50,183,915,924	-	-	50,183,915,924

14.2 Fair Value Measurement

'Fair Value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or , in its absence , the most advantageous market to which the Company as access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of the instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transaction for the asset or liability taken place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for the particular risk exposure. Portfolio-level adjustments - e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure - are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Level 1 : Inputs include quoted prices for identical instruments.

Level 2 : Inputs include quoted prices for similar instruments and observable inputs such as interest rates, currency exchange rates and yield curves.

Level 3 : Inputs include data not observable in the market and reflect management judgement about the assumptions market participants would use in pricing the instruments.

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14.3 Fair Values of Financial Instruments

Fair values of financial assets and financial liabilities carried at fair value.

The following table shows an analysis of assets and liabilities recorded at fair value by level of fair value hierarchy. The amounts are based on the values recognised in the statement of financial position.

Net assets value per share of the investment is considered as the fair value of unquoted equity shares

As at 31st March 2026		Carrying Value	Fair Value	Level 1	Level 2	Level 3
	Note	Rs	Rs	Rs	Rs	Rs
Financial Assets Measured at Fair Value through Other Comprehensive Income	19	**2,185,043**	**2,185,043**	-	-	**2,185,043**
		2,185,043	**2,185,043**	-	-	**2,185,043**
As at 31st March 2025						
Financial Assets Measured at Fair Value through Other Comprehensive Income	19	**2,185,043**	**2,185,043**	-	-	**2,185,043**
		2,185,043	**2,185,043**	-	-	**2,185,043**

14.4 Fair Value of Financial Assets and Financial Liabilities Not Carried at Fair Value

Financial Assets and Financial Liabilities not carried at fair value are disclosed under the category Amortised Cost.

		2026				
As at 31st March	Note	Carrying Value	Fair Value	Level 1	Level 2	Level 3
		Rs	Rs	Rs	Rs	Rs
Financial Assets						
Cash and Cash Equivalents	15.1	1,690,764,989	1,690,764,989	1,690,764,989	-	-
Placement with Banks		289,929,330	289,929,330	-	289,929,330	-
Financial Assets at Amortised Cost-Hire Purchase Receivables	18.1	-	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	18.2	20,609,615,011	22,105,167,715	-	22,105,167,715	-
Financial Assets at Amortised Cost-Loans and Advances	18.3	67,451,609,139	68,910,617,208	-	68,910,617,208	-
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	20	3,699,761,613	3,699,761,613	49,894,141	3,649,867,472	-
Due from Related Companies	29.1	80,624,650	80,624,650	-	80,624,650	-
Other Financial Assets	21.1	100,366,819	100,366,819	-	-	-
		93,922,671,551	96,877,232,324	1,740,659,130	95,036,206,375	-
Financial Liabilities						
Bank Overdrafts	15.2	975,169,082	975,169,082	975,169,082	-	-
Financial Liabilities at Amortised Cost-Due to Customers	25	41,278,533,265	42,206,950,666	-	42,206,950,666	-
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	26	40,795,801,090	42,129,341,814	-	42,129,341,814	-
Due to Related Companies	29.2	10,282,253	10,282,253	-	10,282,253	-
Lease Liabilities	26	1,044,628,392	1,044,628,392	-	1,044,628,392	-
Other Financial Liabilities	28.1	1,686,270,251	1,686,270,251	-	1,686,270,251	-
		85,790,684,333	88,052,642,458	975,169,082	87,077,473,376	-

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As at 31st March	Note	Carrying Value Rs	Fair Value Rs	2025 Level 1 Rs	2025 Level 2 Rs	2025 Level 3 Rs
Financial Assets						
Cash and Cash Equivalents	15.1	1,830,533,616	1,830,533,616	1,830,533,616	-	-
Placement with Banks		2,776,950,496	2,776,950,496	-	2,776,950,496	-
Financial Assets at Amortised Cost-Hire Purchase Receivables	18.1	-	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	18.2	17,209,188,966	20,070,869,760	-	20,070,869,760	-
Financial Assets at Amortised Cost-Loans and Advances	18.3	30,407,087,007	31,565,317,251	-	31,565,317,251	-
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	20	2,812,655,388	2,818,945,489	1,828,582,563	990,362,926	-
Due from Related Companies	29.1	24,669,533	24,669,533	-	24,669,533	-
Other Financial Assets	21.1	61,984,122	61,984,122	-	-	-
		55,123,069,128	59,149,270,267	3,659,116,179	55,428,169,966	-
Financial Liabilities						
Bank Overdrafts	15.2	905,920,208	905,920,208	905,920,208	-	-
Financial Liabilities at Amortised Cost-Due to Customers	25	28,314,140,318	28,514,360,384	-	28,514,360,384	-
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	26	19,508,211,518	20,502,571,039	-	20,502,571,039	-
Due to Related Companies	29.2	16,891,865	16,891,865	-	16,891,865	-
Lease Liabilities	26	789,620,206	789,620,206	-	789,620,206	-
Other Financial Liabilities	28.1	649,131,809	649,131,809	-	649,131,809	-
		50,183,915,924	51,378,495,511	905,920,208	50,472,575,303	-

15 CASH AND CASH EQUIVALENTS

Accounting Policy

Cash and cash equivalents comprise of cash in hand and cash at bank and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to an insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

15.1 Favorable Cash and Cash Equivalent Balances

As at 31st March	2026	2025
	Rs.	Rs.
Cash in Hand	**522,724,462**	442,827,827
Cheques in Hand	**162,390,115**	136,935,032
Balance with Banks in Local Currency	**974,655,969**	1,229,729,969
Balance with Banks in Foreign Currency	**30,994,443**	21,040,788
	1,690,764,989	1,830,533,616

15.2 Unfavorable Cash and Cash Equivalent Balances

Bank Overdrafts	**(975,169,082)**	(905,920,208)
Net Cash and Cash Equivalents for Cash Flow Statement	**715,595,907**	924,613,408

16 PLACEMENTS WITH BANKS

Placement with banks are measured initially at fair value plus transaction costs. Subsequently measured at amortised cost using EIR. Amortised cost is calculated by taking into account any discount or premium on acquisition and other fees and cost that are an integral part of EIR.

As at 31st March	2026	2025
	Rs.	Rs.
Investment in Fixed Deposits	**289,929,330**	2,776,950,496
	289,929,330	2,776,950,496

16.1 Investment in Fixed Deposits- Counterparty External Credit Ratings

External Credit Rating Grade A	**289,929,330**	2,776,950,496
	289,929,330	2,776,950,496

NOTES TO THE FINANCIAL STATEMENTS

17 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets measured at FVTPL are those assets that the Company acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. Trading assets are those assets that the Company acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

These investments are initially recognised at fair value and transaction costs that are directly attributable to its acquisition or issue is charged to profit or loss. Subsequently, recorded in the Statement of Financial Position at fair value. Changes in fair value are recognised in profit or loss.

As at 31st March	**2026**	2025
	Rs.	Rs.
Investment in Treasury Bonds (Note 17.1)	-	-

17.1 Investment in Treasury Bonds

Balance at the beginning of the year	-	463,761,001
Purchase/ (Sale) during the year	-	(462,577,902)
Gain/ (Loss) from marked to market valuation	-	(1,183,099)
Balance at the end of the year	-	-

18 FINANCIAL ASSETS AT AMORTISED COST - LOANS AND RECEIVABLES FROM CUSTOMERS

As at 31st March	**2026**	2025
	Rs.	Rs.

18.1 Hire Purchase Receivables

Rentals Receivable	**2,037,389**	2,037,389
Other Charges Receivable	**1,183,696**	1,181,196
Gross Receivables	**3,221,085**	3,218,585
Allowance for Impairment for Hire Purchase Receivables (Note 18.1.2)	**(3,221,085)**	(3,218,585)
Net Receivables	-	-

18.1.1 Hire Purchase Rentals Receivable within One Year from Reporting Date

Rentals Receivable within One Year	**2,037,389**	2,037,389
Other Charges Receivable within One Year	**1,183,696**	1,181,196
Gross Receivables within One Year	**3,221,085**	3,218,585

As at 31st March	2026	2025
	Rs.	Rs.
18.1.2 Movement in Allowance for Impairment Losses for Hire Purchase Receivables		
Balance as at beginning of the Year	**3,218,585**	3,237,705
Charge/ (Reversal) for the Year	**2,500**	(19,120)
Balance as at end of the Year	**3,221,085**	3,218,585
18.2 Finance Lease Receivables		
Rentals Receivable	**28,185,075,135**	24,019,117,570
Other Charges Receivable	**184,910,153**	156,971,244
Unearned Interest Income	**(7,087,012,263)**	(6,472,965,996)
Gross Receivables	**21,282,973,025**	17,703,122,818
Allowance for Impairment for on Lease Rentals Receivable (Note 18.2.4)	**(673,358,014)**	(493,933,852)
Net Receivables	**20,609,615,011**	17,209,188,966
18.2.1 Lease Rentals Receivables within One Year from Reporting Date		
Rentals Receivables within One Year	**11,279,027,248**	9,066,329,730
Other Charges Receivables within One Year	**184,910,153**	156,971,244
Unearned Interest Income	**(3,318,050,182)**	(2,923,620,848)
Gross Receivables within One Year	**8,145,887,219**	6,299,680,126
18.2.2 Lease Rentals Receivables after One Year but before Five Years from Reporting Date		
Rentals Receivable after One Year but before Five Years	**16,888,847,034**	14,925,676,236
Unearned Interest Income	**(3,767,940,771)**	(3,547,382,584)
Gross Receivables after One Year but before Five Years	**13,120,906,263**	11,378,293,652
18.2.3 Lease Rentals Receivables after Five Years from Reporting Date		
Rentals Receivable after Five Years	**17,200,853**	27,111,604
Unearned Interest Income	**(1,021,310)**	(1,962,564)
Gross Receivables after Five Years	**16,179,543**	25,149,040

NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March	2026	2025
		Rs.	Rs.
18.2.4	**Movement in Allowance for Impairment Losses for Lease Rentals Receivable**		
	Balance as at beginning of the Year	**493,933,852**	479,532,474
	Charge/ (Reversal) for the Year	**188,234,335**	37,271,242
	Written off during the Year	**(8,810,173)**	(22,869,864)
	Balance as at end of the Year	**673,358,014**	493,933,852
18.3	**Loans and Advances**		
	Loans and Advances	**74,821,310,518**	34,002,938,274
	Other Charges Receivable	**182,106,887**	91,554,826
	Unearned Interest Income	**(6,574,162,546)**	(2,805,080,983)
	Gross Receivables	**68,429,254,859**	31,289,412,117
	Allowance for Impairment for Loans and Advances (Note 18.3.4)	**(977,645,720)**	(882,325,110)
	Net Receivables	**67,451,609,139**	30,407,087,007
18.3.1	**Loans and Advances Receivable within One Year from Reporting Date**		
	Loans and Advances Receivable within One Year	**55,814,935,068**	26,643,246,862
	Other Charges Receivable within One Year	**182,106,887**	91,554,826
	Unearned Interest Income	**(2,798,500,099)**	(1,366,046,652)
	Gross Receivables	**53,198,541,856**	25,368,755,036
18.3.2	**Loans and Advances Receivable after One Year but before Five Years from Reporting Date**		
	Loans and Advances Receivable after One Year but before Five Years	**18,836,563,990**	7,332,832,542
	Unearned Interest Income	**(3,761,990,167)**	(1,436,487,542)
	Gross Receivables after One Year but before Five Years	**15,074,573,823**	5,896,345,000
18.3.3	**Loans and Advances Receivable after Five Years from Reporting Date**		
	Loans and Advances Receivable after Five Years	**169,811,460**	26,858,870
	Unearned Interest Income	**(13,672,280)**	(2,546,789)
	Gross Receivables after Five Years	**156,139,180**	24,312,081

As at 31st March	2026	2025
	Rs.	Rs.
18.3.4 Movement in Allowance for Impairment for Loans and Advances		
Balance as at beginning of the Year	**882,325,110**	707,052,094
Charge/ (Reversal) for the Year	**201,133,105**	195,785,046
Written off during the Year	**(105,812,495)**	(20,512,030)
Balance as at end of the Year	**977,645,720**	882,325,110
18.4 Allowance for Impairment on Loans & Receivables		
18.4.1 Movement in Allowance for Impairment		
Balance as at beginning of the Year	**1,379,477,547**	1,189,822,273
Charge/ (Reversal) for the Year	**389,369,940**	233,037,168
Written off during the Year	**(114,622,668)**	(43,381,894)
Balance as at end of the Year	**1,654,224,819**	1,379,477,547
18.4.2 Allowance for Impairment Consist of Provisioning Against		
Hire Purchase Receivables (Note 18.1.2)	**3,221,085**	3,218,585
Finance Lease Receivables (Note 18.2.4)	**673,358,014**	493,933,852
Loans and Advances (Note 18.3.4)	**977,645,720**	882,325,110
	1,654,224,819	1,379,477,547

18.4.3 Breakdown of Gross Loans and Provision

	Stage 1	Stage 2	Stage 3	Total
	Rs	Rs	Rs	Rs
As at 31st March 2026				
Net Receivables	**76,133,459,275**	**10,232,562,599**	**1,695,202,276**	**88,061,224,150**
Impairment Allowance	**302,076,404**	**274,128,685**	**1,078,019,730**	**1,654,224,819**
Gross Receivables	**76,435,535,679**	**10,506,691,284**	**2,773,222,006**	**89,715,448,969**
As at 31st March 2025				
Net Receivables	39,277,044,404	6,645,392,640	1,693,838,929	47,616,275,973
Impairment Allowance	201,070,105	163,031,436	1,015,376,006	1,379,477,547
Gross Receivables	39,478,114,509	6,808,424,076	2,709,214,935	48,995,753,520

NOTES TO THE FINANCIAL STATEMENTS

18.4.4 Movement in Impairment during the Year

	Stage 1	Stage 2	Stage 3	Total
	Rs	Rs	Rs	Rs
As at 31st March 2026				
Balance as at the beginning of the Year	**201,070,105**	**163,031,436**	**1,015,376,006**	**1,379,477,547**
Net impairment charge for the Year	**101,006,299**	**111,097,249**	**177,266,392**	**389,369,940**
Written off during the Year	-	-	**(114,622,668)**	**(114,622,668)**
Balance as at end of the Year	**302,076,404**	**274,128,685**	**1,078,019,730**	**1,654,224,819**
As at 31st March 2025				
Balance as at the beginning of the Year	122,715,969	74,908,148	992,198,156	1,189,822,273
Net impairment charge for the Year	78,354,136	88,123,288	66,559,744	233,037,168
Written off during the Year	-	-	(43,381,894)	(43,381,894)
Balance as at end of the Year	201,070,105	163,031,436	1,015,376,006	1,379,477,547

18.4.5 Provision for Impairment (ECL) Movement

The following table shows reconcilation from the opening to closing balance of the provision for impairment:

As at 31st March 2026	Stage 1 12 months ECL	Stage 2 Lifetime ECL not Credit - impaired	Stage 3 Lifetime ECL Credit - impaired	Total
	Rs	Rs	Rs	Rs
Financial Assets at Amortised Cost - Total				
Balance as at the beginning of the year	201,070,105	163,031,436	1,015,376,006	1,379,477,547
Transferred from 12 months ECL	(31,031,597)	23,803,158	7,228,439	-
Transferred from Lifetime ECL not Credit - impaired	39,634,258	(65,941,762)	26,307,504	-
Transferred from Lifetime ECL Credit - impaired	7,860,976	2,833,773	(10,694,749)	-
New Assets Originated	226,551,890	151,762,903	82,343,864	460,658,657
Financial Assets Derecognized	(63,211,102)	(57,935,501)	(188,410,097)	(309,556,700)
Write Offs	-	-	(114,622,668)	(114,622,668)
Net remeasurement Loss Allowance	(78,798,126)	56,574,678	260,491,431	238,267,983
Balance as at end of the Year	302,076,404	274,128,685	1,078,019,730	1,654,224,819
Financial Assets at Amortised Cost - Hire Purchase Receivables				
Balance as at the beginning of the year	-	-	3,218,585	3,218,585
Transferred from 12 months ECL	-	-	-	-
Transferred from Lifetime ECL not Credit - impaired	-	-	-	-
Transferred from Lifetime ECL Credit - impaired	-	-	-	-
New Assets Originated	-	-	-	-
Financial Assets Derecognized	-	-	-	-
Write Offs	-	-	-	-
Net remeasurement Loss Allowance	-	-	2,500	2,500
Balance as at end of the Year	-	-	3,221,085	3,221,085

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2026	Stage 1 12 months ECL	Stage 2 Lifetime ECL not Credit - impaired	Stage 3 Lifetime ECL Credit - impaired	Total
	Rs	Rs	Rs	Rs
Financial Assets at Amortised Cost - Finance Lease Receivables				
Balance as at the beginning of the year	83,246,568	92,605,517	318,081,767	493,933,852
Transferred from 12 months ECL	(18,041,108)	15,362,243	2,678,865	-
Transferred from Lifetime ECL not Credit - impaired	25,221,993	(38,737,527)	13,515,534	-
Transferred from Lifetime ECL Credit - impaired	4,745,384	1,916,804	(6,662,188)	-
	-	-	-	
New Assets Originated	87,898,577	73,300,494	23,967,466	185,166,537
Financial Assets Derecognized	(14,055,820)	(28,368,860)	(75,335,228)	(117,759,908)
Write Offs	-	-	(8,810,173)	(8,810,173)
Net remeasurement Loss Allowance	(28,470,170)	46,292,983	103,004,893	120,827,706
Balance as at end of the Year	140,545,424	162,371,654	370,440,936	673,358,014
Financial Assets at Amortised Cost - Loans and Advances				
Balance as at the beginning of the year	117,823,537	70,425,919	694,075,654	882,325,110
Transferred from 12 months ECL	(12,990,489)	8,440,915	4,549,574	-
Transferred from Lifetime ECL not Credit - impaired	14,412,265	(27,204,235)	12,791,970	-
Transferred from Lifetime ECL Credit - impaired	3,115,592	916,969	(4,032,561)	-
	-	-	-	
New Assets Originated	138,653,313	78,462,409	58,376,398	275,492,120
Financial Assets Derecognized	(49,155,282)	(29,566,641)	(108,666,596)	(187,388,519)
Write Offs	-	-	(105,812,495)	(105,812,495)
Net remeasurement Loss Allowance	(50,327,956)	10,281,695	153,075,765	113,029,504
Balance as at end of the Year	161,530,980	111,757,031	704,357,709	977,645,720

As at 31st March 2025	Stage 1	Stage 2	Stage 3	
	12 months ECL	Lifetime ECL not Credit - impaired	Lifetime ECL Credit - impaired	Total
	Rs	Rs	Rs	Rs
Financial Assets at Amortised Cost - Total				
Balance as at the beginning of the year	122,715,969	74,908,148	992,198,156	1,189,822,273
Transferred from 12 months ECL	(13,614,281)	11,618,868	1,995,413	-
Transferred from Lifetime ECL not Credit - impaired	13,691,948	(22,249,992)	8,558,044	-
Transferred from Lifetime ECL Credit - impaired	13,265,107	5,388,188	(18,653,295)	-
New Assets Originated	161,991,427	98,819,519	117,807,515	378,618,461
Financial Assets Derecognized	(70,529,021)	(30,307,013)	(208,779,396)	(309,615,430)
Write Offs	-	-	(43,381,894)	(43,381,894)
Net remeasurement Loss Allowance	(26,451,044)	24,853,718	165,631,463	164,034,137
Balance as at end of the Year	201,070,105	163,031,436	1,015,376,006	1,379,477,547
Financial Assets at Amortised Cost - Hire Purchase Receivables				
Balance as at the beginning of the year	-	-	3,237,705	3,237,705
Transferred from 12 months ECL	-	-	-	-
Transferred from Lifetime ECL not Credit - impaired	-	-	-	-
Transferred from Lifetime ECL Credit - impaired	-	-	-	-
New Assets Originated	-	-	-	-
Financial Assets Derecognized	-	-	-	-
Write Offs	-	-	-	-
Net remeasurement loss allowance	-	-	(19,120)	(19,120)
Balance as at end of the Year	-	-	3,218,585	3,218,585

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March 2025	Stage 1 12 months ECL	Stage 2 Lifetime ECL not Credit - impaired	Stage 3 Lifetime ECL Credit - impaired	Total
	Rs	Rs	Rs	Rs
Financial Assets at Amortised Cost - Finance Lease Receivables				
Balance as at the beginning of the year	36,314,357	42,279,679	400,938,438	479,532,474
Transferred from 12 months ECL	(9,113,701)	8,054,877	1,058,824	-
Transferred from Lifetime ECL not Credit - impaired	8,122,044	(11,997,814)	3,875,770	-
Transferred from Lifetime ECL Credit - impaired	11,021,331	3,780,856	(14,802,187)	-
New Assets Originated	63,130,247	49,924,314	20,635,093	133,689,654
Financial Assets Derecognized	(7,080,096)	(13,912,718)	(112,202,930)	(133,195,744)
Write Offs	-	-	(22,869,864)	(22,869,864)
Net remeasurement Loss Allowance	(19,147,614)	14,476,323	41,448,623	36,777,332
Balance as at end of the Year	83,246,568	92,605,517	318,081,767	493,933,852
Financial Assets at Amortised Cost - Loans and Advances				
Balance as at the beginning of the year	86,401,611	32,628,469	588,022,014	707,052,094
Transferred from 12 months ECL	(4,500,580)	3,563,991	936,589	-
Transferred from Lifetime ECL not Credit - impaired	5,569,904	(10,252,178)	4,682,274	-
Transferred from Lifetime ECL Credit - impaired	2,243,777	1,607,332	(3,851,109)	-
	-	-	-	
New Assets Originated	98,861,180	48,895,205	97,172,422	244,928,807
Financial Assets Derecognized	(63,448,925)	(16,394,295)	(96,576,467)	(176,419,687)
Write Offs	-	-	(20,512,030)	(20,512,030)
Net remeasurement Loss Allowance	(7,303,433)	10,377,397	124,201,962	127,275,926
Balance as at end of the Year	117,823,534	70,425,921	694,075,655	882,325,110

18.5 Analysis by Sector

Sector wise analysis of Company's Hire Purchase, Lease Receivable and Loan Portfolio's reflecting the exposure to credit risk in the various sectors of the economy is depicted below:

As at 31st March	2026		2025	
	Rs.	%	Rs.	%
Agriculture	**6,443,715,634**	**7.3**	3,660,905,860	7.7
Tourism	**1,809,089,772**	**2.1**	1,019,618,812	2.1
Transport	**6,855,587,785**	**7.8**	4,964,168,569	10.4
Construction	**2,475,049,904**	**2.8**	1,425,279,465	3.0
Services	**7,672,967,583**	**8.7**	4,043,963,689	8.5
Consumption	**62,804,813,472**	**71.3**	32,502,339,578	68.2
	88,061,224,150	**100.0**	47,616,275,973	100.0

19 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Company designated the investments as equity securities at FVOCI because these equity securities respresents that the Company intended to hold for the long term for strategic purposes.

No Strategic investments were disposed during 2025/2026 financial year.

As at 31st March		**2026**	2025
	No. of Ordinary Shares	**Fair Value of the Investment** Rs.	Fair Value of the Investment Rs.
Unquoted Shares			
Credit Information Bureau of Sri Lanka	100	**2,185,043**	2,185,043

20 FINANCIAL ASSETS AT AMORTISED COST-DEBT AND OTHER FINANCIAL INSTRUMENTS

Financial assets at amortised cost-Debt and other financial instruments comprise of treasury bills. These investments are initially recognised at fair value net of transactions cost. Subsequently, they are stated at amortised cost; any difference between the proceeds (net of transaction cost) and the receivable amount (including interest income) is recognised in the Income Statement over the period of the assets using the effective interest method.

As at 31st March	**2026**	2025
	Rs.	Rs.
Investment in Treasury Bills	**49,894,141**	1,822,292,462
Investment in Reverse Repo	**3,649,867,472**	990,362,926
	3,699,761,613	2,812,655,388

NOTES TO THE FINANCIAL STATEMENTS

21 OTHER ASSETS

As at 31st March	2026	2025
	Rs.	Rs.
21.1 Other Financial Assets		
Insurance Commission Receivable	**51,093,519**	25,498,803
Refundable Deposits	**49,273,300**	36,485,319
	100,366,819	61,984,122
21.2 Other Non Financial Assets		
Prepayments and Advances	**468,752,046**	287,205,214
Other Receivables	**152,427,704**	25,494,197
	621,179,750	312,699,411

22 INTANGIBLE ASSETS

Accounting Policy

The Company's intangible assets include the value of Computer Software

Basis of recognition and measurement

An intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the Sri Lanka Accounting Standard – LKAS 38 on 'Intangible Assets'.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, these assets are stated in the Statement of Financial Position at cost, less accumulated amortisation and 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.

Amortisation of intangible assets

Intangible assets are amortised using the straight line method to write down the cost over its estimated useful economic lives specified below:

Computer Software 10 Years

De-recognition of Intangible Assets

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from their use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

As at 31st March		2026	2025
		Rs.	Rs.
22.1	**Cost**		
	Balance as at Beginning of the Year	**224,926,715**	214,430,207
	Additions during the Year	**46,652,429**	10,496,508
	Balance as at 31st March	**271,579,144**	224,926,715
22.2	**Accumulated Amortization**		
	Balance as at Beginning of the Year	**(141,711,414)**	(126,605,664)
	Amortization During the Year	**(17,106,396)**	(15,105,750)
	Balance as at 31st March	**(158,817,810)**	(141,711,414)
22.3	**Carrying Amount**		
	Total Carrying Amount of Intangible Assets	**112,761,334**	83,215,301

22.4 During the financial year, the Company acquired Software to the aggregated value of Rs. 46,652,429 (2024/25 - Rs. 10,496,508).

22.5 EDP Software included in fully amortized assets having cost amounting to Rs. 71,252,777 (2024/25 - Rs. 68,803,230).

NOTES TO THE FINANCIAL STATEMENTS

23 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

The Company applies the requirements of the Sri Lanka Accounting Standard – LKAS 16 on 'Property, Plant & Equipment' in accounting for its owned assets which are held for and use in the provision of services, for rental to others or for administrative purposes and are expected to be used for more than one year.

Basis of recognition and measurement

Property, Plant & Equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and cost of the asset can be reliably measured.

The Company applies the Cost Model to all Property, Plant & Equipment and records at cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

An item of Property, Plant & 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 subsequent costs (excluding the costs of day-to-day servicing).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 the site on which they are located and capitalised borrowing costs. Purchased software which is integral to the functionality of the related equipment is capitalised as part of Computer Equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write-off the cost of items of Property, Plant & Equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives for the current and comparative years are as follows:

Motor Vehicle 7 years
Furniture & Fittings 10 years
Equipment 10 years
EDP Equipment 5 years
EDP Server 7 years

Improvements on Leasehold Premises

Head Office 5 years
Branches 7 years

The depreciation rates are determined separately for each significant part of an item of Property, Plant & 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 de-recognised.

Change in Depreciation Rate

Depreciation methods, useful lives and residual values are reassessed at each Reporting date and adjusted, if required

De-recognition

An item of Property, Plant & Equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 profit or loss in the year the asset is de-recognised. When replacement costs are recognised in the carrying amount of an item of Property, Plant & Equipment, the remaining carrying amount of the replaced part is de-recognised as required by Sri Lanka Accounting Standard – LKAS 16 on 'Property, Plant & Equipment'.

Capital Work-in-Progress

These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalisation. These are stated in the Statement of Financial Position at cost.

As at 31st March	Balance as at 1st April 2024	Additions & Transfers	Disposal	Balance as at 1st April 2025	Additions & Transfers	Disposal	Balance as at 31st March 2026
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
23.1 Cost							
Improvement on Leasehold Premises	584,344,012	104,250,492	(4,269,823)	684,324,681	86,261,300	(25,839,955)	**744,746,026**
Equipment	291,883,036	59,669,716	(3,102,061)	348,450,691	80,218,522	(4,716,060)	**423,953,153**
EDP Equipment	246,144,232	39,248,638	(6,906,066)	278,486,804	94,401,285	(5,347,750)	**367,540,339**
Motor Vehicles	245,000	-	-	245,000	59,593,750	-	**59,838,750**
Furniture and Fittings	109,588,381	25,043,571	(4,480,701)	130,151,251	20,522,423	(4,303,205)	**146,370,469**
	1,232,204,661	228,212,417	(18,758,651)	1,441,658,427	340,997,280	(40,206,970)	**1,742,448,737**

As at 31st March	Balance as at 1st April 2024	Depreciation Charge for the year	Disposal	Balance as at 1st April 2025	Depreciation Charge for the year	Disposal	Balance as at 31st March 2026
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
23.2 Accumulated Depreciation							
Improvements on Leasehold Premises	(310,325,766)	(77,100,730)	4,269,823	(383,156,673)	(83,275,441)	19,015,590	**(447,416,524)**
Equipment	(95,403,079)	(31,358,565)	3,102,061	(123,659,583)	(37,220,171)	3,272,527	**(157,607,227)**
EDP Equipment	(143,470,752)	(36,023,983)	6,906,066	(172,588,669)	(48,732,418)	5,208,399	**(216,112,688)**
Motor Vehicles	(43,763)	(35,011)	-	(78,774)	(1,294,688)	-	**(1,373,462)**
Furniture and Fittings	(44,725,880)	(10,857,315)	4,265,052	(51,318,143)	(12,517,874)	2,337,895	**(61,498,122)**
	(593,969,240)	(155,375,604)	18,543,002	(730,801,842)	(183,040,592)	29,834,411	**(884,008,023)**

NOTES TO THE FINANCIAL STATEMENTS

As at 31st March	2026	2025
	Rs.	Rs.
23.3 Carrying Amount of Net Book Value (NBV)		
Improvements on Leasehold Premises	**297,329,502**	301,168,008
Equipment	**266,345,926**	224,791,108
EDP Equipment	**151,427,651**	105,898,135
Motor Vehicles	**58,465,288**	166,226
Furniture and Fittings	**84,872,347**	78,833,108
	858,440,714	710,856,585

23.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregated value of Rs. 340,997,280 (2024/25 - Rs. 228,212,417).

23.5 Cost of fully depreciated assets which are still in use as at reporting date is as follows:

As at 31st March	2026	2025
	Rs.	Rs.
Improvement on Leasehold Premises	**169,253,446**	121,867,446
Equipment	**16,985,927**	9,915,069
EDP Equipment	**101,226,137**	88,300,897
Furniture and Fittings	**13,221,518**	10,202,730
	300,687,028	230,286,142

23.6 There were no items of Property Plant & equipment pledge as security for liabilities of the Company as at the reporting date.

23.7 There was no temporarily idle Property, Plant and Equipment as at 31st March 2026.

23.8 There was no capitalized borrowing cost relating to acquisition of Property, Plant and Equipment during the Year (2024/25 – Nil)

24 RIGHT-OF-USE ASSETS

Accounting Policy

The Company assesses at the inception of a contract, whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per the guidelines of SLFRS 16. This assessment considers whether, throughout the period of use, the lessee has both the right to obtain all of the economic benefits from the use of the identified asset and the right to direct how and for what purpose the identified asset is used. After the assessment of whether a contract is, or contains, a lease, the Company determines whether it contains additional lease or non-lease (service) components based on the detailed guidance provided in SLFRS 16. Accordingly, the right to use of an identifying asset is a separate lease component if the lessee can benefit from the use of underlying asset either on its own or together with other resources readily available to the lessee and the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

As at 31st March		**2026**	2025
		Rs.	Rs.
24.1	**Gross Carrying Amount**		
	At Cost		
	As at beginning of the year	**1,229,832,039**	1,167,703,425
	Additions during the year	**411,367,080**	70,877,699
	Disposals during the year	**-**	(8,749,085)
	Balance as at 31st March,	**1,641,199,119**	1,229,832,039
24.2	**Accumulated Depreciation**		
	As at beginning of the year	**(591,723,378)**	(469,520,008)
	Charge for the Year	**(157,681,776)**	(129,615,788)
	Disposals during the year	**-**	7,412,418
	Balance as at 31st March,	**(749,405,154)**	(591,723,378)
24.3	**Net Book Value**	**891,793,965**	638,108,661
24.4	**Amounts Recognised in Profit or Loss:**	**157,681,775**	129,615,789
	Depreciation Expense on Right-of-Use Assets	**157,681,775**	129,615,789

25 FINANCIAL LIABILITIES AT AMORTISED COST-DUE TO CUSTOMERS

Fixed Deposits	**40,053,521,222**	27,460,318,868
Saving Deposits	**1,225,012,043**	853,821,450
	41,278,533,265	28,314,140,318

NOTES TO THE FINANCIAL STATEMENTS

26 FINANCIAL LIABILITIES AT AMORTISED COST-INTEREST-BEARING LOANS AND BORROWINGS

As at 31st March	2026 Amount Repayable 1 Year	2026 Amount Repayable After 1 Year	2026 Total	2025 Amount Repayable Within 1 Year	2025 Amount Repayable After 1 Year	2025 Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Debt Securities (Note 26.1)	**2,424,624,812**	**4,000,000,000**	**6,424,624,812**	153,733,422	1,980,296,352	2,134,029,774
Bank Loans (Note 26.2)	**7,774,780,910**	**1,166,880,000**	**8,941,660,910**	5,577,182,489	1,172,345,481	6,749,527,970
Securitization Loans (Note 26.3)	**13,575,901,579**	**11,853,613,789**	**25,429,515,368**	3,756,464,342	6,868,189,432	10,624,653,774
	23,775,307,301	**17,020,493,789**	**40,795,801,090**	9,487,380,253	10,020,831,265	19,508,211,518

26.1 Debt Securities

As at 31st March	Type	No of Debt Securities	Face Value	Interest Rate	Issued Date	Maturity Date	2026	2025
			Rs.	%			Rs.	Rs.
60 Months Unsecured Debentures	Fixed rate 13.25%. Senior, Unsecured, Listed, Redeemable, Rated Debentures	50,000	5,000,000	13.25	19-May-2020	19-May-2025	-	5,567,651
60 Months Unsecured Debentures	Fixed rate 9.25% Listed, Rated, Unsecured, Subordinated Debt	5,832,200	583,220,000	9.25	25-Jun-2021	25-Jun-2026	**624,073,975**	623,053,690
60 Months Unsecured Debentures	1 Year T-Bill Rate + 3.75% Listed, Rated, Unsecured, Subordinated Debt	14,167,800	1,416,780,000	11.70	25-Jun-2021	25-Jun-2026	**1,588,752,660**	1,505,408,433
60 Months Unsecured Debt Securities	Fixed rate 12.30%. Unlisted, Unrated, Unsecured, Subordinated Debt	3,500,000	350,000,000	12.30	09-May-2025	08-May-2030	**385,794,978**	-
60 Months Unsecured Debt Securities	Fixed rate 12.30%. Unlisted, Unrated, Unsecured, Subordinated Debt	16,500,000	1,650,000,000	12.30	22-May-2025	21-May-2030	**1,811,113,724**	-
60 Months Unsecured Debt Securities	Fixed rate 13.75%. Unlisted, Unrated, Unsecured, Subordinated Debt	2,000,000	2,000,000,000	13.75	10-Mar-2026	09-Mar-2031	**2,014,889,534**	-
		24,050,000	6,005,000,000				**6,424,624,812**	2,134,029,774

26.1.1 Movement of Debt Securities

	Balance as at beginning of the year	Obtained during the year	(Repayments)		Unamortised Issue Cost	Accrued Interest	Balance as at end of the year
			Capital	Interest			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31st March 2026	2,134,029,774	4,000,000,000	(5,000,000)	(129,029,774)	(14,863,634)	439,488,446	6,424,624,812
	2,134,029,774	4,000,000,000	(5,000,000)	(129,029,774)	(14,863,634)	439,488,446	6,424,624,812
As at 31st March 2025	2,227,690,500	-	-	(242,394,148)	(4,025,421)	152,758,843	2,134,029,774
	2,227,690,500	-	-	(242,394,148)	(4,025,421)	152,758,843	2,134,029,774

26.2 Movement of Bank Loans

2025/26	Balance as at beginning of the Year	Loans Obtained	Repayments	Accrued Interest	Balance as at end of the Year
	Rs.	Rs.	Rs.	Rs.	Rs.
Movement of Bank Loans					
Sampath Bank PLC	500,649,315	1,000,000,000	(1,000,649,315)	640,411	500,640,411
Cargills Bank PLC	-	500,000,000	(500,000,000)	-	-
Nations Trust Bank PLC	4,178,012,521	16,400,000,000	(15,905,407,575)	11,444,572	4,684,049,518
Seylan Bank PLC	801,526,889	4,100,000,000	(3,203,092,213)	1,995,795	1,700,430,470
Pan Asia Banking Corporation PLC	969,108,667	500,000,000	(1,177,933,138)	-	291,175,529
National Development Bank PLC	-	1,200,000,000	(1,200,000,000)	-	-
DFCC Bank PLC	-	650,000,000	(650,000,000)	-	-
Bank of Ceylon	300,230,578	3,000,000,000	(1,800,230,607)	11,896,553	1,511,896,523
Sanasa Development Bank PLC	-	5,700,000,000	(5,700,000,000)	-	-
Habib Bank Limited	-	500,000,000	(250,000,000)	3,468,459	253,468,459
	6,749,527,970	33,550,000,000	(31,387,312,849)	29,445,789	8,941,660,910

NOTES TO THE FINANCIAL STATEMENTS

2024/25	Balance as at beginning of the Year Rs.	Loans Obtained Rs.	Repayments Rs.	Accrued Interest Rs.	Balance as at end of the Year Rs.
Movement of Bank Loans					
Sampath Bank PLC	**500,927,489**	**1,500,000,000**	**(1,500,927,489)**	**649,315**	**500,649,315**
Cargills Bank PLC	-	**2,000,000,000**	**(2,000,000,000)**	-	-
Nations Trust Bank PLC	**1,802,704,923**	**9,700,000,000**	**(7,331,464,627)**	**6,772,225**	**4,178,012,521**
Seylan Bank PLC	**926,135,817**	**800,000,000**	**(926,195,229)**	**1,586,301**	**801,526,889**
Pan Asia Banking Corporation PLC	**504,923,411**	**2,000,000,000**	**(1,542,040,402)**	**6,225,658**	**969,108,667**
National Development Bank PLC	-	**1,100,000,000**	**(1,100,000,000)**	-	-
DFCC Bank PLC	-	**200,000,000**	**(200,000,000)**	-	-
Bank of Ceylon	**300,485,338**	**300,000,000**	**(300,485,342)**	**230,582**	**300,230,578**
	4,035,176,978	**17,600,000,000**	**(14,901,113,089)**	**15,464,081**	**6,749,527,970**

(a) Bank Loan Repayable within One Year

Bank	Rate of Interest	Repayment Terms	Security	**2026** Rs.	2025 Rs.
Sampath Bank PLC	AWPLR + Margin	Monthly Repayment	Lease Receivable	**500,640,411**	500,649,315
Seylan Bank PLC	AWPLR +Margin	Monthly Repayment	Lease Receivable	**800,430,470**	501,076,712
Seylan Bank PLC	Fixed Rate	Quartely Repaymnet	Lease Receivable	**400,000,000**	300,509,589
Nations Trust Bank PLC	Fixed Rate	Quartely Repayment	Lease Receivable	**375,000,000**	2,001,896,986
Nations Trust Bank PLC	AWPLR -Margin	Monthly Repayment	Lease Receivable	**3,808,425,047**	801,256,329
Bank of Ceylon	AWPLR -Margin	Monthly Repayment	Lease Receivable	**1,511,896,523**	300,230,628
Pan Asia Banking Corporation PLC	AWPLR	Monthly Repayment	Lease Receivable	-	505,951,683
Pan Asia Banking Corporation PLC	AWPLR +Margin	Monthly Repayment	Lease Receivable	**124,920,000**	165,811,504
Nations Trust Bank PLC	AWPLR +Margin	Quartely Repayment	Lease Receivable	-	499,799,743
Sanasa Development Bank PLC	AWPLR +Margin	Monthly Repayment	Lease Receivable	-	-
Habib Bank Limited	AWPLR +Margin	Quartely Repayment	Lease Receivable	**253,468,459**	-
				7,774,780,910	5,577,182,489

(b) Bank Loan Repayable after One Year

Bank	Rate of Interest	Repayment Terms	Security	2026	2025
				Rs.	Rs.
Pan Asia Banking Corporation PLC	AWPLR + Margin	Monthly Repayment	Lease Receivable	166,880,000	297,345,481
Nations Trust Bank PLC	AWPLR + Margin	Quartely Repayment	Lease Receivable	500,000,000	875,000,000
Seylan Bank PLC	Fixed Rate	Quartely Repayment	Lease Receivable	500,000,000	-
				1,166,880,000	1,172,345,481

26.3 Securitization

As at 31st March	Balance as at beginning of the year	Obtained during the year	Capital Repayments	Balance Capital As at end of the Year	Unamortised Issue Cost	Accrued Interest	Balance as at end of the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31st March 2026	**10,325,476,339**	**17,415,952,732**	**(3,836,807,253)**	**23,904,621,819**	**(147,898,237)**	**1,672,791,786**	**25,429,515,368**
	10,325,476,339	**17,415,952,732**	**(3,836,807,253)**	**23,904,621,819**	**(147,898,237)**	**1,672,791,786**	**25,429,515,368**
As at 31st March 2025	562,000,000	10,127,876,339	(364,400,000)	10,325,476,339	(92,775,719)	391,953,153	10,624,653,774
	562,000,000	10,127,876,339	(364,400,000)	10,325,476,339	(92,775,719)	391,953,153	10,624,653,774

NOTES TO THE FINANCIAL STATEMENTS

26.4 Details of Securitization as at 31st March is as follows

Issue No.	Face Value	Rate of Interest	Maximum Period (Months)	Trustee	2026 Rs.	2025 Rs.	Security
Syndication 2 Tranch 04	200,000,000	Fixed Rate	60	Hatton National Bank PLC	-	201,561,091	Lease, Loans Receivables
Securitization 10	2,999,997,640	Fixed Rate	36	National Development Bank PLC	**1,766,508,578**	3,196,971,101	Lease, Loans Receivables
Securitization 11	1,000,000,000	Fixed Rate	36	National Development Bank PLC	**609,852,574**	1,036,039,421	Lease, Loans Receivables
Securitization 12	1,997,547,896	Fixed Rate	36	National Development Bank PLC	**1,931,948,267**	2,036,319,651	Lease, Loans Receivables
Securitization 13	2,000,000,000	Fixed Rate	36	Hatton National Bank PLC	**1,167,278,103**	2,034,861,948	Lease, Loans Receivables
Securitization 14	2,380,330,804	Fixed Rate	36	National Development Bank PLC	**2,515,159,183**	2,118,900,562	Lease, Loans Receivables
Securitization 15	2,000,000,000	Fixed Rate	35	National Development Bank PLC	**1,837,849,937**	-	Lease, Loans Receivables
Securitization 16	5,600,000,000	Fixed Rate	60	Hatton National Bank PLC	**5,891,735,314**	-	Lease, Loans Receivables
Securitization 17	4,500,000,000	Fixed Rate	27	National Development Bank PLC	**4,613,366,408**	-	Lease, Loans Receivables
Securitization 18	1,183,475,444	Fixed Rate	25	National Development Bank PLC	**1,194,800,831**	-	Lease, Loans Receivables
Securitization 19	2,850,000,000	Fixed Rate	36	Hatton National Bank PLC	**2,872,303,621**	-	Lease, Loans Receivables
Securitization 20	542,477,288	Fixed Rate	22	Hatton National Bank PLC	**539,048,524**	-	Lease, Loans Receivables
Securitization 21	490,000,000	Fixed Rate	34	Hatton National Bank PLC	**489,664,028**	-	Lease, Loans Receivables
	27,743,829,072				**25,429,515,368**	10,624,653,774	

27 LEASE LIABILITIES

Accounting Policy

Application as per SLFRS 16

Company as a Lessee

As per SLFRS 16 when the Company has determined that a contract contains a lease component and one or more additional lease components or non-lease components, the consideration in the contract is allocated to each lease component on the basis of relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the commencement date, the Company recognises right-of-use of an asset and a lease liability which is measured at the present value of the lease payments that are payable on that date. The right -of - use asset is initially measured at cost, which compromise the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received. Lease payments are discounted using the IBR. The Company determines IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of lease and type of lease and type of asset leased.

After initial recognition, the Company applies cost model for the right-of-use of an asset and depreciate the asset from commencement date to the end of the useful life of the underlying asset. Where the right does not transfer the ownership of the asset, the Company depreciates it from commencement date to the earlier of the end of the useful life of the right-of-use asset or end of the lease term. In addition, interest expense on the lease liability is recognised in the profit or loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise of following;

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in company's estimate of amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

The Company represents right - of- use assets that do not meet the definition of investment property as right - of -use assets and lease liabilities in the statement of financial position as separate line item.

NOTES TO THE FINANCIAL STATEMENTS

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The company recognizes the lease payments associated with leases as an expense on a straight-line basis over the lease term.

Company as a Lessor

Similar to above, at the commencement of the contract, the Company determines whether the contract contains a lease component and one or more additional lease components or non-lease components. When there is one or more additional lease or non lease component, the Company allocates consideration based on the guidelines given in SLFRS 15

However, SLFRS 16 largely retains the lessor accounting requirements in LKAS 17 and classification of leases is based on the extent to which risks and rewards incidental to ownership of leased asset lie with the lessor or lessee

Finance leases- Company as a Lessor

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 Company recognises assets held under finance lease in the SOFP 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 Company's net investment in lease is included in Note 18.2 on "Finance Lease Receivable". 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.

As at 31st March	**2026**	2025
	Rs.	Rs.
As at beginning of the year	**789,620,206**	839,483,590
New contracts liabilities during the year	**411,367,080**	70,877,699
Interest Charge for the Year	**102,454,088**	103,093,202
Lease Rental Payments for the Year	**(258,812,982)**	(222,247,380)
Disposals/ Transfers	**-**	(1,586,905)
Balance as at 31st March	**1,044,628,392**	789,620,206

27.1 **Maturity Analysis of Contractual Lease Payments are as follows;**

Less than one year	**121,286,972**	131,221,189
Between one and five years	**566,200,247**	432,283,583
More than five years	**357,141,173**	226,115,434
	1,044,628,392	789,620,206

27.2 Sensitivity Analysis of Lease Liability

As at 31st March	2026		2025	
Increase (Decrease) in Incremental Borrowing Rate	Sensitivity effect on Lease Liability Increase (Decrease) in the Liability	Sensitivity Effect on Interest Expense increase / (decrease) in Profit for the year	Sensitivity Effect on Lease Liability Increase / (Decrease) in the Liability	Sensitivity Effect on Interest Expense increase / (decrease) in Profit for the year
1% Increase	**(30,746,517)**	**5,754,204**	(29,997,270)	4,298,821
1% Decrease	**27,026,490**	**(5,662,965)**	13,362,929	(6,673,034)

27.3 Amounts Recognised in Profit or Loss:

As at 31st March	2026	2025
	Rs.	Rs.
Interest expense on lease liabilities	**102,454,088**	103,093,202
Expense relating to leases of low-value assets (included in Other Operating Expenses)	**19,843,051**	24,136,246
	122,297,139	127,229,448

NOTES TO THE FINANCIAL STATEMENTS

28 OTHER LIABILITIES

Accounting Policy

Other liabilities are recorded at amounts expected to be payable at the Reporting Date

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

As at 31st March	2026	2025
	Rs.	Rs.
28.1 Other Financial Liabilities		
Supplier Payables	**1,006,505,865**	265,859,743
VAT on Financial Services	**98,459,083**	66,220,343
VAT Payable	**5,269,249**	14,317,695
Stamp Duty & Other Taxes	**38,122,917**	26,021,761
Insurance Payable	**201,373,951**	129,448,254
Dividend Payable	**4,649,155**	4,663,004
Other Liabilities	**331,890,031**	142,601,009
	1,686,270,251	649,131,809
28.2 Other Non Financial Liabilities		
Accrued Expenses	**428,111,460**	238,771,251
Facility Receipts in Advance	**130,125,271**	48,057,514
	558,236,731	286,828,765

29 AMOUNT DUE FROM/ TO RELATED COMPANIES

As at 31st March	Relationship	2026	2025
		Rs.	Rs.
29.1 Amount Due from Related Companies			
Non-Trade			
Singer (Sri Lanka) PLC	Parent Company	**80,624,650**	24,669,533
		80,624,650	24,669,533
29.2 Amount Due to Related Companies			
Hayleys PLC	Ultimate Parent	**4,805,349**	7,822,604
Hayleys Business Solutions International (Pvt) Ltd	Common Ultimate Parent	**151,829**	161,872
Fentons Ltd	Common Ultimate Parent	**3,824,019**	4,013,435
Energynet (Pvt) Ltd	Common Ultimate Parent	**1,163,038**	215,522
Mabroc Teas (Pvt) Ltd	Common Ultimate Parent	**284,918**	-
The Kingsbury PLC	Common Ultimate Parent	-	99,048
Hayleys Electronics (Pvt) Ltd	Common Ultimate Parent	-	4,561,684
Puritas (Pvt) Ltd	Common Ultimate Parent	**35,400**	17,700
Hayleys Aventura (Pvt) Ltd	Common Ultimate Parent	**17,700**	-
		10,282,253	16,891,865

30 CURRENT TAX LIABILITIES

Accounting Policy

A provision is recognized if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Refer Note 12 for more details on taxation

As at 31st March	2026	2025
	Rs.	Rs.
Balance as at beginning of the Year	**402,815,307**	92,241,034
Expenses recognised in Profit or Loss (Note 12)	**1,152,684,786**	775,313,569
Income Tax Paid	**(1,034,698,749)**	(458,686,914)
Tax Credits	**(1,356,147)**	(6,052,382)
Balance as at 31st March	**519,445,197**	402,815,307

NOTES TO THE FINANCIAL STATEMENTS

31 DEFERRED TAX (ASSETS)/ LIABILITIES

Accounting Policy

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Temporary differeces in relation to the Right-of-Use Asset and a lease liability regarded as a net package (ROU asset and Lease liability) for the purpose of recognizing deferred tax. Deferred tax assets are reviewed at each Reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the Reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the Reporting date, to recover or settle the carrying amount of its assets and liabilities.

31.1 Deferred Tax (Assets)/ Liabilities

Movement of Deferred Tax (Assets)/ Liabilities

As at 31st March	**2026**	2025
	Rs.	Rs.
Balance as at beginning of the Year	**(246,454,499)**	(93,093,404)
Origination of timing differences - recognized in Profit or Loss (Note 12)	**(72,578,050)**	(168,893,873)
Origination of timing differences - recognized in Other Comprehensive Income	**(21,129,335)**	15,532,778
Balance as at end of the Year	**(340,161,884)**	(246,454,499)
Recognised in Statement of Profit or Loss due to during the year transactions	**(72,578,050)**	(168,893,873)
Deferred tax expense recorded in Profit or Loss	**(72,578,050)**	(168,893,873)
Recognised in Other Comprehensive Income during the year transactions	**(21,129,335)**	15,532,778
Deferred tax expense recorded in Other Comprehensive Income	**(21,129,335)**	15,532,778

31.2

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred tax relate to the same fiscal authority.

31.3 Composition of Deferred Tax Assets and Liabilities

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows.

As at 31st March	2026		
	Temporary Difference	Tax Rate	Tax effect
	Rs.	%	Rs.
Deferred Tax Liabilities on:			
Intangible Assets	**(11,579,937)**	**30**	**(3,473,981)**
Lease Rental Receivables	**(36,927,577)**	**30**	**(11,078,273)**
Right of Use Asset	**(891,793,965)**	**30**	**(267,538,190)**
	(940,301,479)		**(282,090,444)**
Deferred Tax Assets on:			
Impairment Provision	**710,299,443**	**30**	**213,089,833**
Retirement Benefit Obligations	**242,794,651**	**30**	**72,838,395**
Lease Liability	**1,116,711,348**	**30**	**335,013,405**
Property, Plant and Equipment	**4,368,983**	**30**	**1,310,695**
	2,074,174,425		**622,252,328**
Net Deferred Tax Asset	**1,133,872,946**		**340,161,884**

As at 31st March	2025		
	Temporary Difference	Tax Rate	Tax effect
	Rs.	%	Rs.
Deferred Tax Liabilities on:			
Property, Plant and Equipment	(8,931,709)	30	(2,679,513)
Intangible Assets	(14,447,828)	30	(4,334,348)
Lease Rental Receivables	(38,969,645)	30	(11,690,894)
Right of Use Asset	(638,108,662)	30	(191,432,599)
	(700,457,844)		(210,137,353)
Deferred Tax Assets on:			
Impairment Provision	525,897,643	30	157,769,293
Retirement Benefit Obligations	138,959,053	30	41,687,716
Lease Liability	857,116,144	30	257,134,843
	1,521,972,840		456,591,852
Net Deferred Tax Asset	821,514,996		246,454,499

NOTES TO THE FINANCIAL STATEMENTS

32 RETIREMENT BENEFIT OBLIGATIONS GRI 201-3

Accounting Policy

Defined Benefit Obligation (DBO) - Gratuity

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of a defined benefit plan is the present value of the defined benefit obligation at the reporting date. Benefit falling due more than 12 months after the reporting date are discounted to present value.

The defined benefits obligation is calculated annually by independent actuaries using Projected Unit Credit Method (PUC) as recommended by LKAS-19, "employee benefits"

Actuarial gains and losses in the period in which they occur have been recognise in the other Comprehensive income (OCI).

The assumptions based on which the results of actuarial valuation was determined, are included in notes to the financial statements.

Gratuity liability was computed from the first year of service for all employees in conformity with Sri Lanka Accounting Standards 19- "Employee Benefits".

However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continual service.

The Company is liable to pay gratuity in terms of the relevant statute.

Expected Return on Assets

Expected return on assets is zero as the plan is not pre-funded.

Funding Arrangements

The gratuity liability is not externally funded.

Defined Contribution Plans (DCPs) - Employees' Provident Fund/ Mercantile Services Provident Society and Employees' Trust Fund

A Defined contribution plan is a post- employment plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to Defined Contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Mercantile Services Provident Society (MSPS)

The Company and employees contribute 12% respectively on the salary of each employee to the Fund Managed by Mercantile Services Provident Society.

Employees' Trust Fund (ETF)

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

As at 31st March	2026	2025
	Rs.	Rs.
Present Value of Unfunded Gratuity	**242,794,651**	138,959,053
	242,794,651	138,959,053
Provision for Retiring Gratuity		
Balance as at begining of the Year	**138,959,053**	161,996,844
Expenses recognised in Profit or Loss (Note 32.1)	**44,466,533**	38,660,636
Gratuity Transfer to/(from) Company	**(2,715,000)**	4,994,450
Actuarial (Gain)/ Loss in Other Comprehensive Income	**70,431,115**	(51,775,927)
	251,141,701	153,876,003
Benefits paid during the Year	**(8,347,050)**	(14,916,950)
Balance as at end of the Year	**242,794,651**	138,959,053

The Company maintains a non-contributory defined benefit plan providing for gratuity benefits payable to employees expressed in term of final monthly salary and service. The Gratuity liability was actuarially valued under the Projected Unit Credit (PUC) method by a professionally qualified actuary Mr. K. Arumugam, of Actuarial & Management Consultants (Pvt) Limited who is a qualified Actuary, Fellow Member of Institute of Actuaries of India.

32.1 Expense Recognized in Profit or Loss:

As at 31st March	2026	2025
	Rs.	Rs.
Current Service Cost	**29,789,450**	19,800,552
Interest Cost	**14,677,083**	18,860,084
	44,466,533	38,660,636
Acturial (Gain)/ Loss in Other Comprehensive Income	**70,431,115**	(51,775,927)

NOTES TO THE FINANCIAL STATEMENTS

32.2 Actuarial Assumptions

Following key assumptions were made in arriving at the above figures

As at 31st March	2026	2025
(a) Rate of Discount	**10% p.a. (net of tax)**	11% p.a. (net of tax)
(b) Salary Increment Rate	**9%**	10%
(c) Retirement Age	**60 years**	60 years
(d) Staff Turnover	**14%**	15%
(e) Average Future Working Life Time (Years)	**5.8**	7.9

(f) Assumptions regarding future mortality are based on A1967/70 Ultimate Mortality Table , issued by the Institute of Actuaries, London.

The demographic assumptions underline the valuation are with respect to retirement age, early withdrawal from service and retirement on medical grounds.

(g) Discount Rate

LKAS 19 requires the risk discount rate to be based on the market yield of high quality Corporate bonds (AA and above) of similar duration to the liability.

In the absence of a deep market in long term bonds in Sri Lanka, a long term interest rate of 10.00% p.a. (2024/25 - 11.00% p.a.) has been used to discount future liabilities considering anticipated long term rate of inflation.

(h) Salary Increases

A salary increment of 9.00% p.a. (2024/25 - 10.00% p.a.) has been used in respect of the active employees.

32.3 Sensitivity of Assumption Employed on Actuarial Valuation

Assumptions regarding discount rate and Salary Increment rate have significantly effect on the amounts recognized in the Statement of Comprehensive Income of Statement of Financial Position.

The following table demonstrate the sensitivity of a reasonably possible changing such assumption with all other variables held constant, in the actuarial valuation of retirement benefit obligation as at 31st March 2026

Increase (decrease) in Discount rate	Increase (decrease) in Salary Increment rate	Sensitivity Effect on Statement of Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Retirement Benefit Obligation increase / (decrease)
	.	Rs.	Rs.
1%		13,594,425	(13,594,425)
-1%		(15,203,051)	15,203,051
	1%	(16,381,237)	16,381,237
	-1%	14,882,040	(14,882,040)

32.4 Distribution of Employee Benefit Obligation over Future Working Lifetime

As at 31st March	2026	2025
	Rs.	Rs.
Less than or equal 1 year	**34,389,848**	15,054,971
Over 1 year and less than or equal 5 years	**98,614,902**	57,991,287
Over 5 year and less than or equal 10 years	**61,960,080**	26,473,098
Over 10 years	**47,829,821**	39,439,697
	242,794,651	138,959,053

NOTES TO THE FINANCIAL STATEMENTS

33 STATED CAPITAL

33.1 Issued and Fully Paid

	As at 1st April 2025	Issued for Cash during the Year	Issued for Non-Cash Consideration	As at 31st March 2026
	Number	Number	Number	Number
Number of Shares Ordinary Shares	202,074,075	75,777,778	-	277,851,853
	202,074,075	75,777,778	-	277,851,853
	Rs.	Rs.	Rs.	Rs.
Rupees - Ordinary Shares	1,996,444,457	2,008,111,117	-	**4,004,555,574**
	1,996,444,457	2,008,111,117	-	**4,004,555,574**

33.2 Rights Issue

During the quarter ended 30th June 2025, the Board of Directors resolved to raise capital via a rights issue of `ordinary shares at Rs. 26.50 per share in the proportion of 6 new ordinary shares for every 16 existing shares held. The purpose of this rights issue is to improve the Capital Adequacy of the Company. The funds were utilised in the core business activity of lending.

Consequent to the announcement made to the Colombo Stock Exchange on 19th June 2025, in principal approval was granted by the Colombo Stock Exchange for the Rights Issue on 6th August 2025. The Rights Issue was approved by the shareholders at an Extraordinary General Meeting held on 29th August 2025. Accordingly date of provisional allotment was on 2nd September 2025, Provisional Letter of Allotment was dispatched to shareholders on 10th September 2025, Last date of renunciation of rights to CDS was 23rd September 2025, the last date of acceptance and payment for rights was 26th September 2025. The Rights Issue was oversubscribed. The new ordinary shares under the Rights Issue were allotted on 8th October 2025 and were listed in the Colombo Stock Exchange on 14th October 2025.

The status of fund utilisation as at 31st March 2026 is as follows:

Objective Number	Objective as per Circular	Amount Allocated as per Circular (LKR Mn)	Proposed Date of Utilisation as per Circular	Amount Allocated from Proceeds (LKR Mn) (A)	% of Total Proceeds	Amounts Utilised (LKR Mn) (B)	% of Utilisation against Allocation (B/A)	Clarification if not fully utilised including where the funds are invested
1	To improve the Capital Adequacy Ratios of the Company and for lending purposes	2,008	14th October 2025	2,008	100%	2,008	100%	N/A

34 STATUTORY RESERVES

As at 31st March	2026	2025
	Rs.	Rs.
Statutory Reserve Fund (Note 34.1)	**820,786,222**	505,755,339
	820,786,222	505,755,339

34.1 Statutory Reserve Fund

Balance as at beginning of the Year	**505,755,339**	335,410,743
Amount Transfer During the Year	**315,030,883**	170,344,596
Balance as at end of the Year	**820,786,222**	505,755,339

The balance in the reserve fund will be used only for the purpose specified in the Central Bank Direction No. 1 of 2003.

The Reserve Fund is maintained in compliance with direction No 1 of 2003 Central Bank of Sri Lanka (Capital Funds) issued to Finance Companies.

As per the said Direction , every Licensed Finance Company shall maintain a Reserve Fund and transfer to such reserve fund out of the net profits of the each year after due provisions has been made for taxation and bad and doubtful debts on following basis.

Capital Funds to Deposit Liabilities	% of transfer to Reserve Fund
Not less than 25%	**5%**
Less than 25% and not less than 10%	**20%**
Less than 10%	**50%**

Accordingly, the Company has transferred 20% of its net profit after taxation to the Reserve Fund as Company's Capital Funds to Deposit Liabilities, belongs to less than 25% and not less than 10%.

34.2 Regulatory Loss Allowance Reserve Fund

	2026	2025
	Rs.	Rs.
Balance as at beginning of the Year	-	51,093,499
Amount Transfer /(Reverse) During the Year	-	(51,093,499)
Balance as at end of the Year	-	-

As per the Section 7.1 of the Finance Business Act Direction No. 01 of 2020 (Classification and measurement of Credit Facilities), the Company requires to create a non-distributable regulatory loss allowance reserve through an appropriation of retained earnings, where the loss allowance for expected credit loss (ECL) falls below the regulatory provision (CBSL).

NOTES TO THE FINANCIAL STATEMENTS

35 FINANCIAL REPORTING BY SEGMENTS AS PER PROVISION OF THE SRI LANKA ACCOUNTING STANDARD SLFRS 8

Accounting Policy

As per the SLFRS 8 'Operating Segments', Company is required to disclose information to enable users of its Financial Statements to evaluate the nature and financial effects of the business activities in which it engages and the economic enviornments in which it operates. Accordingly, below information gives the segmental information on performance of the Company's main business line.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company's Management to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

For each of the strategic divisions, the Company's management monitors the operating results separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the Financial Statements. Income taxes are managed on a Company basis and are not allocated to operating segments. Detailed information on the results of each reportable segment as required by the Sri Lanka Accounting Standard – SLFRS 8 "Operating Segments" is provided in Notes to the Financial Statements.

35.1 Business Segments

For the Year Ended 31st March	Finance Lease		Loan & Advances		Other		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest	**4,861,077**	3,649,392	**8,423,666**	4,945,943	**367,089**	387,255	**13,651,832**	8,982,590
Fee and Commission Income	**224,981**	159,283	**1,063,044**	452,644	**48,650**	253	**1,336,675**	612,180
Other Operating Income	**12,705**	31,626	**41,178**	61,141	**25,732**	18,496	**79,615**	111,263
Total Revenue	**5,098,763**	3,840,301	**9,527,888**	5,459,728	**441,471**	406,004	**15,068,122**	9,706,033
Interest Expense	**(2,341,211)**	(1,703,914)	**(4,057,039)**	(2,305,098)	**(176,798)**	(180,810)	**(6,575,048)**	(4,189,822)
Depreciation and Amortization	**(127,414)**	(122,044)	**(220,793)**	(165,104)	**(9,622)**	(12,949)	**(357,829)**	(300,097)
Administration and Selling Expenses	**(1,460,550)**	(1,195,064)	**(2,532,057)**	(1,616,320)	**(110,296)**	(126,815)	**(4,102,903)**	(2,938,200)
Allowances for Impairment charges for Loan and Other Losses	**(188,235)**	(37,494)	**(201,135)**	(195,543)	-	-	**(389,370)**	(233,037)
Tax on Financial Services	**(351,700)**	(238,613)	**(609,453)**	(322,801)	**(26,558)**	(25,320)	**(987,711)**	(586,734)
Profit Before Tax	**629,653**	543,172	**1,907,411**	854,861	**118,197**	60,109	**2,655,261**	1,458,143
Income Tax Expense	**(256,130)**	(225,897)	**(775,897)**	(355,524)	**(48,080)**	(24,999)	**(1,080,107)**	(606,420)
Profit For The Year	**373,523**	317,275	**1,131,514**	499,337	**70,117**	35,110	**1,575,154**	851,723
Segment Assets	**21,642,060**	18,495,501	**70,830,620**	32,584,822	**4,276,514**	6,036,266	**96,749,194**	57,116,589
Segment Liabilities	**19,486,106**	16,518,880	**63,774,562**	29,102,470	**3,850,493**	5,391,169	**87,111,161**	51,012,519
Segment assets include the additions to PPE and Intangible assets	**86,714**	77,299	**283,800**	136,183	**17,136**	25,228	**387,650**	238,710

36 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

An analysis of the interest bearing assets and liabilities employed by the Company as at 31st March, based on the remaining period at the reporting date to the respective contractual maturity date is given below.

As at 31 March 2026	Less than 3 Months	3-12 Months	1-3 Years	3-5 Years	over 5 Years	Total
Interest Earning Assets						
Cash and Cash Equivalents	1,690,764,989	-	-	-	-	1,690,764,989
Placements with Banks	289,929,330	-	-	-	-	289,929,330
Financial Assets at Amortised Cost-Hire Purchase Receivables	-	-	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	1,987,294,249	5,485,234,956	10,495,590,707	2,625,315,556	16,179,543	20,609,615,011
Financial Assets at Amortised Cost-Loans and Advances	26,409,411,987	25,811,484,149	9,742,932,542	5,331,641,281	156,139,180	67,451,609,139
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	2,428,221,887	1,271,539,726	-	-	-	3,699,761,613
Due from Related Companies	80,624,650	-	-	-	-	80,624,650
Total Interest Earning Assets	32,886,247,092	32,568,258,831	20,238,523,249	7,956,956,837	172,318,723	93,822,304,732
Percentage (%)	35.1	34.7	21.6	8.5	0.2	100.0
Interest Bearing Liabilities						
Bank Overdraft	975,169,082	-	-	-	-	975,169,082
Financial Liabilities at Amortised Cost-Due to Customers	15,777,709,796	11,755,832,134	12,936,276,959	760,362,216	48,352,160	41,278,533,265
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	11,008,792,198	12,766,515,103	13,114,234,397	3,906,259,392	-	40,795,801,090
Due to Related Companies	10,282,253	-	-	-	-	10,282,253
Lease Liabilities	17,026,317	104,260,655	455,731,165	110,469,082	357,141,173	1,044,628,392
Supplier Payables	1,006,505,865	-	-	-	-	1,006,505,865
Total Interest Bearing Liabilities	28,795,485,511	24,626,607,892	26,506,242,521	4,777,090,690	405,493,333	85,110,919,947
Percentage (%)	33.8	28.9	31.1	5.6	0.5	100.0

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025	Less than 3 Months	3-12 Months	1-3 Years	3-5 Years	over 5 Years	Total
Interest Earning Assets						
Cash and Cash Equivalents	1,830,533,616	-	-	-	-	1,830,533,616
Placements with Banks	2,776,950,496	-	-	-	-	2,776,950,496
Financial Assets at Amortised Cost-Hire Purchase Receivables	-	-	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	1,679,195,322	4,126,550,952	8,577,204,466	2,801,089,186	25,149,040	17,209,188,966
Financial Assets at Amortised Cost-Loans and Advances	9,012,089,343	15,474,340,583	4,122,929,281	1,773,415,719	24,312,081	30,407,087,007
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	417,310,106	2,395,345,282	-	-	-	2,812,655,388
Due from Related Companies	24,669,533	-	-	-	-	24,669,533
Total Interest Earning Assets	15,740,748,416	21,996,236,817	12,700,133,747	4,574,504,905	49,461,121	55,061,085,007
Percentage (%)	28.6	39.9	23.1	8.3	0.1	100.0
Interest Bearing Liabilities						
Bank Overdraft	905,920,208	-	-	-	-	905,920,208
Financial Liabilities at Amortised Cost-Due to Customers	13,028,326,052	8,878,815,381	5,852,871,540	517,692,052	36,435,293	28,314,140,318
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	5,468,596,422	4,018,783,831	8,040,534,913	1,980,296,352	-	19,508,211,518
Due to Related Companies	16,891,865	-	-	-	-	16,891,865
Lease Liabilities	9,894,122	121,327,067	268,940,088	163,343,495	226,115,434	789,620,206
Supplier Payables	265,859,743	-	-	-	-	265,859,743
Total Interest Bearing Liabilities	19,695,488,412	13,018,926,279	14,162,346,541	2,661,331,899	262,550,727	49,800,643,858
Percentage (%)	39.5	26.1	28.4	5.3	0.5	100.0

37 COMMITMENTS AND CONTINGENCIES

Accounting Policy

All discernible risks are accounted for in determining the amount of all known liabilities. 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 reliably measured. Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed unless they are remote.

37.1 Capital Commitments

There were no significant capital commitments which have been approved or contracted for by the Company as at the reporting date.

37.2 Contingencies

(a) The Commissioner General of Inland Revenue issued an assessment to Singer Finance (Lanka) PLC in respect of an additional surcharge tax liability for the taxable period from 1 April 2020 to 31 March 2021. In terms of this assessment, the Company was liable to a surcharge tax of Rs. 333.5 million and interest of Rs. 49.7 million, resulting in a total liability of Rs. 383.2 million.

Following a comprehensive review of the relevant facts and applicable tax legislation, management concluded that there were reasonable grounds to challenge the assessment. Accordingly, the Company submitted a request for an administrative review on 31 December 2024. Subsequent to this review, the Department of Inland Revenue issued its Determination on 19 January 2026. As per the Determination, the surcharge tax was revised to Rs. 300.2 million, with interest of Rs. 166.2 million and a penalty of Rs. 49.4 million, prior to adjusting for payments already made. The Company had previously settled Rs. 53 million in 2022 and Rs. 100.3 million in September 2024. After accounting for these payments, the outstanding amounts were a surcharge tax of Rs. 247.2 million, interest of Rs. 65.9 million, and a penalty of Rs. 49.4 million.

Upon careful consideration of the Determination and based on professional advice obtained from tax consultants, management determined that there are sufficient grounds to further contest the position taken by the Department of Inland Revenue. Accordingly, an appeal was filed with the Tax Appeals Commission on 11 February 2026.

(b) The Commissioner General of Inland Revenue has issued an assessment notice to Singer Finance (Lanka) PLC regarding an additional Income tax liability for the taxable period from 1st April 2021 to 31st March 2022. The assessment includes an Income tax of Rs. 22.8 million and interest of Rs. 9.9 million, totaling Rs. 32.7 million.

After carefully reviewing the situation and based on the advice of tax consultants, the Company has settled part of the assessed amount, totaling Rs. 16.2 million. The Company is of the view that it has strong grounds to contest the remaining portion of the assessment. Accordingly, the Company lodged an appeal for an administrative review on 12th March 2025. The appeal hearing was held on 17th March 2026, and the Company submitted additional information on 10th April 2026. The matter is yet to be finalized.

(c) As at 31st March 2026, the Company has provided letters of guarantee totaling Rs. 32,100,000/- against Fixed Deposits of Rs. 32,100,000/-.

NOTES TO THE FINANCIAL STATEMENTS

37.3 Assets Pledged

Company has given a negative pledge amounting to Rs.45,992,848,365/- over the Company's Lease and loan receivables for the following banks loans, Overdrafts, Securitization having a carrying value of Rs.35,271,421,819/- as at 31st March 2026.

As at 31st March			Outstanding Credit Facility	Carrying Value
			Rs.	Rs.
Sampath Bank PLC	130% of the Banks's exposure	Loan	500,000,000	1,040,000,000
		Overdraft Facility	300,000,000	
Commercial Bank of Ceylon PLC	150% of the Banks's exposure	Overdraft Facility	200,000,000	300,000,000
Seylan Bank PLC	130% of the Banks's exposure	Loan	1,700,000,000	2,535,000,000
		Overdraft Facility	250,000,000	
Nations Trust Bank PLC	130% of the Banks's exposure	Loan	3,675,000,000	5,037,500,000
		Overdraft Facility	200,000,000	
National Development Bank PLC	130% of the Banks's exposure	Loan	400,000,000	650,000,000
		Overdraft Facility	100,000,000	
Cargills Bank PLC	150% of the Banks's exposure	Loan	500,000,000	750,000,000
Bank of Ceylon	130% of the Banks's exposure	Loan	1,500,000,000	1,950,000,000
Pan Asia Banking Corporation PLC	200% of the Company explosure	Loan	291,800,000	379,340,000
DFCC Bank PLC	130% of the Banks's exposure	Loan	250,000,000	650,000,000
		Overdraft Facility	250,000,000	
Sanasa Development Bank PLC	130% of the Banks's exposure	Loan	1,000,000,000	1,300,000,000
Habib Bank Limited	130% of the Banks's exposure	Loan	250,000,000	325,000,000
Trustee (Hatton National Bank PLC & National Development Bank PLC)	130% of the Banks's exposure	Securitization	23,904,621,819	31,076,008,365
			35,271,421,819	45,992,848,365

Company has given a negative pledge amounting to Rs.25,663,430,203/- over the Company's Lease and loan receivables for the following banks loans, Overdrafts, Securitization having a carrying value of Rs.19,114,381,821/- as at 31st March 2025.

As at 31st March			Outstanding Credit Facility	Carrying Value
			Rs.	Rs.
Sampath Bank PLC	130% of the Banks's exposure	Loan	500,000,000	1,040,000,000
		Overdraft Facility	300,000,000	
Commercial Bank of Ceylon PLC	150% of the Banks's exposure	Overdraft Facility	200,000,000	300,000,000
Seylan Bank PLC	130% of the Banks's exposure	Loan	800,000,000	1,365,000,000
		Overdraft Facility	250,000,000	
Nations Trust Bank PLC	130% of the Banks's exposure	Loan	4,175,000,000	5,687,500,000
		Overdraft Facility	200,000,000	
National Development Bank PLC	130% of the Banks's exposure	Loan	400,000,000	650,000,000
		Overdraft Facility	100,000,000	
Cargills Bank PLC	150% of the Banks's exposure	Loan	500,000,000	750,000,000
Bank of Ceylon	130% of the Banks's exposure	Loan	300,000,000	390,000,000
Pan Asia Banking Corporation PLC	200% of the Company explosure	Loan	963,905,481	1,927,810,962
DFCC Bank PLC	130% of the Banks's exposure	Loan	100,000,000	130,000,000
Trustee (Hatton National Bank PLC & National Development Bank PLC)	130% of the Banks's exposure	Securitization	10,325,476,340	13,423,119,241
			19,114,381,821	25,663,430,203

38 EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the Reporting date which require adjustments to or disclosure in the financial statements.

39 RELATED PARTY TRANSACTIONS

39.1 Identification of Related Parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard (LKAS 24) - "Related Party Disclosure", the details of which are reported below.

The Company's immediate Parent Undertaking is Singer (Sri Lanka) PLC. The Company's Ultimate Parent Undertaking is Hayleys PLC.

NOTES TO THE FINANCIAL STATEMENTS

39.2 Transactions with Parent Company and Affiliate Companies

During the year, the company had the following transactions with its parent company and other related entities.

Name of the Company and Relationship	Nature of Transaction	2026	2025
		Rs.	Rs.
Hayleys PLC	Expenses Paid through Hayleys PLC	**147,578,389**	98,831,484
(Ultimate Parent)	Balance Settlement	**150,595,645**	96,054,703
Singer (Sri Lanka) PLC (Immediate Parent)	Withdrawals of Rental Collections from Singer (Sri Lanka) PLC	**2,840,047,382**	1,762,583,278
	Balance Settlement During the Year	**547,772,235**	292,000,000
	Purchase of Assets	**98,174,921**	78,780,728
	Interest Income/ Expense	**688,854**	3,552,434
	Rental Collections through Singer (Sri Lanka) PLC	**2,817,881,490**	1,867,832,968
	Collection Commission Paid	**34,020,592**	22,562,263
	Royalty Expense Charged During the Period	**143,327,212**	89,913,968
	Rent Reimbursed	**9,305,064**	9,045,064
	Expenses Paid through Singer (Sri Lanka) PLC	**282,309,504**	206,183,294
Hayleys Business Solutions International (Pvt) Ltd.	Payroll Processing Charges	**2,348,787**	1,672,173
(Related Company)	Balance Settlement	**2,358,830**	1,598,196
	Subordinated Debt Placed	**200,000,000**	-
	Accrued Interest - Subordinated Debt	**1,488,953**	-
	Fixed Deposits Placement	**100,000,000**	-
Hayleys Fentons Limited	Purchased of Assets/ Services Obtained	**19,000,426**	12,860,920
(Related Company)	Balance Settlement	**19,189,842**	14,172,413
	Lease and Loan Rental Collection	-	1,797,065
Energynet (Pvt) LTD	Purchased of Assets/ Services Obtained	**8,512,527**	215,522
(Related Company)	Balance Settlement	**7,565,011**	1,440,256
Hayleys Electronics (Pvt) Ltd	Sales Financed through Group Sales	-	55,506,561
(Related Company)	Balance Settlement	-	103,938,867
Mabroc Teas (Pvt) LTD	Purchases	**3,329,607**	2,297,184
(Related Company)	Balance Settlement	**3,044,689**	2,297,184

Name of the Company and Relationship	Nature of Transaction	2026	2025
		Rs.	Rs.
The Kingsbury PLC	Purchases	**2,464,303**	1,842,105
(Related Company)	Balance Settlement	**2,563,351**	1,860,541
Amaya Leisure PLC	Lease and Loan Renatal Collection	-	4,904,134
(Related Company)			
Puritas (Pvt) Ltd	Purchased of Assets/ Services Obtained	**212,400**	245,440
(Related Company)	Balance Settlement	**194,700**	227,740
Hayleys Aventura (Private) Limited	Purchased of Assets/ Services Obtained	**114,460**	142,544
(Related Company)	Balance Settlement	**96,760**	142,544
Talawakelle Tea Estates PLC	Subordinated Debt Placed	**1,300,000,000**	-
(Related Company)	Accrued Interest - Subordinated Debt	**9,678,197**	-
Kelani Valley Plantations PLC	Subordinated Debt Placed	**500,000,000**	-
(Related Company)	Accrued Interest - Subordinated Debt	**3,722,384**	-
Martin Bauer Hayleys (Pvt) LTD	Fixed Deposits Placement	**400,000,000**	-
(Related Company)			

NOTES TO THE FINANCIAL STATEMENTS

39.3 Net Accommodation Outstanding in Respect of Each Category of Related Parties as a Percentage of the Core Company's Core Capital

As at 31st March	2026		2025	
Category of Related Party Transactions	Rs.	Percentage of the Core Capital	Rs.	Percentage of the Core Capital
Directors	-	-	-	-
Key Management Personnel (KMP)	**50,030,263**	**0.87%**	6,721,188	0.12%
Directors and their close family members	-	-	-	-
Key Management personnel and their close family members	-	-	-	-
Subsidiaries	-	-	-	-
Joint Venture	-	-	-	-
Entities which Directors and their close family members have a substantial interest	-	-	-	-
Subsidiaries of the Immediate parent and related company	-	-	2,634,795	0.05%

39.4 Disclosures on Related Party Transactions According to the Section 9 of the Listing Rules

During the year the Company has entered in to following recurrent related party transactions which exceed 10% of the gross revenue/income as disclosed below;

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year 2025/26 Rs.	Aggregate value of Related Party Transactions as a % of Gross Revenue 2025/26 %	Terms and Conditions of the Related Party Transactions
Singer (Sri Lanka) PLC	Parent Company	Withdrawals of Rental Collections from Singer (Sri Lanka) PLC	**2,840,047,382**	**19%**	Interest rate at market term
		Rental Collections through Singer (Sri Lanka) PLC	**2,817,881,490**	**19%**	

During the year the company has entered into the following non recurrent related party transaction which exceed 10% of the equity as of 31st March 2026.

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate value of Related Party Transactions entered into during the financial year 2025/26	Aggregate value of Related Party Transactions as a % of Equity 31st March 2026	Terms and Conditions of the Related Party Transactions
			Rs.	%	
Talawakelle Tea Estates PLC	Related Company	Subordinated Debt Placed	**1,309,678,197**	**14%**	Interest rate at market term

39.5 The amount due to Singer (Sri Lanka) PLC as at 31st March 2026, are disclosed in Note 29 of the Financial Statements.

39.6 Transactions with Key Management Personnel

(a) According to LKAS 24 - "Related Party Disclosure", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Directors of the Company and its parent company (Including Executive and Non Executive Directors) and their immediate family members, have been classified as Key Management Personnel of the Company.

		2026	2025
		Rs.	Rs.
(i) Transactions Key Management Personnel or close Family Members			
Directors of Singer Finance (Lanka)PLC	Deposits Placed	**49,642,205**	47,100,000
	Withdrawals	**48,305,182**	41,070,000
	Deposits Balance as at	**116,676,900**	129,456,523
Director's Immediate Family members of Singer Finance (Lanka)PLC	Deposits Placed	**15,043,923**	2,000,000
	Withdrawals	**16,502,143**	-
	Deposits Balance as at	**84,529,120**	84,556,276
(ii) Compensation of Key Management Personnel			
Short-Term Employee Benefits - Directors		**49,591,309**	36,178,430

Post employment benefit liability of directors as of 31st March 2026 was Rs. 15,108,302.

In addition to their salaries the Company provides non-cash benefits to the Key Management Personnel and contributes to a past employment defined benefit plan on their behalf.

(iii) No transaction had been taken place during the year with the parties/entities in which Key Management Personnel or their close family members have control, joint control or significant influence other than disclosed above.

39.7 Transactions with Related Parties are carried out in the ordinary course of the business and were made on terms equivalent to those that prevail in arm's length transactions.

NOTES TO THE FINANCIAL STATEMENTS

40 FINANCIAL RISK REVIEW

40.1 Financial Risk Management

The Board of Directors holds ultimate accountability for setting up and supervising the company's risk management framework. To support this role, the Board has formed the Integrated Risk Management Committee (IRMC), tasked with formulating and overseeing the company's risk management policies.

The Company's risk management policies are established in identifying and assessing the risks the Company encounters, establishing suitable risk limits and controls, and continuously monitoring both the risks and compliance with these limits.

The Company regularly reviews its risk management policies and systems to adapt to evolving market conditions and changes in its operations. Through comprehensive training and well-defined management standards and procedures, the Company fosters a disciplined and proactive control environment where all employees clearly understand their responsibilities and obligations related to risk management.

The Company's Audit Committee is responsible for overseeing how Management monitors compliance with the Company's risk management policies and procedures, as well as reviewing the adequacy of the overall risk management framework in relation to the risks faced by the Company. To support this oversight role, the Audit Committee is assisted by the internal audit division, which conducts both regular and ad hoc reviews of risk management controls and procedures. The findings from these audits are reported directly to the Audit Committee, enabling it to evaluate the effectiveness of risk management and internal controls comprehensively.

Sri Lanka has been facing an unprecedented economic crisis, causing significant hardships for its people. The IMF program advanced with 5th/6th reviews staff-level agreements unlocking ~US$700 million with total disbursements to US$2.4 billion, supporting fiscal reforms, debt restructuring, low inflation (1.5% y/y September 2025), and growth projections of 3.4-6% for 2026 amid remittances, tourism, and domestic demand rebound. By 2025, GDP grew robustly at 4.8% year-on-year in H1 (full-year estimates 3.9-4.8%), revenue-to-GDP reached 16.7%, budget deficit fell to 2.3% of GDP (primary surplus 5.4%), central government debt declined to 91.6% of GDP, and gross reserves stood at ~US$6.1-6.5 billion.

The reform program sustains positive momentum, with 2025 GDP growth at 4-5% (H1 4.8% y/y), subdued inflation (~1.5-3.8% y/y), and 2026 projections of 3.4-6% amid tourism/remittances rebound despite global/ geopolitical risks.

The going concern evaluation considered multiple scenarios-best case, most likely, and worst case-focusing on key factors such as deposit retention and renewal, regulatory relaxations, profitability projections from income and cost management, excess liquidity, strengthened recovery efforts, undrawn loan facilities, and potential funding lines. After a thorough review, it ensured that the company maintains capital and liquidity buffers well above the minimum requirements set by the Central Bank of Sri Lanka (CBSL) for Licensed Finance Companies, significantly enhancing its resilience against economic shocks and volatility.

This assessment aligns with Sri Lanka's broader economic context, where despite lingering uncertainties and structural challenges, the economy achieved approximately 4.5-5% growth in 2025 and is projected to expand by 3.4-4.5% in 2026 amid sustained low inflation, robust reserves buildup, and continued IMF-supported macroeconomic stability. The Company's prudent risk management practices bolstered by BIRMC oversight, stress testing, early warnings, and capital/ liquidity buffers exceeding CBSL minimum position it strongly to navigate ongoing economic volatility as at 31 March 2026.

40.1.1 Credit Risk

Credit risk refers to the potential financial loss the Company may incur if a customer or counterparty fails to fulfill their contractual obligations. This risk primarily arises from the Company's loans and receivables from customers, amounts due from related parties and other banks, as well as investment debt securities. For effective risk management and reporting, the Company evaluates and consolidates all components of credit risk exposure, including individual obligor default risk, as well as country and sector-specific risks.

(i) Settlement Risk

Settlement risk is the possibility of loss arising when one party in a transaction fails to deliver cash, securities, or other assets as contractually agreed at settlement time. This risk occurs because payments or deliveries are not exchanged simultaneously, exposing one party to the risk that the counterparty may default after receiving payment but before fulfilling their obligation.

To mitigate settlement risk, the Company conducts settlements through a settlement or clearing agent for certain transactions, ensuring that trades settle only when both parties have met their contractual obligations. Additionally, settlement limits are incorporated into the credit approval and monitoring processes to control exposure. For free-settlement trades, which carry higher risk, acceptance requires transaction-specific or counterparty-specific approvals from the Company's credit committee, providing an added layer of oversight and risk control.

This approach aligns with industry practices where settlement risk management involves using trusted intermediaries and setting exposure limits to reduce potential losses from counterparty defaults or timing mismatches.

(ii) Management of Credit Risk

(a) Overview of Management of Credit Risk

A dedicated Credit Department and independent Risk Management Department, manages the Company's credit risk through the following key responsibilities:

Developing credit policies including Credit risk management in collaboration with business units, covering collateral requirements, credit assessment, risk grading, reporting, legal procedures, and regulatory compliance.

Periodic review of the Credit Guidelines, risk appetite statements, risk tolerance levels in consideration of both internal and the external environment (PESTEL) factors

Setting the authorization framework for approving and renewing credit facilities, with limits delegated to business unit Credit Officers; larger facilities require approval from the related to the higher level Delegated Authorities Credit Committee and Board of Directors.

Reviewing and assessing credit risk exposures exceeding set limits, with the Credit Committee evaluating all such exposures before commitment, including renewals and Post credit review initiations.

Controlling concentration risks by limiting exposures to counterparties, geographic regions, industries, and for investment securities, by issuer, credit rating, market liquidity, and country in line with the Risk Appetite Statement.

Monitoring business units' compliance with exposure limits across industries, countries, and product types, with regular credit quality reports submitted to the Credit Committee, which may mandate corrective actions.

Providing expert advice and guidance to business units to promote best practices in credit risk management throughout the Company.

This structure aligns with best practices where credit risk management operates independently from loan origination, ensuring robust oversight, risk assessment, and compliance monitoring. The delegation of approval limits and rigorous review by a Credit Committee help maintain control over credit exposures and concentrations. Regular reporting and guidance foster consistent risk management standards across the organization.

NOTES TO THE FINANCIAL STATEMENTS

(b) Exposure to Credit Risk

(i) Maximum Credit Exposure

Carrying amount of financial assets represents the maximum credit exposure. The maximum exposure and net exposure to credit risk at the reporting date :

As at 31st March	Maximum Exposure		Net Exposure	
	2026	2025	**2026**	2025
	Rs.	Rs.	Rs.	Rs.
Cash at Banks	**1,168,040,527**	1,387,705,789	**1,168,040,527**	1,387,705,789
Placements with Banks	**289,929,330**	2,776,950,496	**289,929,330**	2,776,950,496
Loans and Receivables from Customers	**89,715,448,969**	48,995,753,520	**88,061,224,150**	47,616,275,973
Financial assets at Amortised Cost-Debt and Other Financial Instruments	**3,699,761,613**	2,812,655,388	**3,699,761,613**	2,812,655,388
Due from Related Companies	**80,624,650**	24,669,533	**80,624,650**	24,669,533
	94,953,805,089	55,997,734,726	**93,299,580,270**	54,618,257,179

The maximum to credit risk for receivables at the reporting date by type of Counter party was

As at 31st March	Net Exposure (Net of Impairment)	
	2026	2025
	Rs.	Rs.
Individual Customers	**86,131,792,383**	46,660,239,256
Corporate Customers	**1,929,431,767**	956,036,717
	88,061,224,150	47,616,275,973

(ii) Collateral Held and Other Credit Enhancement

As at 31st March	Percentage of exposure that is subject to collateral requirements 2026	2025	
Type of Credit Exposure	%	%	Types of Collateral Held
Hire Purchase Receivables (Note 18.1)	**100**	100	Vehicles/ Consumer Durables
Finance Lease Receivables (Note 18.2)	**100**	100	Vehicles/ Machineries
Loans and Advances- Vehicle Backed Loans (Note 18.3)	**100**	100	Vehicles
Loans and Advances- Consumer Finance Loans (Note 18.3)	**100**	100	Consumer Durables
Loans and Advances- Gold Loans (Note 18.3)	**100**	100	Pawning Articles
Loans and Advances- Loans Against Deposits (Note 18.3)	**100**	100	Lien Deposits
Loans and Advances- Personal Loans (Note 18.3)	-	-	Guarantors
Loans to Employees (Note 18.3)	**100**	100	Vehicles and Guarantors
Due from Related Companies (Note 29.1)	-	-	None
Placement with Banks	**100**	100	Cash
Financial Assets at Amortised Cost-Debt and Other Financial Instruments (Note 20)	**100**	100	Marketable Securities

(iii) Credit Quality by Class of Financial Assets

As at 31st March 2026	Not subject to ECL	12 Month ECL - (Stage 1)	Life time ECL - not credit impaired (Stage 2)	Life time ECL - not credit impaired (Stage 3)	Total
Financial Assets					
Cash and Cash Equivalents	**685,114,577**	**1,005,650,412**	-	-	**1,690,764,989**
Placement with Banks	-	**289,929,330**	-	-	**289,929,330**
Financial Assets at Amortised Cost-Hire Purchase Receivables	-	-	-	**3,221,085**	**3,221,085**
Financial Assets at Amortised st-Finance Lease Receivables	-	**16,295,948,296**	**3,765,381,391**	**1,221,643,338**	**21,282,973,025**
Financial Assets at Amortised Cost-Loans and Advances	-	**60,139,587,382**	**6,741,309,893**	**1,548,357,584**	**68,429,254,859**
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	**2,185,043**	-	-	-	**2,185,043**
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	-	**3,699,761,613**	-	-	**3,699,761,613**
	687,299,620	**81,430,877,033**	**10,506,691,284**	**2,773,222,007**	**95,398,089,944**

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As at 31st March 2025	Not subject to ECL	12 Month ECL - (Stage 1)	Life time ECL - not credit impaired (Stage 2)	Life time ECL - not credit impaired (Stage 3)	Total
Financial Assets					
Cash and Cash Equivalents	579,762,859	1,250,770,757	-	-	1,830,533,616
Placement with Banks	-	2,776,950,496	-	-	2,776,950,496
Financial Assets at Amortised Cost-Hire Purchase Receivables	-	-	-	3,218,585	3,218,585
Financial Assets at Amortised Cost-Finance Lease Receivables	-	13,250,042,680	3,531,415,850	921,664,288	17,703,122,818
Financial Assets at Amortised Cost-Loans and Advances	-	26,228,071,829	3,277,008,227	1,784,332,061	31,289,412,117
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	2,185,043	-	-	-	2,185,043
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	-	2,812,655,388	-	-	2,812,655,388
	581,947,902	46,318,491,150	6,808,424,077	2,709,214,934	56,418,078,063

(iv) Scenario Probability Weightage

Scenario Probability Weighting applied in measuring Expected Credit Loss are as follows,

	2026			2025		
As at 31st March	Base- Case	Best- Case	Worst- Case	Base- Case	Best- Case	Worst- Case
Assigned Probability Weightage when meassuring ECL	15%	5%	80%	68%	11%	21%

(v) Sensitivity of Impairment Provision on Loans and Receivable from Customers

	Sensitivity Effect on Statement of Financial Position [Increase/ (Decrease)] in Impairment Provision				Sensitivity Effect on Income Statement
	Stage 1	Stage 2	Stage 3	Total	
	Rs.	Rs.	Rs.	Rs.	Rs.
As at 31st March 2026					
PD 1% Increase across all age buckets	**49,939,071**	**10,323,950**	-	**60,263,022**	**60,263,022**
PD 1% Decrease across all age buckets	**(49,939,071)**	**(10,323,950)**	-	**(60,263,022)**	**(60,263,022)**
LGD 1% Increase	**35,342,901**	**30,348,524**	**16,552,144**	**82,243,569**	**82,243,569**
LGD 1% Decrease	**(35,342,901)**	**(30,348,524)**	**(16,552,144)**	**(82,243,569)**	**(82,243,569)**
As at 31st March 2025					
PD 1% Increase across all age buckets	18,910,490	4,695,922	-	23,606,412	23,606,412
PD 1% Decrease across all age buckets	(18,910,490)	(4,695,922)	-	(23,606,412)	(23,606,412)
LGD 1% Increase	37,071,307	28,735,349	16,470,708	82,277,364	82,277,364
LGD 1% Decrease	(37,071,307)	(28,735,349)	(16,470,708)	(82,277,364)	(82,277,364)

(c) Credit Concentration Risk on Loans and Receivables from Customers

(i) Product Concentration of Credit Exposure

The Company reviews on a regular basis its concentration of credit granted in each of the product offered. The diversification was made to ensure that an acceptable level of risk in line with the risk appetite of the Company is maintained.

	Maximum Exposure			
As at 31st March	**2026**		2025	
	Rs.	Rs.	Rs.	Rs.
Leasing	**21,282,973,025**	**24%**	17,703,122,818	36%
Hire Purchase	**3,221,085**	**0%**	3,218,585	0%
Loans and Advances	**68,429,254,859**	**76%**	31,289,412,117	64%
	89,715,448,969	**100%**	48,995,753,520	100%

	Net Exposure			
As at 31st March	**2026**		2025	
	Rs.	Rs.	Rs.	Rs.
Leasing	**20,609,615,011**	**23%**	17,209,188,966	36%
Hire Purchase	-	**0%**	-	0%
Loans and Advances	**67,451,609,139**	**77%**	30,407,087,007	64%
	88,061,224,150	**100%**	47,616,275,973	100%

NOTES TO THE FINANCIAL STATEMENTS

(ii) Geographical Concentration of Credit Exposure

The Company reviews its geographical diversification on a regular basis at the review meetings and sets long-term targets in achieving a geographically well diversified credit portfolio. Company's strategy on geographical diversification was executed through the establishment of a distribution network of the Company. The geographical concentration is considered when selecting prospective locations for new branches as well. The credit concentration of the economy is mostly affected by the wealth distribution of the country where a high concentration was seen in the Western Province.

	Exposure (Net of Impairment)			
As at 31st March	**2026**		2025	
	Rs.		Rs.	
Central	**7,386,706,774**	**8%**	4,714,672,992	10%
Eastern	**4,115,358,803**	**5%**	1,458,314,952	3%
North Central	**5,366,511,829**	**6%**	2,958,894,796	6%
North Western	**11,373,027,858**	**13%**	6,831,577,894	14%
Northern	**5,922,245,254**	**7%**	2,819,325,100	6%
Sabaragamuwa	**2,996,473,212**	**3%**	1,563,685,219	3%
Southern	**10,308,948,770**	**12%**	5,394,866,863	11%
Uva	**2,360,203,801**	**3%**	1,293,034,175	3%
Western	**38,231,747,849**	**43%**	20,581,903,982	43%
	88,061,224,150	**100%**	47,616,275,973	100%

(iii) Sector Wise Analysis of Credit Exposures

The Company manages it's credit exposure to a single industry by regullarly reviewing the portfolio. As there is more concentration on vehicle related financing of the Company, there is an inherent concentration on the transport sector.

The Company has set targets to bring down the exposures of each industry to a level accepted by the Group based on its risk appetite.

	Exposure (Net of Impairment)			
As at 31st March	**2026**		2025	
	Rs.		Rs.	
Agriculture	**6,443,715,634**	**7%**	3,660,905,860	8%
Tourism	**1,809,089,772**	**2%**	1,019,618,812	2%
Transport	**6,855,587,785**	**8%**	4,964,168,569	10%
Construction	**2,475,049,904**	**3%**	1,425,279,465	3%
Services	**7,672,967,583**	**9%**	4,043,963,689	8%
Consumption	**62,804,813,472**	**71%**	32,502,339,578	68%
	88,061,224,150	**100%**	47,616,275,973	100%

(iv) Allowance for Impairment

The Company's exposure to credit risk on installment credit/hire purchase contracts is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base has a lesser influence on credit risk. Geographically, there is no concentration of credit risk. Leased assets, subject to collateral undertakings so that in the event of non-payment, the Company can have a secured claim.

The Company assesses the impairment for Loans and receivables to customers on collective basis. In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of losses incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical data.

Analysis of Loan Portfolio Aging & Impairment Provision

The aging of receivables at the reporting date was

	2026			2025		
As at 31st March	Gross	Impairment	Net	Gross	Impairment	Net
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Not past due	**60,252,899,708**	**191,437,686**	**60,061,462,022**	30,415,599,383	127,197,783	30,288,401,600
Past due 1-30 days	**16,182,635,971**	**110,638,718**	**16,071,997,253**	9,111,485,360	73,872,323	9,037,613,037
Past due 31-90 days	**10,506,691,284**	**274,128,685**	**10,232,562,599**	6,759,459,743	163,031,435	6,596,428,308
Past due more than 90 Days	**2,773,222,006**	**1,078,019,730**	**1,695,202,276**	2,709,209,034	1,015,376,006	1,693,833,028
	89,715,448,969	**1,654,224,819**	**88,061,224,150**	48,995,753,520	1,379,477,547	47,616,275,973

(v) Financial Investments

(a) Placement with Banks

As at 31st March		2026		2025
		Rs.		Rs.
Rating				
A	**Nations Trust Bank PLC**	**289,929,330**	Nations Trust Bank PLC	2,503,848,798
A	**Nations Trust Bank PLC**	**-**	Nations Trust Bank PLC	273,101,698
		289,929,330		2,776,950,496

(b) Financial Assets at Amortised Cost-Debt and Other Financial Instruments

As at 31st March	2026	2025
	Rs.	Rs.
Government Securities	**3,699,761,613**	2,812,655,388
	3,699,761,613	2,812,655,388

The entire portfolio consisit of Government Treasury Bills

NOTES TO THE FINANCIAL STATEMENTS

(c) Cash & Cash Equivalents

Cash and cash equivalents comprise of cash in hand and cash at bank and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments.

The cash and cash equivalents are held with the following commercial banks.

Bank	Rating
Bank of Ceylon	AA-
Commercial Bank of Ceylon PLC	AA-
Hatton National Bank PLC	AA-
Sampath Bank PLC	AA-
Seylan Bank PLC	A+
Cargills Bank PLC	A
DFCC Bank PLC	A
National Development Bank PLC	A-
Nations Trust Bank PLC	A
Pan Asia Banking Cor. PLC	BBB
SANASA Development Bank PLC	BB+
People's Bank	AA-
Habib Bank Limited	AA
MCB Bank Limited	AA

40.1.2 Liquidity Risk

Liquidity risk refers to the risk that the Company may face challenges in fulfilling its obligations related to financial liabilities, which require payment in cash or other financial assets.

Management of liquidity risk,

The Company's liquidity risk management framework is designed to ensure continuous ability to meet payment obligations while maintaining liquidity and funding risks within defined risk appetite limits. The Board of Directors establishes the overarching liquidity strategy and delegates oversight to the Asset and Liability Committee (ALCO), which approves related policies and procedures. The Treasury department handles day-to-day liquidity management, monitoring daily reports and providing ALCO with summary updates including exceptions and corrective measures. Maturity mismatch analysis and other core liquidity risk elements are also reviewed at Integrated Risk Management Committee (BIRMC) meetings, supported by submissions from the Risk Department.

Key elements of the Company's liquidity strategy include:

- Maintaining a diversified funding base from retail, corporate, and wholesale sources, along with contingency facilities.
- Holding a portfolio of highly liquid assets diversified by currency and maturity.
- Monitoring liquidity ratios, maturity mismatches, behavioral patterns of assets and liabilities, and the encumbrance of assets.
- Conducting regular stress testing under various scenarios, including both company-specific and market-wide events, to ensure resilience under stressed conditions

The Treasury division coordinates with business units to assess liquidity profiles and projected cash flows, maintaining sufficient short-term liquid assets. Liquidity costs are considered in performance assessments through fund transfer pricing. The framework also includes a contingency funding plan and is subject to ongoing review to ensure it remains effective and aligned with regulatory expectations.

The following are contractual maturities of financial assets and liabilities.

31st March 2026	Carrying Amount	Contractual Cash Flows	6 Months or less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Financial Assets							
Cash and Cash Equivalents	1,690,764,989	1,690,764,989	1,690,764,989	-	-	-	-
Placement with Banks	289,929,330	290,591,597	290,591,597	-	-	-	-
Financial Assets at Amortised Cost-Hire Purchase Receivables	-	-	-	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	20,609,615,011	27,157,300,804	282,862,226	1,176,443,437	4,550,526,840	20,815,286,977	332,181,324
Financial Assets at Amortised Cost-Loans and Advances	67,451,609,139	78,393,678,195	36,029,991,897	15,867,910,329	2,110,218,903	22,753,952,519	1,631,604,548
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,185,043	2,185,043	2,185,043	-	-	-	-
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	3,699,761,613	3,724,926,985	3,724,926,985	-	-	-	-
Due from Related Companies	80,624,650	80,624,650	80,624,650	-	-	-	-
	93,824,489,775	111,340,072,263	42,101,947,386	17,044,353,766	6,660,745,743	43,569,239,496	1,963,785,871

31st March 2026	Carrying Amount	Contractual Cash Flows	6 Months or less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Financial Liabilities							
Bank Overdrafts	975,169,082	975,169,082	975,169,082	-	-	-	-
Financial Liabilities at Amortised Cost-Due to Customers	41,278,533,265	41,422,089,436	19,016,564,611	7,790,183,215	9,790,072,506	4,775,130,331	50,138,772
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	40,795,801,090	47,936,721,861	11,609,489,414	13,697,723,386	11,424,661,265	8,929,847,796	2,275,000,000
Due to Related Companies	10,282,253	11,192,232	11,192,232	-	-	-	-
Other Financial Liabilities	1,686,270,251	1,686,270,251	1,686,270,251	-	-	-	-
Other Non Financial Liabilities	558,236,731	558,236,731	558,236,731	-	-	-	-
Lease Liabilities	1,044,628,392	1,518,070,621	93,452,416	135,968,281	323,745,332	505,757,188	459,147,403
	86,348,921,064	94,107,750,214	33,950,374,738	21,623,874,882	21,538,479,104	14,210,735,315	2,784,286,175

NOTES TO THE FINANCIAL STATEMENTS

31st March 2025	Carrying Amount	Contractual Cash Flows	6 Months or less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Financial Assets							
Cash and Cash Equivalents	1,830,533,616	1,830,533,616	1,830,533,616	-	-	-	-
Placement with Banks	2,776,950,496	2,824,196,814	2,824,196,814	-	-	-	-
Financial Assets at Amortised Cost-Hire Purchase Receivables	-	-	-	-	-	-	-
Financial Assets at Amortised Cost-Finance Lease Receivables	17,209,188,966	23,291,223,854	4,482,474,285	4,151,412,639	6,864,671,297	7,765,725,838	26,939,795
Financial Assets at Amortised Cost-Loans and Advances	30,407,087,007	30,277,138,559	14,743,873,783	7,683,205,722	3,705,972,146	4,117,296,055	26,790,853
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,185,043	2,185,043	2,185,043	-	-	-	-
Financial Assets at Amortised Cost-Debt and Other Financial Instruments	2,812,655,388	2,932,978,820	1,729,702,239	1,203,276,581	-	-	-
Due from Related Companies	24,669,533	24,669,533	24,669,533	-	-	-	-
	55,063,270,049	61,182,926,239	25,637,635,313	13,037,894,942	10,570,643,443	11,883,021,893	53,730,648

31st March 2025	Carrying Amount	Contractual Cash Flows	6 Months or less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Financial Liabilities							
Bank Overdrafts	905,920,208	989,083,683	989,083,683	-	-	-	-
Financial Liabilities at Amortised Cost-Due to Customers	28,314,140,318	30,025,050,962	16,433,294,278	6,268,178,667	4,549,792,116	2,736,049,868	37,736,033
Financial Liabilities at Amortised Cost-Interest Bearing Loans and Borrowings	19,508,211,518	21,506,831,219	7,663,158,927	2,725,080,156	8,433,713,424	2,684,878,712	-
Due to Related Companies	16,891,865	19,025,308	19,025,308	-	-	-	-
Other Financial Liabilities	649,131,809	649,131,809	649,131,809	-	-	-	-
Other Non Financial Liabilities	286,828,765	286,828,765	286,828,765	-	-	-	-
Lease Liabilities	789,620,206	1,162,364,070	115,379,071	109,963,193	181,141,334	469,727,648	286,152,824
	50,470,744,689	54,638,315,816	26,155,901,841	9,103,222,016	13,164,646,874	5,890,656,228	323,888,857

40.1.3 Market Risk

Market risk refers to the risk that fluctuations in market prices-such as interest rates, equity prices, foreign exchange rates, and credit spreads (excluding changes related to the creditworthiness of obligors or issuers) will impact the Company's earnings or the value of its financial instrument holdings.
Market risk comprises of;

(a) Interest Rate Risk
(b) Currency Risk
(c) Price Risk

(a) Interest Rate Risk

Interest rate risk arises from potential adverse fluctuations in future interest rates, impacting the Company's financial position. This risk is actively monitored through periodic reviews of net interest yields by product, ensuring maintenance of margins and spreads, alongside adjustments to asset/liability pricing aligned with anticipated yield curve movements. The Company mitigates borrowing-related interest rate risk by strategically blending fixed and floating rate structures. Additionally, stress testing on interest-bearing assets and liabilities enables early detection and proactive management of potential issues.

To mitigate interest rate risk, companies use various strategies including:

- Fixing interest rates on loans to avoid exposure to rising rates.
- Using interest rate caps or options to limit maximum interest costs on floating-rate debt.
- Employing interest rate swaps to exchange floating rates for fixed rates or vice versa, helping to align interest rate exposure with risk appetite.

Effective management involves assessing risk exposure, setting risk appetite, and frequently reviewing risk metrics to ensure prudent levels of interest rate risk are maintained.

Profile

At the reporting date, the interest rate profile of the Company interest bearing financial instruments was

As at 31st March	**2026**	2025
	Rs.	Rs.
Fixed Rate Instruments		
Financial Assets	**92,053,100,136**	53,208,066,900
Financial Liabilities	**(72,446,872,366)**	(17,660,274,024)
	19,606,227,770	35,547,792,876
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	**(10,602,631,071)**	(31,067,998,020)
	(10,602,631,071)	(31,067,998,020)

NOTES TO THE FINANCIAL STATEMENTS

Cash Flow Sensitivity for Variable Rate Instruments

A reasonable possible change of 100 basis points (1%) in interest rate at the Reporting date would increase/ (decrease) equity and profit or loss by amounts shown as below. This analysis assumes that all other variables remains constant:

	Profit or Loss		Equity Net of Tax	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	Rs.	Rs.	Rs.	Rs.
31st March 2026				
Variable Rate Instruments	**(106,026,311)**	**106,026,311**	**(74,218,417)**	**74,218,417**
Cash Flow Sensitivity (Net)	**(106,026,311)**	**106,026,311**	**(74,218,417)**	**74,218,417**
31st March 2025				
Variable Rate Instruments	(310,679,980)	310,679,980	(217,475,986)	217,475,986
Cash Flow Sensitivity (Net)	(310,679,980)	310,679,980	(217,475,986)	217,475,986

(b) Currency Risk

Currency risk refers to the potential for fluctuations in the value of financial instruments due to changes in foreign exchange rates. This risk arises when a company holds assets or liabilities denominated in currencies other than its functional or reporting currency.

The only currency risk faced by Singer Finance (Lanka) PLC is from the foreign currency held by the Company from its Foreign Exchange Operation.

The Company monitors exchange rates daily and take necessary steps to mitigate the Currency Risk by adjusting its Foreign Currency Exchange rates accordingly. Therefore, currency risk to the Company is minimal.

At SFLP, we actively monitor currency exposures by aligning our activities with the forex dealing unit's prevailing rates. We implement strategies to manage currency holdings across various denominations, seeking opportunities to exchange and convert currencies in ways that maximize profitability. When setting rates for our customers, we carefully consider anticipated movements and trends in the foreign exchange market, aiming to stay in step with Central Bank rate forecasts. This approach helps us remain competitive and responsive to market dynamics.

Foreign currency exposures of the Company is shown below:

As at 31st March	**2026**			2025		
	Amount	Rate	Value	Amount	Rate	Value
		Rs.	Rs.		Rs.	Rs.
USD	**49,437**	**315.40**	**15,592,490**	69,286	299.88	20,777,486
EUR	**43,598**	**363.21**	**15,835,287**	26,166	324.49	8,490,605
GBP	**2,318**	**418.73**	**970,647**	1,935	378.71	732,804
SGD	**2,050**	**244.93**	**502,046**	1,380	222.48	307,022
AUD	**1,524**	**216.65**	**330,077**	368	195.58	71,973
CHF	**460**	**395.19**	**181,810**	458	331.13	151,658
CAD	**417**	**226.97**	**94,715**	415	220.80	91,632

The below sensitivity analysis shows changes in Rs, against foreign currencies which would have increased/ (decreased) impact to Company's financial performance.

As at 31st March		2026		2025	
	Shock	Strengthening	Weakening	Strengthening	Weakening
	(%)	Rs.	Rs.	Rs.	Rs.
USD	1	**155,925**	**(155,925)**	207,775	(207,775)
EUR	1	**158,353**	**(158,353)**	84,908	(84,908)
USD	3	**467,775**	**(467,775)**	623,325	(623,325)
EUR	3	**475,059**	**(475,059)**	254,723	(254,723)
USD	5	**779,624**	**(779,624)**	1,038,875	(1,038,875)
EUR	5	**791,764**	**(791,764)**	424,538	(424,538)

(c) Price Risk

Government Security Price Sensitivity

Government Security price risks arises as a result of fluctuations in market prices of Government securities and Management conduct mark-to-market calculation on monthly basis and on a need basis to identify the impact.

As at 31st March	2026			2025		
	Financial Assets Measured at (FVTPL)	Financial Assets at Amortised Cost-Debt and Other Financial Instruments	Total	Financial Assets Measured at (FVTPL)	Financial Assets at Amortised Cost-Debt and Other Financial Instruments	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Government Securities	-	**3,699,761,613**	**3,699,761,613**	-	2,812,655,388	2,812,655,388

NOTES TO THE FINANCIAL STATEMENTS

The following table exhibits the impact on market value of the Government Securities held due to a shock of 10% on market rate:

As at 31st March	2026			2025		
	Impact on Profit	Impact on OCI	Impact on Net Assets	Impact on Profit	Impact on OCI	Impact on Net Assets
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10% shock (Increase)	**(7,886,754)**	-	**(7,886,754)**	(1,191,275)	-	(1,191,275)
10% shock Decrease	**7,886,754**	-	**7,886,754**	1,191,275	-	1,191,275

Finance companies face price risk from gold primarily because gold-backed loans use gold as collateral, exposing fluctuations in gold prices. A fall in gold prices can reduce the collateral value, increasing credit risk and potential loan defaults if borrowers cannot repay.

During the period ended 31st March 2026, it is being witnessed an increasing movement of gold prices mainly due to the geopolitical uncertainties coupled with spontaneous reductions. There is negative correlation of the gold prices to the interest rates (US Fed rates)

The below table shows stress testing results that may arise from potential price drops irrespective to the fact that increasing price trend is being witnessed to the reporting date.

As at				Gross	Capital	If Prices Drop by 5%			If Prices Drop by 10%		
	Portfolio Value (Gross) Rs. Mn	Market Value Rs. Mn	Margin of Safety (Cushion)	LTV (Based on Market Value)	LTV (Based on Market Value)	Market Value Rs. Mn	Margin of Safety (Cushion)	LTV (Based on Market Value)	Market Value Rs. Mn	Margin of Safety (Cushion)	LTV (Based on Market Value)
31st March 2026	21,760	30,142	27.81%	72.19%	70.43%	28,635	24.01%	75.99%	27,128	19.79%	80.21%
31st March 2025	6,525	7,844	16.81%	83.19%	79.00%	8,280	21.19%	78.81%	7,844	16.81%	83.19%

Based on the 24K gold carotage price in Sea Street at Rs. 396,000 and Rs. 245,000 by 31st March 2026 and 2025 respectively.

40.1.4 Operational Risk

Operational risk encompasses the potential for direct or indirect losses stemming from diverse sources linked to the Company's processes, personnel, technology, infrastructure, and external factors excluding credit, market, and liquidity risks such as legal/regulatory obligations and corporate governance standards. These risks pervade all Company operations. The Company aims to manage operational risk by balancing loss prevention and reputation protection with cost efficiency and innovation, while mandating full compliance with all relevant laws and regulations. To this end, a comprehensive operational risk management framework has been established, integrated with an incident reporting mechanism.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management of the Company. This responsibility is supported by the development of the Company standards for the management of operational risk in the following areas:

- Segregation of Duties and Independent Authorization

Critical tasks, especially transaction authorization, must be separated among different individuals to prevent fraud and errors. The person authorizing transactions should be independent of those initiating, executing, or recording them.

- Reconciliation and Monitoring of Transactions

Regular reconciliation of accounts and monitoring of transactions must be performed by independent personnel to detect discrepancies and ensure accuracy.

- Compliance with Regulatory and Legal Requirements

Policies and procedures must ensure full compliance with applicable laws, regulations, and corporate governance standards.

- Documentation of Controls and Procedures

All operational risk controls and processes must be clearly documented, regularly reviewed, and updated to reflect changes in the risk environment.

- Periodic Assessment of Operational Risks and Controls

Organizations must conduct regular risk assessments to identify operational risks and evaluate the effectiveness of controls, adjusting them as necessary.

- Reporting of Operational Losses and Remedial Actions

Operational losses and incidents must be promptly reported to management, with root cause analysis and proposed corrective measures documented and tracked.

- Development of Contingency Plans

Business continuity and disaster recovery plans should be developed and tested to ensure operational resilience against disruptions.

- Training and Professional Development

Continuous training programs are essential to build awareness and competency in operational risk management across all levels of staff.

- Ethical and Business Standards

A strong risk culture promoting ethical behavior and adherence to corporate standards is critical to effective risk management.

- Risk Mitigation, Including Insurance:

Where cost-effective, risk transfer mechanisms such as insurance should be used to mitigate potential operational losses.

These elements form the foundation of a robust Operational Risk Management Framework that aligns with regulatory expectations and supports sustainable business operations.

NOTES TO THE FINANCIAL STATEMENTS

40.2 Capital Management

The Board's policy is to maintain a strong capital base to maintain confidence of the investors, creditors and the market while sustaining future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between higher returns facilitated through a higher level of borrowings and the benefits and security afforded by a sound capital position.

The capital structure of the Company consists of debt and equity of the Company. The capital structure of the Company is reviewed by the Board of Directors on a concurrent basis.

40.2.1 Capital Adequacy

Capital adequacy is a measure of financial institution's financial strength and stability. This is a widely accepted concept, tries to specify the limit up to which a business can expand in terms of its risk – weighted assets. Finance companies in pursuit of business expansion, could engage themselves in activities that regularly change their risk profile. In light of this, regulatory capital requirements have been established to avoid undue expansion beyond specified limits keeping a hold on companies' exposure to risk. Capital serves as a comfort to absorb unexpected losses, providing a degree of security to depositors and other key stakeholders.

This measure has been introduced by the Central Bank of Sri Lanka to protect the interest of the various stakeholders of the Company while ensuring the maintenance of confidence and stability of the financial system.

The capital adequacy ratio is calculated as a percentage on company's capital to its risk weighted assets as specified by the direction No 03 of 2018.

Based on the Direction No. 03 of 2018 the Licensed Finance Companies which are having asset base less than 100 Billion need to be have minimum Core Capital Ratio (Tier-I) of 8.5% and Total Capital Ratio of 12.5%.

The core capital represents the permanent shareholders', equity and reserves created or increase by appropriations of retained earnings or other surpluses and the total capital includes in addition to the core capital, the revaluation reserves, general provisions and other hybrid capital instruments and unsecured subordinated debts.

The Risk Weighted Assets have been calculated by multiplying the value of each category of asset using the risk weight specified by the Central Bank of Sri Lanka.

Capital Adequacy Ratio

As at 31st March	**2026**	2025
	Rs.	Rs.
Tier 1 Capital	**9,182,966,369**	5,772,256,036
Total Capital	**12,982,966,369**	6,903,392,124
Total Risk - Weighted Assets	**84,125,868,671**	52,555,337,063
Tier 1 Capital Ratio	**10.92%**	10.98%
Total Capital Ratio	**15.43%**	13.14%

RELATED COMPANIES

Company Name	Relationship	Principal Activity	Directors
Hayleys PLC	Ultimate Parent	Global Markets and Manufacturing, Agriculture, Power and Energy, domestic and industrial lighting,Transportation and Logistics, Leisure and Aviation, Consumer, and Investments and Services.	Mr. A.M. Pandithage
			Mr. K.D.D. Perera
			Mr. S.C. Ganegoda
			Mr. H.S.R. Kariyawasan
			Dr. H. Cabral, PC
			Mr. L.R.V. Waidyaratne
			Mr. R.J. Karunarajah
			Mrs. J. Dharmasena
			Mr. K.D.G. Gunaratne
			Mr. T.A.B. Speldewinde
			Mr. P.Y.S. Perera
			Mr. A.J. Alles
			Ms. S.R. Fernando
Singer (Sri Lanka) PLC	Immediate Parent	Trading in Sewing Machines, Industrial Machines, Electrical Equipment & Consumer Durables, Personal Computers, Agricultural Equipment & Furniture.	Mr. A.M. Pandithage
			Mr. A.J. Alles
			Ms. K.A.D.B. Perera
			Mr. D.K. De S. Wijeyeratne
			Mrs. H.M.G. De Alwis
			Ms. A.A.K. Amarasinghe
			Mr. M.H. Wijewardene
			Mr. D. Sooriyaarachchi
			Mr. S.C. Ganegoda
			Mr. B.T.L. Mendis
			Mr. T.M.V. Tennakoon
			Mr. S.D. Seresinhe
Hayleys Travels	Related Company	Flight Tickets,Holiday Packages,VISA services,Travel Insurance & Rent a car.	Mr. A.M. Pandithage
			Mr. J.G. Victoria
			Mr. L.R.V. Waidyaratne
			Mr. T.M. Hewagama
			Mr. M.I.S. Sabar
			Mr. M.R.S. Ahmed
			Mr. U.D.C. Udawatte
Hayleys Fentons Ltd	Related Company	Mechanical, Electrical and Plumbing services.	Mr. A.M. Pandithage
			Mr. S.C. Ganegoda
			Mr. M.H.C. Prematillake
			Ms. R. C. R. Dharmaratne
			Mr. J.M. J. Perera
			Mr. M.Y.A. Perera
			Mr. M.Y.A. Perera
			Mr. R.S.S. Perera
			Mr. P. B. J. Gunawardena

RELATED COMPANIES

Company Name	Relationship	Principal Activity	Directors
Hayleys Business Solutions International (Pvt) Ltd	Related Company	Providing Business Process Management Services.	Mr. A.M. Pandithage
			Mr. S.C. Ganegoda
			Ms. A.R. Malewana
			Mr. M.L.K. Somaratne
			Mr. M.S. Mohamed
Energynet (Pvt) Ltd	Related Company	Company is working in Networking, Computer Networking, Electrical Goods, Computers business activities.	Mr. H.P.G.S.E.M. De Alwis
			Mr. M.H.C. Prematillake
			Mr. A.M. Pandithage
			Mr. S.C. Ganegoda
			Mr. P.B.J. Gunawardana
			Mr. R.S.S. Perera
Mabroc Teas (Pvt) Ltd	Related Company	Tea Manufacturers and Exporters.	Mr. A.M. Pandithage
			Mr. A. Weerakoon
			Mr. N.R. Ranatunga
			Mr. S.C. Hikkaduwage
			Mr. Dr. W.G.R. Rajadurai
			Mr. S.C. Ganegoda
			Mr. R.S. Samarasinghe
			Mr. S.B. Alawattegama
			Mr. T.M. Hewagama
The Kingsbury PLC	Related Company	Hospitality and Leisure Services.	Mr. A.M. Pandithage
			Mr. D.T.R. De Silva
			Ms. K.A.D.B. Perera
			Mr. R.J. Karunarajah
			Mrs. R.N. Ponnambalam
			Mr. S.C. Ganegoda
			Mr. T.A.B. Speldewinde
			Mr. A.J. Alles
			Mr. T.M. Hewagama
			Ms. K.A.D.S. Perera
Hayleys Electronics (Pvt) Ltd	Related Company	Lightning Electric and Electronic products Providers.	Mr. A.M. Pandithage
			Mr. S.C. Ganegoda
			Mr. M. H.C. Prematillake
			Mr. H.P.G.S.E.M. De Alwis
			Mr. P.B.J. Gunawardena
Puritas (Pvt) Ltd	Related Company	Water Related Services.	Mr. A.M. Pandithage
			Mr. H.S.R. Kariyawasan
			Mr. I.A.S.L. Athukorala
			Mrs. M.J.A.S. Abeyratne
			Mr. B. Balaratnarajah
			Mr. M.L. Wickramasinghe

Company Name	Relationship	Principal Activity	Directors
Hayleys Aventura (Pvt) Ltd	Related Company	Industrial Services.	Mr. A.M. Pandithage
			Mr. J.A.W.M. Jayasekera
			Mr. C. Kapugeekiyana
			Mr. M.Y.A. Perera
			Mr. D. Rangalle
			Ms. W.A.I. Sugathadasa
			Mr. S.C. Ganegoda
			Mr. H.A. Wijayananda
			Mrs. K.S.S.B. Jayakody
			Mr. T.M. Hewagama
Talawakelle Tea Estates PLC	Related Company	Cultivation and manufacture of tea. Cultivates rubber and cinnamon on a smaller scale, while its subsidiaries are engaged in hydro power generation.	Mr. A.M. Pandithage
			Mr. M. J .Fernando
			Mr. S.L. Athukorala
			Dr. W.G.R. Rajadurai
			Mr. N.P. Abeysinghe
			Mr. J.M. Kariapperuma
			Mr. N. Ekanayake
			Mr. M.C.B. Talwatte
			Mrs. H. D. K. Randiligama
			Mr. J.D.N. Gunasekera
			Mr. T.M. Hewagama
Kelani Valley Plantations PLC	Related Company	Production and processing of tea and rubber.	Mr. A.M. Pandithage
			Mr. S.C. Ganegoda
			Mr. S.B. Alawattegama
			Mr. F. Mohideen
			Mr. T.M. Hewagama
			Dr. W.G.R. Rajadurai
			Mr. N. Ekanayake
			Mr. S.P. Peiris
			Mr. M.C.B. Talwatte
			Mrs. S. Amarasekera
Martin Bauer Hayleys (Pvt) LTD	Related Company	Manufacture and export of instant tea, Ceylon tea extract powders, concentrates, aromas, and flavours for global food and beverage markets.	Mr. A.M. Pandithage
			Mr. S.C. Ganegoda
			Mr. L. Zhimming
			Mr. S. Sieben

TEN YEAR SUMMARY

Year Ended 31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Operating Results										
Income	**15,068,122**	9,706,033	8,113,371	7,552,900	5,486,505	4,713,704	4,598,412	4,129,845	3,277,570	2,610,297
Interest Expense	**6,575,048**	4,189,822	4,792,620	4,528,451	1,946,514	1,920,500	1,991,392	1,645,624	1,287,378	978,996
Non-Interest Expense (Personal Cost, Admin and Selling and Impairement)	**4,850,102**	3,471,334	2,348,497	2,029,164	2,293,752	1,978,715	1,716,842	1,500,361	1,118,830	937,298
Value Added Tax (VAT), Nation Building Tax (NBT) and Debt Repayment Levy (DRL) on Financial Services, Social Security Contribution Levy	**987,711**	586,734	319,856	316,713	287,570	212,687	259,867	260,956	171,063	125,789
Profit Before Tax	**2,655,261**	1,458,143	652,398	678,573	958,669	601,801	630,310	722,904	700,299	568,214
Provision for Taxation	**1,080,107**	606,420	248,163	269,529	337,529	191,674	241,269	181,170	257,153	198,385
Profit After Tax	**1,575,154**	851,723	404,235	409,044	621,140	410,127	389,041	541,734	443,146	369,830
Other Comprehensive Income for the Year, Net of Taxes	**(49,302)**	36,243	(3,524)	6,231	(3,303)	(840)	970	(1,290)	(6,506)	1,159
Total Comprehensive Income for the Year	**1,525,853**	887,966	400,711	415,275	617,837	409,287	390,011	540,444	436,639	370,988
Dividends	-	-	161,659	161,659	161,659	-	-	222,281	196,011	175,253

As at 31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Assets										
Liquid Assets	**5,680,455**	7,420,139	6,558,591	5,963,424	2,427,991	1,895,119	1,105,660	1,024,005	1,048,590	797,195
Investments	**2,185**	2,185	2,185	2,120	41	41	41	41	41	41
Financial Assets Measured at Fair Value through Profit or Loss (FVTPL)	-	-	463,761	-	-	-	-	-	-	-
Advances	**88,061,224**	47,616,276	27,799,956	24,274,535	26,434,091	21,185,256	20,254,602	17,927,792	14,420,414	11,597,057
Other Financial Assets	**100,367**	61,984	57,496	40,358	35,633	32,893	27,217	23,064	17,017	23,064
Other Non Financial Assets	**621,180**	312,700	195,119	176,312	126,787	133,199	135,913	187,912	139,268	124,452
Property, Plant & Equipment	**858,441**	710,857	638,235	623,902	444,453	372,602	327,720	221,885	120,587	124,658
Due from Related Companies	**80,625**	24,670	-	-	-	418,492	185,522	92,444	336,269	201,865
Intangible Assets	**112,761**	83,215	87,825	80,387	69,459	44,414	42,277	46,293	49,420	32,011
Deferred Tax Assets	**340,162**	246,454	93,093	113,392	78,675	5,207	-	15,632	-	-
Right-of-Use Assets / Lease Assets	**891,794**	638,109	698,183	674,409	645,887	583,989	468,490	-	-	-
Total Assets	**96,749,194**	**57,116,589**	**36,594,444**	**31,948,839**	**30,263,017**	**24,671,212**	**22,547,442**	**19,539,068**	**16,131,606**	**12,900,343**
Liabilities										
Interest-Bearing Loans & Borrowings	**41,770,971**	20,414,133	7,402,312	6,071,614	11,377,675	7,772,403	9,846,529	7,766,026	4,990,518	5,493,345
Deposit from Customers	**41,278,533**	28,314,140	22,179,511	19,195,604	12,295,391	10,643,164	7,175,552	6,095,816	5,356,078	3,210,548
Amount Due to Related Companies	**10,282**	16,892	105,046	115,795	72,461	455,906	404,512	1,001,570	1,465,346	771,235
Retirement Benefit Obligations	**242,795**	138,959	161,997	128,520	101,458	83,245	73,397	63,118	55,213	36,842
Deferred Tax Liability	-	-	-	-	-	-	77,364	-	154,876	39,942
Other Financial Liabilities	**2,205,715**	1,051,947	525,415	486,543	673,806	593,489	441,668	918,683	645,118	477,897
Other Non Financial Liabilities	**558,237**	286,829	166,380	217,871	245,688	189,258	143,235	149,920	129,345	149,918
Lease Laibilities	**1,044,628**	789,620	839,484	757,645	721,891	615,278	476,003	-	-	-
Total Liabilities	**87,111,161**	**51,012,520**	**31,380,145**	**26,973,592**	**25,488,370**	**20,352,743**	**18,638,260**	**15,995,133**	**12,796,494**	**10,179,727**

As at 31st March	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Equity										
Stated Capital	**4,004,556**	1,996,444	1,996,444	1,996,444	1,996,444	1,996,444	1,996,444	1,996,444	1,994,455	1,445,333
Statutory Reserves	**820,786**	505,755	335,411	254,564	234,112	203,055	182,548	163,096	136,009	113,852
FVOCI Fund	**2,144**	2,144	2,144	2,079	-	-	-	-	-	-
Regulatory Loss Allowance Reserve	-	-	51,093	-	-	-	-	-	-	-
Retained Earnings	**4,810,547**	3,599,726	2,829,207	2,722,160	2,544,091	2,118,970	1,730,190	1,384,395	1,204,648	1,161,431
Total Equity	**9,638,033**	**6,104,069**	**5,214,299**	**4,975,247**	**4,774,647**	**4,318,469**	**3,909,182**	**3,543,935**	**3,335,112**	**2,720,616**
Total Liabilities & Equity	**96,749,194**	**57,116,589**	**36,594,444**	**31,948,839**	**30,263,017**	**24,671,212**	**22,547,442**	**19,539,068**	**16,131,606**	**12,900,343**
Investor Information										
Gross Dividend (Rs.)	-	-	161,659	161,659	161,659	-	-	222,281	196,011	175,253
Dividend Per Share (Rs.)	-	-	0.80	0.80	0.80	-	-	1.10	0.97	1.06
Dividend Cover (Times)	-	-	2.50	2.53	3.84	-	-	2.44	2.26	2.11
Net Assets Per Share (Rs.)	**34.69**	30.21	25.80	24.62	23.63	21.37	19.35	17.54	16.50	16.46
Market Price Per Share (Rs.) - Maximum	**80.00**	29.50	15.50	14.00	20.30	19.40	14.70	16.40	21.00	23.60
Market Price Per Share (Rs.) - Minimum	**23.50**	12.30	10.50	9.00	12.90	7.40	8.00	12.50	14.90	16.60
Price as at Year End (Rs.)	**46.10**	24.90	12.40	11.30	13.00	13.70	8.60	12.60	15.40	17.10
Price Earning Ratio (Times)	**7.60**	7.05	6.20	5.58	4.23	6.75	4.47	4.70	6.11	7.63
Eraning Per Share (After Tax)	**6.07**	3.53	2.00	2.02	3.07	2.03	1.93	2.68	2.52	2.24
Ratios										
Annual Income Growth (%)	**55.24**	19.63	7.42	37.66	16.39	2.51	11.35	26.00	25.56	23.51
Growth in Interest Expenses (%)	**56.93**	(12.58)	5.83	132.64	1.35	(3.56)	21.01	27.83	31.50	42.27
Growth in Non Interest Expenses (%)	**39.72**	47.81	15.74	(11.54)	15.92	15.25	14.43	34.10	19.37	34.54
Growth in Profit After tax (%)	**84.94**	110.70	(1.18)	(34.15)	51.45	5.42	(28.19)	22.25	19.82	(16.11)
Growth in Advances (%)	**84.94**	71.28	14.52	(8.17)	24.78	4.59	12.98	24.32	24.35	15.01
Growth in Deposits (%)	**45.79**	27.66	15.54	56.12	15.52	48.33	17.71	13.81	66.83	1.16
Growth in Shareholder's Fund (%)	**57.90**	17.06	4.80	4.20	10.56	10.47	10.31	6.26	22.59	4.73
Equity: Assets (%)	**9.96**	10.69	14.25	15.57	15.78	17.50	17.34	18.14	20.67	21.09
Debt: Equity (Times)	**8.62**	7.98	5.67	5.08	4.96	4.26	4.46	4.19	3.40	3.38

Balance Sheet Dashboard

Income Statement Dashboard

Investor Dashboard

Ratios Dashboard

SHARE INFORMATION

1. Stated Capital

As at 31st March	2026	2025
Issued and Fully-paid Capital (Rs.)	**4,004,555,574**	1,996,444,457
No. of Shares	**277,851,853**	202,074,075
Class of shares	**Ordinary Shares**	Ordinary Shares
Voting Rights	**One Vote per Ordinary Share**	One Vote per Ordinary Share

2. Stock Exchange Listing

The issued Ordinary Shares of Singer Finance (Lanka) PLC are listed with the Colombo Stock Exchange of Sri Lanka.

3. Directors Shareholdings

As at 31st March	2026	2025
Name of the Director	No of Shares	No of Shares
Mr. Aravinda Perera	-	-
Ms. Darshini Talpahewa	-	-
Mr. Thushan Amarasuriya (MD)-(Appointed as Managing Director w.e.f 1st January 2026)	**28,963**	50,155
Mr. Mahesh Wijewardene	-	-
Mr. Ranil De Silva	-	-
Mr. Saman Herath	-	-
Mr. Dhammika Siriwardene	-	-
Mrs. Hiranthi De Silva	-	-
Mr. Jonathan Alles (Appointed w.e.f. 05th March 2026)	-	-

4. Analysis of Shareholders According to the Number of Shares as at 31st March 2026

No. of Shareholders: 31st March 2026 - 6,649 (31st March 2025 - 5,665)

		Resident Shareholders			Non Resident Shareholders			Total Shareholders		
As at 31st March		No.of Holders	Total Holdings	%	No.of Share holders	Total Holdings	%	No.of Share holders	Total Holdings	%
1-1000	Shares	4,768	1,660,634	0.60	12	5,720	0.00	4,780	1,666,354	0.60
1001-10000	Shares	1,428	4,620,362	1.66	9	33,897	0.01	1,437	4,654,259	1.68
10001-100000	Shares	352	10,201,422	3.67	3	52,500	0.02	355	10,253,922	3.69
100001-1000000	Shares	63	14,852,974	5.35	1	297,000	0.11	64	15,149,974	5.45
OVER 10000001	Shares	13	246,127,344	88.58	-	-	0.00	13	246,127,344	88.58
Total		**6,624**	**277,462,736**	**99.86**	**25**	**389,117**	**0.14**	**6,649**	**277,851,853**	**100.00**

5. Analysis of Shares

As at 31st March	2026		2025	
Categories of Shares	**No. of Share Holders**	**No. of shares**	**No. of Share Holders**	**No. of shares**
Individuals	6,443	27,267,797	5,510	23,875,330
Institutions	206	250,584,056	155	178,198,745
Total	**6,649**	**277,851,853**	**5,665**	**202,074,075**

6. Market Value Per Share

For the Year Ended 31st March	2026		2025	
	Rs.	**Date**	**Rs.**	**Date**
Highest Value per share during the Year	**80.00**	**21st October 2025**	29.50	29th January 2025
Lowest Value per share during the Year	**23.50**	**07th April 2025**	12.30	1st April 2024
Closing Price	**46.10**	**31st March 2026**	23.90	28th March 2025

7. Dividends

Interim Dividend	**2025/26 - Nil**	(2024/25 - Nil)
Dividend Pay Out Ratio %	**2025/26 - Nil**	(2024/25 - Nil)
Final Dividend	**2025/26 - Nil**	(2024/25 - Nil)

8. Twenty Largest Shareholders

As at 31st March		2026	
	Name of the Shareholder	**No of Shares**	**%**
1	Singer (Sri Lanka) PLC	**222,080,423**	79.93
2	Seylan Bank PLC/ A.C. Senanka	**4,229,403**	1.52
3	People's Leasing And Finance PLC/ M.E. Amarasinghe	**3,956,946**	1.42
4	Mr. Amarakoon Mudiyanselage Weerasinghe	**3,508,074**	1.26
5	People's Leasing and Finance PLC/ L.P. Hapangama	**2,216,543**	0.80
6	Assetline Finance Limited/S.K.Wijekoon	**2,048,172**	0.74
7	Seylan Bank PLC/ Sarath Kumara Wijekoon	**1,459,993**	0.53
8	DFCC Bank PLC A/C No. 02	**1,228,004**	0.44
9	People's Leasing & Finance PLC/ Mr. Iresh Sridas Gurusinghe	**1,172,191**	0.42
10	Assetline Finance Limited/ M.E. Amarasinghe	**1,167,290**	0.42
11	Mr. Bentara Wadumestrige Risijaya Srikantha	**1,034,773**	0.37
12	Mr. Mark Lawrence Ajit Benedict	**1,018,032**	0.37
13	Mrs. Sarasvathi Vasudevan & Mr. S. Vasudevan	**1,007,500**	0.36
14	Mr. Ram Pritamdas, Mr. D.P. Hathiramani & Miss. L.P. Hathiramani	**800,000**	0.29
15	Citizens Development Business PLC/ H. M. Indika Jayasinghe	**670,000**	0.24
16	Hatton National Bank PLC/ Arunasalam Sithampalam	**666,662**	0.24
17	Mr. Dadimuni Chatura Pavitra De Silva Siriwardane	**640,836**	0.23
18	Assetline Finance Limited/ M.S. Kandanage	**565,500**	0.20
19	People's Leasing & Finance PLC/ Mr. K.A.D.R.M.K. Kariyapperuma	**512,756**	0.18
20	Mr. Loku Narangodage Sarath Kumara Samarasinghe	**488,125**	0.18

SHARE INFORMATION

As at 31st March		2025	
Name of the Shareholder		**No of Shares**	**%**
1	Singer (Sri Lanka) PLC	161,513,035	79.93
2	Mr. Amarakoon Mudiyanselage Weerasinghe	3,687,019	1.82
3	People's Leasing And Finance PLC/ L.P. Hapangama	3,009,712	1.49
4	Employees Trust Fund Board	2,290,555	1.13
5	Seylan Bank PLC/ Gladstone Capital (Private) Limited	1,220,000	0.60
6	Hatton National Bank PLC - Astrue Alpha Fund	1,204,809	0.60
7	J.B. Cocoshell (Pvt) Ltd	1,129,240	0.56
8	Mr. Mark Lawrence Ajit Benedict	936,509	0.46
9	People's Leasing & Finance PLC/ L.H.L.M.P.Haradasa	826,916	0.41
10	Mr. Hennasy Geeth Balasuriya	697,043	0.34
11	Mr. Ram Pritamdas, Mr. D. Pritamdas & Miss. L.P. Hathiramani	605,000	0.30
12	Thread Capital (Private) Limited	503,473	0.25
13	Commercial Bank Of Ceylon PLC/ H.G. Balasuriya	500,000	0.25
13	Mrs. Vasudevan Saraswathi & Mr. S. Vasudevan	500,000	0.25
13	Mr. Subramaniam Vasudevan & Mrs. S. Vasudevan	500,000	0.25
14	Mr. Vijaya Srilal Perera Liyanage	497,147	0.25
15	Mr. Dadimuni Chatura Pavitra De Silva Siriwardane	466,063	0.23
16	Mr. Nayanaka Arjuna Samarakoon & Mrs. D.K. Herath	450,000	0.22
17	Hatton National Bank PLC/ Arunasalam Sithampalam	420,944	0.21
18	PMF Finance PLC/ M.S.Hamzadeen	403,000	0.20
19	Mr. Loku Narangodage Sarath Kumara Samarasinghe	355,000	0.18
20	Mr. Rajapaksa Pathiranage Udesh Priyadarshana Gunawardena	314,000	0.16

9. Public Holdings

Public holding as at **31st March 2026** is **20.06%** (31st March 2025 is 20.05%)

No. of Shareholders representing public holding - **6,647**

Float Adjusted Market Capitalization as at **31st March 2026** is **Rs. 2,569,727,728.70**

The Company is compliant with option 4 of the Listing Rules 7.13.1 (i) (a) - more than Rs. 2.5 Bn. Float Adjusted Market Capitalization which requires 10% minimum public holding.

10. Share Trading

For the Year Ended 31st March	**2026**	**2025**
Number of Transactions	**35,699**	9,949
Number of Shares Traded	**89,507,226**	37,556,248
Value of Shares Traded (Rs.)	**3,861,818,946**	812,162,525

11. Record of Scrip Issues

Year Ended 31st March	Issue	Basis	No.of shares	Share Capital
				Rs. 000
2011	Prior to Public Issue	-	80,000,000	400,000
2011	Initial Public Issue	-	106,666,667	800,000
2012	Rights Issue (at Rs.11.20)	01:00.6	165,333,334	1,445,333
2018	Rights Issue (at Rs.15.00)	01:00.2	202,074,075	1,996,444
2025	Rights Issue (at Rs.26.50)	06.00:16	277,851,853	4,004,556

12. Listed Debentures

Type	Face Value	Interest Frequency	Interest Rate	Date of Allotment	Maturity Date	Interest rate of Comparable Government Securities
	Rs.					
2021- Type - A	583,220,000	Annually	9.25%	25-June-2021	25-June-2026	as at 15th June 2021 was 7.31%
2021- Type - B	1,416,780,000	Annually	1 Year T-Bill Rate +3.75% P.A	25-June-2021	25-June-2026	as at 15th June 2021 was 7.31%

Interest rate of Comparable Government Securities as at 31st March 2026 were 8.09% (06 Months Treasury Bill) and 8.85% (03 Years Treasury Bond)

Debenture Proceeds Utilization as at 31st March 2026

Objective as per Prospectus	Amount allocated as per Prospectus in Rs.	Proposed date of utilization as per prospectus	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount utilized in Rs. (B)	% Utilized against allocation on (B/A)	Clarification if not fully utilized including where the funds are invested
Improve and further strengthen the Capital Adequacy Ratio (CAR) of the Company	Rs.1,000,000,000 with an option to raise a further Rs.1,000,000,000, in the event of oversubscription of the initial issue	25th June 2021	2,000,000,000	100%	2,000,000,000	100%	N/A
To facilitate future expansion of business activities of the Company							

GLOSSARY OF FINANCIAL TERMS

- A -

Accounts Payable (A/P)

Short-term liabilities representing amounts owed by the Company to suppliers or creditors for goods or services received but not yet paid.

Accounts Receivable (A/R)

Amounts owed to the Company by customers for loans, leases, or other services provided.

Accounting Policies

The specific principles, bases, conventions, rules, and practices adopted in preparing and presenting financial statements.

Accrual Basis

The accounting principle under which transactions are recognized when they occur rather than when cash is received or paid.

Accrual Gain/(Loss)

The gain or loss arising from differences between actuarial assumptions and actual outcomes relating to employee benefit obligations.

Adaptation (Climate)

Actions and processes undertaken to adjust to actual or expected climate-related impacts in order to reduce harm or enhance resilience.

Amortised Cost

The amount at which a financial asset or liability is measured at initial recognition, adjusted for repayments, amortisation, and impairment losses using the effective interest method.

Amortization

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Asset-Liability Committee (ALCO)

A management committee responsible for monitoring and managing liquidity, market risk, and balance sheet exposures.

Asset-Liability Management (ALM)

A framework for managing risks arising from mismatches between assets and liabilities, particularly liquidity and interest rate risks.

Assurance

An independent verification process conducted to improve the credibility and reliability of reported financial or sustainability information.

- B -

Bad Debt Expense

An expense recognized for receivables or loans considered unlikely to be recovered.

Basis Points (bps)

A unit of measure equal to one-hundredth of a percentage point.

Basel III

An international regulatory framework on capital adequacy, liquidity, and risk management adopted by financial institutions.

Biodiversity

The variety of living organisms and ecosystems that support environmental sustainability and natural capital.

Borrowings

All interest-bearing financial obligations, including bank loans, debentures, and refinance facilities.

Business Continuity Management (BCM)

A framework for identifying potential threats and ensuring critical operations continue during disruptions or crises.

- C -

Capital Adequacy Ratio (CAR)

A measure of a financial institution's capital expressed as a percentage of risk-weighted assets.

Capital Employed

The total capital utilized in the business, calculated as total assets less current liabilities.

Capital Reserves

Non-distributable reserves created for specific purposes, including revaluation reserves.

Carbon Dioxide Equivalent (CO_2e)

A standard unit used to measure and compare greenhouse gas emissions based on global warming potential.

Carbon Footprint

The total greenhouse gas emissions generated directly and indirectly by the Company's operations, expressed in CO_2e.

Cash Equivalents

Short-term, highly liquid investments readily convertible into known amounts of cash.

Circular Economy

An economic model focused on minimizing waste and maximizing resource efficiency through reuse, recycling, and regeneration.

Climate Governance

The systems, policies, and oversight mechanisms used by the Board and management to manage climate-related risks and opportunities.

- **Climate-Related Physical Risks (Acute Risks)**
  Risks arising from the physical impacts of climate change, including extreme weather events and long-term environmental changes.

- **Climate-Related Risks and Opportunities (CRRO)**
  Risks and opportunities arising from climate change that may affect strategy, operations, financial performance, or long-term value creation.

- **Climate-Related Transition Risks**
  Risks associated with transitioning to a lower-carbon economy, including policy, legal, technology, and market changes.

- **Climate Resilience**
  The ability of an organization to anticipate, prepare for, respond to, and recover from climate-related disruptions.

- **Climate Scenario Analysis**
  Assessment of the resilience of an organization's strategy and operations under different climate-related scenarios.

- **Collectively Assessed Impairment**
  Impairment assessment performed on groups of financial assets with similar credit risk characteristics.

- **Commitment**
  Approved credit facilities and contractual obligations not yet utilized by customers.

- **Compound Annual Growth Rate (CAGR)**
  The annualized rate of growth over a specified period assuming compounding.

- **Concentration Risk**
  Risk arising from excessive exposure to a single borrower, sector, product, or geographic area.

- **Contingent Liabilities**
  Possible obligations arising from past events whose existence will be confirmed by future uncertain events.

- **Corporate Governance**
  The framework of rules, relationships, systems, and processes by which a company is directed and controlled.

- **Corporate Sustainability**
  A business approach integrating environmental, social, and governance considerations into strategy and operations to create long-term value.

- **Cost of Funds**
  The average cost incurred by the Company in obtaining funding for lending and investment activities.

- **Cost-to-Income Ratio**
  Operating expenses expressed as a percentage of operating income.

- **Cost of Risk**
  Impairment charge expressed as a percentage of average gross loans and advances.

- **Counterparty Risk**
  The risk that the other party to a financial transaction may fail to fulfill its contractual obligations.

- **Credit Risk**
  The risk of financial loss resulting from a borrower's failure to meet contractual obligations.

- **Credit Scoring System**
  A statistical model used to evaluate borrower creditworthiness.

- **Cybersecurity Risk**
  The risk of financial loss, operational disruption, or reputational damage arising from cyber threats or data breaches.

- D -

- **Data Privacy**
  The protection and responsible management of personal and confidential information collected and processed by the Company.

- **Debt**
  Total liabilities of the Company excluding deferred income and statutory reserves.

- **Debt Service Coverage Ratio (DSCR)**
  A ratio measuring the Company's ability to meet debt obligations using operating income.

- **Decarbonisation**
  The process of reducing greenhouse gas emissions associated with operations, products, or financed activities.

- **Deferred Taxation**
  The process of reducing greenhouse gas emissions associated with operations, products, or financed activities.

- **Depreciation**
  The systematic allocation of the depreciable amount of a tangible asset over its useful life.

- **Derecognition**
  The removal of a previously recognized financial asset or liability from the Statement of Financial Position.

- **Digital Lending**
  Technology-enabled lending processes utilizing digital platforms for credit assessment and loan disbursement.

- **Dividend Cover**
  Profit attributable to ordinary shareholders divided by gross dividends declared.

GLOSSARY OF FINANCIAL TERMS

Dividend Payout Ratio
The proportion of earnings distributed to shareholders as dividends.

Dividend Per Share (DPS)
Total dividends declared divided by the number of ordinary shares in issue.

Diversity and Inclusion
Policies and practices promoting equal opportunity, representation, and participation within the workforce.

Dual Materiality
The concept requiring organizations to consider both the financial impact of sustainability matters and the organization's impact on society and the environment.

- E -

Earnings Per Share (EPS)
Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue.

Economic Value Generated and Distributed (EVGD)
The direct economic value created by the Company and distributed among stakeholders, including employees, lenders, governments, and shareholders.

Effective Interest Rate (EIR)
The rate that exactly discounts estimated future cash flows to the net carrying amount of a financial instrument.

Effective Tax Rate
Tax expense expressed as a percentage of profit before taxation.

Employee Attrition Rate
The rate at which employees leave the Company during a reporting period.

Enterprise Value
The total value of an organization, reflecting market capitalization, debt obligations, and long-term sustainability prospects.

ESG (Environmental, Social, and Governance)
A framework used to assess an organization's sustainability performance and ethical impact.

Expected Credit Losses (ECL)
Probability-weighted estimates of credit losses recognized under SLFRS 9.

Exposure
The maximum potential financial loss arising from a credit or investment relationship.

Exposure at Default (EAD)
The estimated value exposed to loss at the point of borrower default.

- F -

Fair Value
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction.

Finance Lease
A lease arrangement transferring substantially all risks and rewards of ownership to the lessee.

Financial Capital
The pool of funds available to the Company for use in lending, investment, and operational activities.

Financial Inclusion
Providing affordable and accessible financial services to underserved individuals and communities.

Financial Instrument
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Financial Leverage
The use of borrowed funds to finance assets and enhance potential returns.

Financed Emissions
Greenhouse gas emissions attributable to lending, investment, and financing activities.

Financed Portfolio
The aggregate lending and investment exposures financed by the Company.

- G -

Global Reporting Initiative (GRI)
An internationally recognized framework for sustainability reporting.

Going Concern
The assumption that the Company will continue operations for the foreseeable future.

Governance Structure
The framework of authority, accountability, and oversight through which the Company is directed and controlled.

Green Finance
Financing activities that support environmentally sustainable projects and investments.

Greenhouse Gas (GHG) Emissions
Gaseous emissions that contribute to global warming, including carbon dioxide, methane, and nitrous oxide.

Green Lending
Loans and financing facilities provided for environmentally sustainable activities.

Gross Dividend
The total portion of profits distributed to shareholders before withholding taxes.

Gross Non-Performing Advances
The total value of impaired loans before deducting impairment allowances.

Guarantees
Undertakings by the Company to fulfill obligations if a borrower defaults.

- H -

Hire Purchase
A financing arrangement allowing customers to acquire assets through installment payments with ownership transferred at the end of the agreement.

Human Capital
The competencies, capabilities, experience, and wellbeing of employees that contribute to value creation.

- I -

Impairment
A reduction in the carrying value of an asset when its recoverable amount falls below book value.

Impairment Allowances
Provisions maintained to cover expected losses in the lending portfolio.

Inclusive Finance
Financial services designed to improve access for underserved individuals and communities.

Intangible Asset
An identifiable non-monetary asset without physical substance.

Integrated Reporting
A reporting approach explaining how an organization creates value over time using financial and non-financial capitals.

Intellectual Capital
Knowledge-based intangible assets including systems, procedures, software, and intellectual property.

Interest Cover
A ratio measuring the Company's ability to meet interest obligations from operating profits.

Internal Controls
Processes and procedures designed to ensure operational efficiency, financial integrity, and regulatory compliance.

Invoice Finance
A financing facility provided against receivables due from customers.

- K -

Key Risk Indicators (KRIs)
Metrics used to monitor and provide early warning signals of increasing risk exposures.

- L -

Lending Portfolio
The total value of loans, leases, and hire purchase facilities held by the Company.

Lifetime Expected Credit Losses (LTECL)
Expected credit losses resulting from all possible default events over the life of a financial instrument.

Liquid Assets Ratio
Liquid assets expressed as a percentage of total liabilities, as prescribed by the regulator.

Liquidity Risk
The risk that the Company may not be able to meet financial obligations as they fall due.

Loss Given Default (LGD)
The proportion of an exposure expected to be lost if a borrower defaults.

Loan-to-Value Ratio (LTV)
The ratio of the loan amount to the value of the collateral asset.

- M -

Manufactured Capital
Physical assets available for use in producing goods or delivering services.

Market Capitalisation
The market value of a company's outstanding ordinary shares.

Materiality
The significance of information that could influence stakeholder decision-making.

Materiality Assessment
A process used to identify and prioritize material sustainability and business matters.

Mitigation (Climate)
Actions taken to reduce greenhouse gas emissions or enhance carbon sinks to limit climate change impacts.

- N -

Natural Capital
Environmental resources and ecosystem services that support economic activity and organizational value creation.

Net Assets Per Share
Net assets attributable to shareholders divided by the number of ordinary shares in issue.

Net Interest Income (NII)
The difference between interest income earned and interest expense incurred.

Net Interest Margin (NIM)
Net interest income expressed as a percentage of average interest-earning assets.

GLOSSARY OF FINANCIAL TERMS

Net Zero
Achieving a balance between greenhouse gas emissions generated and emissions removed.

Non-Interest Revenue
Income generated from fees, commissions, and other non-lending activities.

Non-Performing Loans (NPL)
Loans on which borrowers have failed to make scheduled repayments.

NPL Ratio
Non-performing loans expressed as a percentage of the total lending portfolio.

- O -

Operating Expenses (OPEX)
Expenses incurred in the normal course of business operations.

Operational Risk
The risk of loss resulting from inadequate or failed internal processes, people, systems, or external events.

- P -

Physical Risk
Risks arising from the physical impacts of climate change on operations, customers, or assets.

Portfolio Diversification
The allocation of exposures across different sectors, products, or customer segments to reduce concentration risk.

Portfolio Yield
Income generated from the lending portfolio expressed as a percentage of average portfolio value.

Price Earnings Ratio (P/E)
The market price per share divided by earnings per share.

Principal Outstanding
The remaining unpaid balance of a loan excluding accrued interest and charges.

Probability of Default (PD)
The likelihood that a borrower will fail to meet debt obligations within a specified period.

Provision for Credit Loss
Allowances established to cover expected losses arising from credit exposures.

- R -

Regulatory Capital
The minimum capital financial institutions are required to maintain under regulatory requirements.

Related Parties
Individuals or entities with the ability to control or significantly influence the Company's operations or financial policies.

Recovery Ratio
The proportion of overdue loans successfully recovered during a reporting period.

Reputational Risk
The risk of negative stakeholder perception adversely affecting business operations or financial performance.

Responsible Finance
Financial practices that integrate ethical, environmental, and social considerations into decision-making.

Return on Average Assets (ROA)
Profit after tax expressed as a percentage of average assets.

Return on Average Equity (ROE)
Profit attributable to shareholders expressed as a percentage of average equity.

Right of Use of Assets (ROU)
An asset representing the lessee's right to use an underlying leased asset.

Risk Weighted Assets (RWA)
Assets and off-balance-sheet exposures weighted according to regulatory risk categories.

- S -

Scenario Analysis
A process used to evaluate the potential impact of different future events or conditions on business performance.

Scope 1 Emissions
Direct greenhouse gas emissions from sources owned or controlled by the Company.

Scope 2 Emissions
Indirect greenhouse gas emissions from purchased electricity, steam, heating, or cooling.

Scope 3 Emissions
All other indirect greenhouse gas emissions occurring across the value chain, including financed emissions

SDGs (Sustainable Development Goals)
The 17 global goals adopted by the United Nations to promote sustainable development by 2030.

Segment
A distinguishable business component engaged in providing products or services subject to different risks and returns.

Significant Increase in Credit Risk (SICR)
A significant increase in the risk of default requiring migration from Stage 1 to Stage 2 under the ECL framework.

- **SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information**

  The Sri Lankan standard governing disclosure of material sustainability-related risks and opportunities.

- **SLFRS S2 – Climate-related Disclosures**

  The Sri Lankan standard governing climate-related financial disclosures including governance, strategy, risk management, and metrics.

- **Social and Relationship Capital**

  Relationships, networks, stakeholder trust, and institutional connections that support value creation.

- **Social Impact**

  The effect of an organization's activities on individuals, communities, and society.

- **Stakeholder Engagement**

  The process of communicating and building relationships with stakeholders to understand expectations and concerns.

- **Stress Testing**

  A risk management technique used to assess financial resilience under adverse scenarios.

- **Supplementary Capital (Tier 2)**

  Capital comprising revaluation reserves, subordinated debt, and other supplementary instruments.

- **Sustainability Governance**

  The structures and processes used to oversee sustainability-related risks, opportunities, and performance.

- **Sustainable Finance**

  Financial products and services integrating environmental, social, and governance considerations into decision-making.

- **Sustainability Strategy**

  The long-term approach adopted to integrate sustainability into business operations and decision-making.

- T -

- **TCFD (Task Force on Climate-related Financial Disclosures)**

  A framework for climate-related reporting based on governance, strategy, risk management, and metrics and targets.

- **Tier 1 Capital**

  Core capital consisting primarily of equity and disclosed reserves.

- **TNFD (Task Force on Nature-related Financial Disclosures)**

  A global initiative providing a framework for organizations to report and act on nature-related risks and opportunities.

- **Transition Finance**

  Financing provided to support entities transitioning toward lower-carbon and more sustainable business models.

- **Transition Risk**

  Risks arising from the transition to a lower-carbon economy.

- **Twelve Month Expected Credit Losses (12 Month ECL)**

  Expected losses arising from default events possible within 12 months after the reporting date.

- U -

- **UNDs**

  Formal statements by the United Nations on specific issues that provide the ethical foundation for a company's Social and Relationship Capital.

- **Useful Life**

  The estimated period over which an asset is expected to generate economic benefits.

- V -

- **Value Added**

  Wealth created by the Company and distributed among stakeholders including employees, shareholders, lenders, and government.

- **Value Creation**

  The process through which an organization generates sustainable economic, social, environmental, and stakeholder value over time.

- W-

- **Waste Management**

  Processes and practices adopted to minimize, handle, recycle, and dispose of waste responsibly.

- **Working Capital**

  The difference between current assets and current liabilities representing short-term liquidity.

- **Write-Off**

  The removal of an uncollectible loan or receivable from the Statement of Financial Position when recovery is considered unlikely.

- Y -

- **Yield to Maturity (YTM)**

  The total return anticipated on a debt security if held until maturity.

- Z -

- **Zero-Emission Vehicles (ZEVs)**

  Vehicles that produce no direct tailpipe greenhouse gas emissions during operation, including battery electric and hydrogen fuel cell vehicles.

- **Zero Waste**

  A sustainability approach focused on minimizing waste generation through reduction, reuse, recycling, and responsible resource management.

NOTICE OF ANNUAL GENERAL MEETING

SINGER FINANCE (LANKA) PLC

[Company Registration No. PB 813 PQ]

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF SINGER FINANCE (LANKA) PLC will be held on Tuesday, 23rd June 2026 at 1.00 PM at the Chas P. Hayley Lounge of, Hayleys PLC, No 400 Deans Road, Colombo 10 for the following purposes:

AGENDA

1. To consider and adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.

2. To re-elect as a Director Ms. Darshini Talpahewa who retires by rotation at the Annual General Meeting in terms of Articles 24(4) of the Articles of Association of the Company.

3. To re-elect as a Director Mr. Ranil De Silva who retires by rotation at the Annual General Meeting in terms of Articles 24(4) of the Articles of Association of the Company.

4. To re-elect as a Director Mr. Jonathan Alles who has been appointed to the board since the last Annual General Meeting in terms of Articles 24(9) of the Articles of Association of the Company.

5. To authorise the Directors to determine donations and contributions to charities for the ensuing year.

6. To re -appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.

7. To Consider and if thought fit ,to pass the following special Resolutions to amend the existing articles in the Articles of Association of the Company;

Special Resolution (1)

IT IS HEREBY RESOLVED THAT following Article be inserted as Article 7 (5) to the Article 7 of the Articles of Association.

"7(5) All dividends unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for six (6) years after having been declared shall be forfeited and shall revert to the Company.

Special Resolution (2)

IT IS HEREBY RESOLVED THAT Article 13(2) of the Articles of Association be amended as follows;

"13(2) A quorum for a meeting of shareholders is present if three (03) shareholders are present in person or through audio visual communication, by themselves or by their proxy."

Special Resolution (3)

IT IS HEREBY RESOLVED THAT Article 24(1) of the Articles of Association be deleted in its entirety and be replaced by the following Article;

"24(1) The number of Directors at any time shall not be less than five (5) and not more than thirteen (13)"

Special Resolution (4)

IT IS HEREBY RESOLVED THAT Articles 24 (8) (a), 24 (8) (b), 24 (8) (c) and 24(8) (d) of the Articles of Association of the Company be deleted in their entirety, and be replaced by the following Articles 24 (8) (a) to 24 (8) (h) ;

"24 (8) Alternate Directors

a) An Alternate Director shall only be appointed under exceptional circumstances by any Director ('appointor'), giving notice in writing left at the office of the Company and approved by the Board to be an Alternate Director of the Company to act in their place during their absence, subject to applicable laws, rules and regulations. Any such appointment shall not exceed a period of one (1) year from the date of appointment.

b) If an Alternate Director is appointed for a Non-Executive Director such Alternate should not be an Executive of the Company. Similarly, an Alternate Director cannot be appointed to represent an Executive Director.

c) Existing directors of the company cannot be appointed as an Alternate Director to another existing director of the company.

d) if an Alternate Director is appointed for an Independent Director, the person so appointed shall meet the criteria for independence under applicable laws, rules and regulations. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate qualifies as an Independent Director before the appointment is made.

e) In the event a Director appoints another Director to be his Alternate Director he shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor's rights at meetings of the Board. A person shall not act as an Alternate Director for more than one Director.

f) An Alternate Director shall on his giving an address for such notice to be served upon him be entitled to receive notices of all meetings of Directors and to attend and vote as a Director, at any such meeting at which the Director appointing him is not personally present and generally at such meetings to perform all the functions of his appointor as a Director in the absence of such appointor.

g) The attendance of any Alternate Director at any meeting including Board Committee meetings shall be counted for the purpose of the quorum.

h) An Alternate Director may be appointed for a specified period (not exceeding one (1) year) or until the happening of a specified event, but he shall ipso facto cease to be an Alternate Director if his appointor ceases for any reason to be a Director."

Special Resolution (5)

IT IS HEREBY RESOLVED THAT following section be inserted to the Article 33 of the Articles of Association

"Minutes which have been signed by the chairperson of the meeting at which the proceedings were had, or by the chairperson of the next succeeding meeting, shall be prima facie evidence of the proceedings."

Special Resolution (6)

IT IS HEREBY RESOLVED THAT Article 34(2) of the Articles of Association be deleted in its entirety and be replaced by the following Article;

"Any such resolution may consist of several documents(including facsimile or other similar means of communication) in like form; each signed or assented to by one or more directors and may be transmitted to the company, by facsimile, email or other similar means of communication."

Special Resolution (7)

IT IS HEREBY RESOLVED THAT Article 37(3) of the Articles of Association be deleted in its entirety and be replaced by the following Article;

"The Board shall ensure that within six months after the balance sheet date of the company, financial statements which comply with Section 151 of the Act (and if applicable ,group financial statements which comply with Section 153 of

NOTICE OF ANNUAL GENERAL MEETING

the Act) are completed in relation to that balance sheet date and are dated and signed on behalf of the Board by two directors or if the company has only one director ,by that director."

Special Resolution (8)

IT IS HEREBY RESOLVED THAT Article 43(1) of the Articles of Association be deleted in its entirety and be replaced by the following Article;

" Where the company is required to send any document to a shareholder or to give notice of any matter to a shareholder ,it shall be sufficient for the company to send the document or notice to the registered address of the shareholder by ordinary post and /or courier. Any document or notice so sent is deemed to have been received by the shareholder on the day following the dispatch of a properly addressed and prepaid letter containing the document or notice "

"The Company may serve any notice or document by electronic mail to an electronic mail account notified by a shareholder in writing or by any other acceptable means to the Company or to the Central Depository System (Pvt) Ltd. Where electronic mail is used, the notice or document shall be deemed to have been received by the shareholder upon the dispatch of same by the Company or by the Central Depository System (Pvt) Ltd, through electronic mail."

By Order of the Board

Singer Finance (Lanka) PLC



Mr. Lasitha Dias
Company Secretary

Colombo
27th May 2026

Notes to the shareholders

1. The Annual Report of the Company for 2025/26 is available on the corporate website www.singerfinance.com and on the Colombo Stock Exchange website - www.cse.lk. If you wish to have a printed copy of the Annual Report, please forward the duly completed 'Request Form - Annexure A' to the office of the Secretaries. A printed copy of the Annual Report will be forwarded within 8 market days from the date of receiving the Request Form.
2. A Shareholder is entitled to appoint a proxy to attend and vote instead of him/herself and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at No. 498, R.A. De Mel Mawatha, Colombo 03, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.
3. You may contact the undernoted person for any requests and queries.

Contact Person	:	Lasitha Dias
Contact Number	:	+94 11 2100161
Email Address	:	lasithad@singerfinance.com
Mailing Address	:	The Company Secretary, Singer Finance (Lanka) PLC, No. 498, R. A De Mel Mawatha, Colombo 03.

FORM OF PROXY

SINGER FINANCE (LANKA) PLC

[Company Registration No. PB 813 PQ]

I/We*.....

(full name of shareholder**) NIC No./Reg. No. of Shareholder (**) of.....

..... being Shareholder/Shareholders* of SINGER FINANCE (LANKA) PLC hereby appoint:

(1) .....

(full name of proxyholder**) NIC No. of Proxyholder (**) ..... of .....

..... or, failing him/them

(2) MAHAWADUGE YASALAL ARAVINDA PERERA (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our* proxy to attend and vote as indicated hereunder for me/us* and on my/our* behalf at the Nineteenth Annual General Meeting of the Company to be held on Tuesday, 23rd June 2026 and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

		FOR	AGAINST
1.	To adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.	☐	☐
2.	To re-elect as a Director Ms. Darshini Talpahewa, as set out in the Notice	☐	☐
3.	To re-elect as a Director Mr. Ranil De Silva, as set out in the Notice	☐	☐
4.	To re-elect as a Director, Mr. Jonathan Alles, as set out in the Notice	☐	☐
5.	To authorise the Directors to determine donations and contributions to charities for the ensuing year.	☐	☐
6.	To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration	☐	☐
7.	To pass the Special Resolutions to amend the Articles of Association of the company as set out in the Notice		
	Special Resolution (1)	☐	☐
	Special Resolution (2)	☐	☐
	Special Resolution (3)	☐	☐
	Special Resolution (4)	☐	☐
	Special Resolution (5)	☐	☐
	Special Resolution (6)	☐	☐
	Special Resolution (7)	☐	☐
	Special Resolution (8)	☐	☐

Signed on this ..... day of ..... 2026.

.....

Signature of Shareholder

(Instructions are given overleaf)

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. The completed Form of Proxy must be deposited with the Company, No. 498, R. A De Mel Mawatha, Colombo 03 not less than forty-eight (48) hours before the start of the meeting. Delayed Proxy Forms shall not be accepted.
2. A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/her and the Proxy need not be a Shareholder of the Company.
3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Form of Proxy must be dated and signed by the Shareholder.
6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.
7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

SHAREHOLDER FEEDBACK FROM

It is the endeavour of the Singer Finance (Lanka) PLC to ensure maximum satisfaction of its shareholders. In order to enable us to continually improve upon the quality of services provided, we try to seek your feedback on the level of satisfaction derived by you on the basis of your interaction with us. Your feedback will help us in further improvement of our services to match your expectations.

Please direct all feedback to the Company Secretary by filling this form:

Mr. Lasitha Dias,
Company Secretary for Singer Finance (Lanka) PLC,
No. 498, R. A De Mel Mawatha,
Colombo 03, Sri Lanka.

Kindly rate our services on various parameters by ticking any one box in each row:

Timely receipt of:				
Annual Reports	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Dividend	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Other documents/ correspondence	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

Quality and Contents of Annual report:				
Report on Corporate Governance	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Capital Reports	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Balance Sheet, Profit and Loss Account and other financial statements.	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

Dissemination of information about the Company:				
Through shareholder communication	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Through Annual Reports	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Through newspapers / Press	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Through our website (www.singerfinance.com)	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor
Through e-mails (if we have your e-mail ID)	☐ Outstanding	☐ Very Good	☐ Good	☐ Poor

Overall quality

☐ Outstanding ☐ Very Good ☐ Good ☐ Poor ☐ Needs Improvement

Annexure A

SINGER FINANCE (LANKA) PLC

Company No. PB 813 PQ
FORM OF REQUEST FOR A PRINTED COPY
OF THE ANNUAL REPORT 2025/26

Date .....

Mr. Lasitha Dias,
Company Secretary for Singer Finance (Lanka) PLC,
No. 498, R.A. De Mel Mawatha,
Colombo 03

ANNUAL REPORT OF SINGER FINANCE (LANKA) PLC - 2025/26

I hereby request you to send me a printed copy of the Annual Report of Singer Finance (Lanka) PLC.

.....
Signature

- Corporate Shareholders - Form should be signed by duly authorised person.
- Joint Shareholders - Form may be signed by the principal Shareholder.

Name of Shareholder (as registered in the Company or in the CDS)	
NIC No./ CDS Account No./ Company No.	
Address	
Contact No.	

Note:

1. The Annual Report of the Company for 2025/26 is available on the corporate website www.singerfinance.com and on the Colombo Stock Exchange website - www.cse.lk.

2. You may contact the undernoted person for any requests and queries.

   Contact Person : Lasitha Dias
   Contact Number : +94 11 2100161
   Email Address : lasithad@singerfinance.com
   Mailing Address : The Company Secretary
   Singer Finance (Lanka) PLC,
   No. 498, R. A De Mel Mawatha,
   Colombo 03.

CORPORATE INFORMATION GRI 2-1

Name of the Company
Singer Finance (Lanka) PLC

Legal Form
A public limited liability company incorporated in Sri Lanka on 19th April 2004 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007 on 16th December 2008. Shares of the Company are listed on the main board of Colombo Stock Exchange on 17th January 2011.

Approved Credit Agency
Under Mortgage Act No. 06 of 1949 and Trust Receipt Ordinance No. 12 of 1947

Auditors
Ernst and Young
Chartered Accountants
Rotunda Towers
No. 109
Galle Road
Colombo 00300

Registrars
Hayleys Group Services (Private) Limited
Telephone: 94-11-2627000

Secretaries
Mr. Lasitha Dias
Telephone: 94-11-2100161

Lawyers
Ms. Harshani Mapatuna
Attorney-at-Law & Notaries Public
No.498, R. A De Mel Mawatha,
Colombo 03

Directorate
Mr. Aravinda Perera - Chairman/NED
Mr. Thushan Amarasuriya - MD
Ms. Darshini Talpahewa - NED
Mr. Mahesh Wijewardene - NED
Mr. Ranil De Silva - INED
Mr. Saman Herath - INED
Mr. Dhammika Siriwardene – INED
Ms. Hiranthi De Silva – INED
Mr. Jonathan Alles- NED

Senior Management
Mr. Thushan Amarasuriya
Managing Director

Mr. Iman Perera
Chief Operating Officer

Ms. Chandrika Alwis
Consultant to the Chairman

Mr. Chandana Nanayakkara
Chief Financial Officer

Mr. Lasitha Dias
Head of Strategic Planning and Company Secretary

Mr. Thilan Rupasinghe
Head of Treasury and Digital Transformation

Mr. Jeevaka Jayawardena
Head of Credit

Mr. Joe Wijeyegoonewardene
Head of Deposits

Ms. Harshani Mapatuna
Head of Legal

Mr. Niranjan Sethunga
Head of Recoveries

Mr. Pradeep Boange
Head of Branch Business Development

Ms. Nadeesha De Silva
Senior Manager – Compliance

Mr. Arunda Silva
Head of Risk

Mr. Naleen Andrews
Head of Human Resources

Mr. Manoj Kalapuge
Head of Operations

Mr. Upendra Sugathadasa
Chief Information Security Officer

Financial Year End
31st March

Registered Office
No. 498, R. A De Mel Mawatha,
Colombo 03
Telephone : 94-11-2400400
Fax : 94-11-2303715
E-mail : financecompany@singersl.com

Company Registration Number
Old – N (PBS) 1171 New – PB 813 PQ

Tax Payer Identification Number
134011718

Bankers
Bank of Ceylon
Commercial Bank of Ceylon PLC
Peoples Bank
Hatton National Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
Seylan Bank PLC
Muslim Commercial Bank Limited
Cargills Bank PLC
Pan Asia Banking Corporation PLC
DFCC Bank PLC
Habib Bank Limited
SANASA Development Bank PLC

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