SINGER FINANCE (LANKA) PLC

KEY FINANCIAL DATA FOR THE PERIOD ENDED 31st MARCH 2026 (AUDITED)

EY
Shape the future with confidence

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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 informing 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 amortised 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. 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.	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. ◆ 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) system 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 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 system related internal controls, including those related to user access and change management, and ❖ Obtained a high-level understanding of the cyber security risks affecting the 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 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 judgement 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.

Ernst & Young

15th May 2026
Colombo

STATEMENT OF PROFIT OR LOSS

	Year Ended 31 March 2026 Rs. Mn	As a % of Interest Income	Year Ended 31 March 2025 Rs. Mn	As a % of Interest Income
Interest Income	13,652	100%	8,983	100%
Interest Expense	6,575	48%	4,190	47%
Net Interest Income	**7,077**	**52%**	**4,793**	**53%**
Gains/(Losses) from Trading Activities	1	0%	1	0%
Other Income	1,416	10%	722	8%
Operating Expense (Excluding Impairment)	4,462	33%	3,238	36%
Impairment	(389)	-3%	(233)	-3%
Profit/(Loss) Before Tax	**3,643**	**27%**	**2,045**	**23%**
Taxes	2,068	15%	1,193	13%
Profit/(Loss) After Tax	**1,575**	**12%**	**852**	**9%**
Other Comprehensive Income for the Period, Net of Tax	(49)	0%	36	0%
Total Comprehensive Income for the Period	**1,526**	**11%**	**888**	**10%**

STATEMENT OF FINANCIAL POSITION

In Rupees Million	As At 31 March 2026 Rs. Mn.	As a % of Total Assets	As At 31 March 2025 Rs. Mn.	As a % of Total Assets
ASSETS				
Cash and Bank Balance	1,981	2%	4,607	8%
Government Securities	3,700	4%	2,813	5%
Due from Related Parties	81	0%	25	0%
Loans (Excluding Due from Related Parties)	88,061	91%	47,616	83%
Investment in Equity	2	0%	2	0%
Property, Plant and Equipment	858	1%	711	1%
Other Assets	2,066	2%	1,342	2%
Total Assets	**96,749**	**100%**	**57,116**	**100%**
LIABILITIES & EQUITY				
LIABILITIES				
Due to Banks	9,917	10%	7,656	13%
Due to Related Parties	10	0%	17	0%
Deposits from Customers	41,279	43%	28,314	50%
Other Borrowings	31,854	33%	12,758	22%
Other Liabilities	4,051	4%	2,267	4%
Total Liabilities	**87,111**	**90%**	**51,012**	**89%**
EQUITY				
Stated Capital	4,005	4%	1,996	3%
Statutory Reserve Fund	820	1%	506	1%
Retained Earnings	4,811	5%	3,600	6%
Other Reserves	2	0%	2	0%
Total Equity	**9,638**	**10%**	**6,104**	**11%**
Total Liabilities & Equity	**96,749**	**100%**	**57,116**	**100%**
Net Assets Value Per Share	**34.69**		**30.21**	

SELECTED PERFORMANCE INDICATORS

Indicator	As At 31 March 2026		As At 31 March 2025	
Regulatory Capital Adequacy	**Actual**	**Required**	**Actual**	**Required**
Tier 1 Capital Adequacy Ratio	10.92%	8.50%	10.98%	8.50%
Total Capital Adequacy Ratio	15.43%	12.50%	13.14%	12.50%
Capital Funds to Total Deposit Liabilities Ratio	23.35%	10.00%	21.56%	10.00%
Quality of Loan Portfolio				
Gross Stage 3 Loans Ratio	3.09%		5.42%	
Net Stage 3 Loans Ratio	1.89%		3.46%	
Net Stage 3 Loans to Core Capital Ratio	17.59%		29.34%	
Stage 3 Impairement Coverage Ratio	38.87%		37.48%	
Total Impairement Coverage Ratio	1.84%		2.82%	
Profitability (%)				
Net Interest Margin	9.74%		11.45%	
Return on Assets (Before Tax)	3.45%		3.11%	
Return on Equity (After Tax)	20.01%		15.05%	
Cost to Income Ratio	52.52%		58.71%	
Liquidity (%)				
Available Liquid Assets to Required Liquid Assets (Minimum 100%)	118%		240%	
Liquid Assets to External Funds	11.91%		24.32%	
Memorandum Information				
Number of Branches	63		56	
External Credit Rating	BBB + (lka)		BBB + (lka)	

We, the undersigned, being the Chief Executive Officer, the Financial Controller and the Compliance Officer of Singer Finance (Lanka) PLC certify jointly that :

(a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka (CBSL) ;

(b) the information contained in these statements has been extracted from the Audited Financial Statements of the Singer Finance (Lanka) PLC unless indicated as unaudited.

(Sgd.) T.A. Amarasuriya	(Sgd.) C.V. Nanayakkara	(Sgd.) M.N.S. De Silva
Managing Director	Chief Financial Officer	Compliance Officer
26.06.2026	26.06.2026	26.06.2026