



EXPANDING HORIZONS

WITH STABILITY AND STRENGTH



AMW CAPITAL LEASING AND FINANCE PLC
ANNUAL REPORT 2025

Contents

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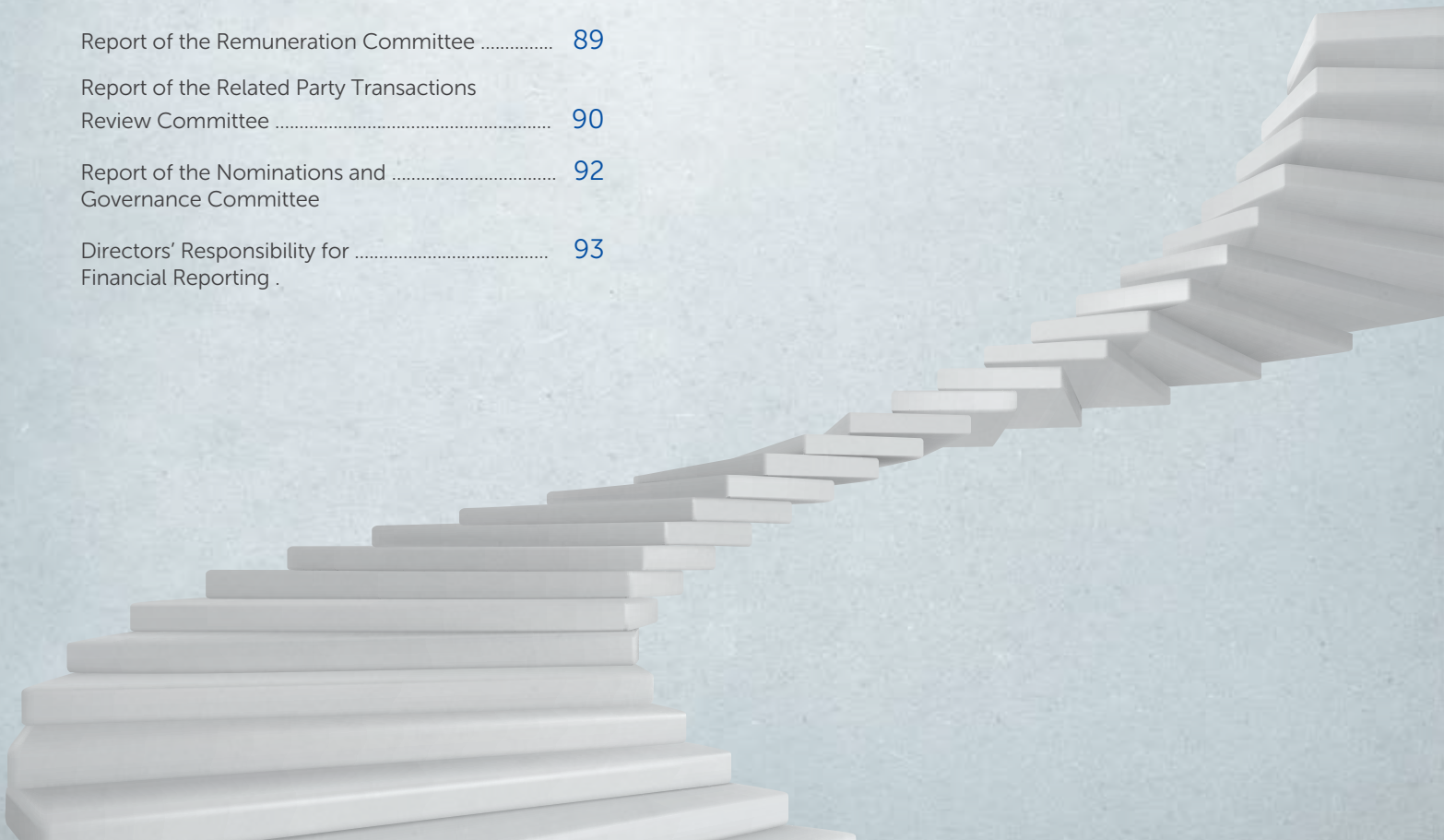
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VISION

To be the most trusted, admired and profitable NBFI in Sri Lanka.



MISSION

- ⦿ Consistently deliver best-in-class service experience to our clients.
- ⦿ Attract and develop best-in-class professionals who are motivated to achieve the highest level of service & performance.
- ⦿ Provide a superior return to our shareholders and invest in the communities we serve.

CORPORATE VALUES

⦿ Respect

We have the utmost respect for everyone we interact with and for the environment in which we operate. We humbly recognize that ideas can come from anywhere, and are open to listen and change our mind. We are able to admit to mistakes and are willing to learn from them.

⦿ Integrity

We will always do the right thing and demonstrate consistency between our actions and our words. We ensure honesty and fairness in all that we do. We think about the long term and build enduring relationships.

⦿ Collaboration

We actively build trusted partnerships with all the constituencies of our business - including customers, principals, partners, communities and colleagues. We harness the strengths of individuals and teams and we have an unyielding desire to win together. We work collaboratively and we hold ourselves and each other accountable.

⦿ Excellence

We have a passion to achieve extraordinary results by delighting our customers. We believe good enough, is not good enough. We aspire to the highest global standards of service excellence. We celebrate our successes but remain relentless in constantly improving.

Milestones

2015

Total assets surpassed the Rs. 9 bn mark
 Opened two new service centers in Kaduwela and Mount Lavinia
 Recorded highest ever Execution and Profits
 Fitch Ratings Lanka Ltd upgraded the Company rating from BB- to BBB+ (four notches up)
 Total Fixed Deposits surpassed Rs. 2 Bn at the end of 2015

2014

Opened a new branch in Galle
 Relocated Rathnapura, Nugegoda, Avissawella and Dambulla Branches
 Became a Tier "A" NBFIs surpassing Rs. 8 Bn assets
 Software module for Fixed Deposit was implemented

2013

Total assets surpassed Rs. 5 Bn mark
 Opened a fully-fledged branch in Colombo
 Opened Fixed Deposits Division
 Two New Service Centers were opened in Kalutara and Kiribathgoda
 A Micro Finance unit was setup
 Islamic Finance was introduced to the product portfolio
 Launched the Company website

2012

Opened two new branches in Kuliyaipitiya and Gampaha
 New Service Center was opened in Avissawella
 Business model changed to include financing used vehicles
 Integration with SAP ERP System

2011

Listed on the Diri Savi Board of the Colombo Stock Exchange
 Opened three new branches in Badulla, Anuradhapura and Nugegoda
 Migrated into a sophisticated state-of-the-art Leasing System
 Introduced Operating Leases to the product portfolio

2008

Obtained Finance Company License

2007

Opened two new branches in Negombo and Kandy

2006

Obtained Leasing Company License
 Opened principal place of business in Borella
 Opened first branch in Kurunegala, second branch in Matara and third branch in Rathnapura



2025

Strengthened enterprise-wide risk governance and enhanced the risk monitoring framework.

Achieved 80% growth in the loan portfolio, reflecting strong business expansion.

Delivered a significant improvement in portfolio quality through disciplined credit management.

Launched a comprehensive branch profitability management dashboard to drive performance visibility and accountability.

Implemented a real-time Non-Performing Asset (NPA) monitoring dashboard to enhance proactive risk management.

2024

Established Data Analytics Division

Implemented liability management dashboard

Implemented bad debt provision management module

Review of end-to-end customer onboarding process through Lean Management

2023

Commencement of new lending in November 2023 after a freeze in May 2022.

Created comprehensive dashboards tailored for marketing & recovery purposes, providing a high-level snapshot of insights, including individual employee performance metrics

Introduced the Vault management system for ensuring the security of legal documents

2022

Highest ever monthly loan advances achieved in March 2022

Freeze of new lending from May 2022 to preserve capital

Managed provision charge despite economic downturn in the country

Strategically managed cost of capital to face economic crisis

Strengthened the liquidity position to face economic instability

2021

Fitch Ratings revised rating from BBB- to AA-

Introduction of Lean Management. First batch of Lean Management "Yellow Belts" graduated.

Introduced data analytics to business planning.

Development of Digital Apps to support businesses & customer convenience – Footprint on Digital Strategy

2020

Relocated Panadura & Rathnapura Branches

2019

Best Capitalized Mid-Size NBFI

2018

Embraced restructuring the Company's Capital Structure.

Raised Rs.3 Bn Securitization loan on Company's own balance sheet strength

2017

Recorded highest ever Execution and Profits

2016

Total assets topped the Rs. 11 Bn mark

Opened a new branch in Kegalle

Two new service centers were opened in Panadura and Wattala

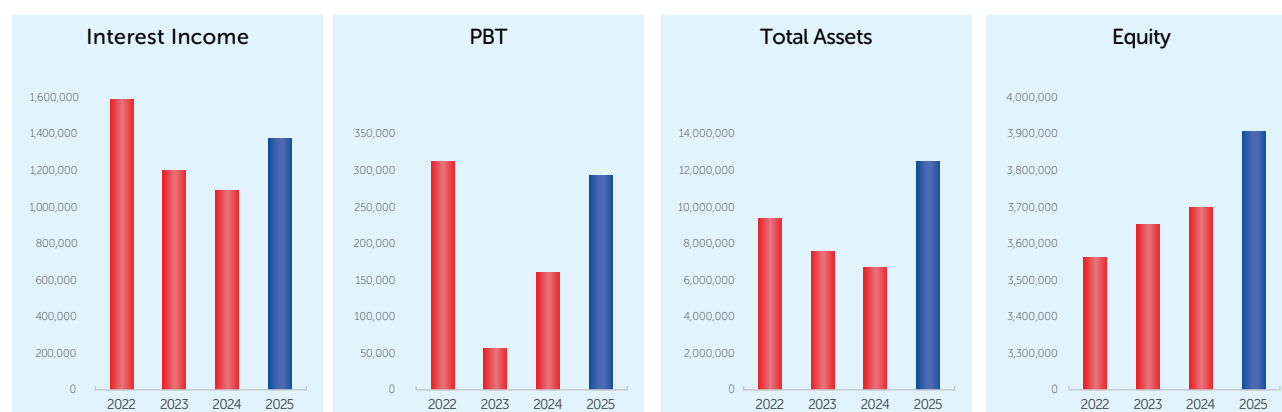
Relocated Badulla Branch

Celebrated 10th year anniversary

Financial Highlights

Profitability Rs'000	2022	2023	2024	2025	change	%
Interest Income	1,580,463	1,233,674	1,079,580	1,375,975	296,395	27%
Net Interest Income	782,063	688,462	738,136	955,672	217,536	29%
Profit Before Tax	314,494	50,845	170,078	295,358	125,280	74%
Profit After Tax	239,472	80,708	78,056	221,735	143,679	184%
Financial Position Rs'000						
Total Assets	9,231,829	7,438,569	6,869,006	12,317,105	5,448,099	79%
Lending Portfolio	7,398,165	4,616,364	6,167,341	11,094,168	4,926,827	80%
Deposits	1,770,849	1,370,792	1,881,212	2,738,210	856,998	46%
Borrowings	3,125,862	1,623,474	419,682	3,376,519	2,956,837	705%
Equity	3,567,815	3,643,249	3,711,933	3,923,606	211,673	6%
Statutory Ratios						
Core Capital Ratio > 8.5	36.53%	47.34%	39.88%	24.76%		
Total Risk Weighted Capital Ratio > 12.5	36.53%	47.34%	40.20%	24.96%		
Equity to Deposits > 10	201%	255%	194%	143%		
Other Ratios						
Return of Assets (PBT)	2.55%	0.97%	3.51%	3.08%		
Return on Equity (PAT)	6.95%	2.24%	2.23%	5.81%		
Net Interest Margin	8.92%	8.65%	11.26%	11.07%		
Cost to Income Ratio	67.70%	93.26%	90.35%	84.23%		
Non-Performing Loans	16.23%	24.36%	14.39%	7.33%		

FIVE YEAR PERFORMANCE SUMMARY



Total Assets
Rs. 12 billion



PBT
Rs. 295 million



Lending Assets
Rs. 11 billion



Fitch
BBB

Chairman's Review



Amid an evolving environment, we remain focused on strong governance, prudent risk management, and sustainable long-term growth.

Dear Shareholders,

The year 2025 marked a period of continued recovery and measured progress for AMW Capital Leasing and Finance PLC, as the Company strengthened its position within an evolving economic and financial landscape.

Sri Lanka's macroeconomic environment showed signs of gradual stabilization during the year, although challenges remained. In this context, the Board maintained a strong focus on ensuring that the Company pursued growth in a disciplined and sustainable manner, with particular emphasis on risk management, capital adequacy, and liquidity.

The Company demonstrated commendable resilience and adaptability, achieving growth in its core lending portfolio while maintaining prudent credit standards. The Board is encouraged by the improvements observed in asset quality and collections performance, which reflect the effectiveness of management strategies and the operational discipline across the organization.

Profitability trends showed improvement during the year, supported by portfolio expansion and operational efficiencies.

However, the Board remains mindful of the broader structural factors affecting returns in the non-bank financial institution sector, including regulatory requirements and evolving funding dynamics. These considerations continue to guide our oversight and strategic direction.

Funding and liquidity management remained key areas of focus. The Board has consistently emphasized the importance of diversifying the Company's funding base, reducing reliance on institutional borrowings, and strengthening deposit mobilization. These efforts are essential to enhancing financial stability and supporting long-term growth.

The Board also notes the progress made in advancing the Company's technology and data capabilities. The increased use of analytics and real-time performance monitoring is a positive development, enabling more informed decision-making and strengthening governance across key business areas.

As part of the Al-Futtaim Group, the Company is well - positioned to benefit from the growing strategic emphasis on financial services. The establishment of a dedicated focus on this sector within the Group is a welcome development,

providing greater alignment and opportunities for future expansion.

The Board remains committed to upholding the highest standards of corporate governance, transparency, and regulatory compliance. We continue to work closely with the management to ensure that the Company operates within a robust risk management framework while pursuing its strategic objectives.

On behalf of the Board, I wish to extend our appreciation to the management team and all employees for their dedication and efforts during the year. I also thank our customers, business partners, regulators, and shareholders for their continued trust and support.

As we look ahead, we are confident that the Company is on a stable footing to navigate future challenges and capitalize on emerging opportunities, while continuing to create sustainable value for all stakeholders.

Indrajith Boyagoda
Chairman
AMW Capital Leasing and Finance PLC
30 March 2026



CEO's Review



Building momentum with discipline - strengthening performance through data-led decision making, operational excellence, and strategic transformation.

The year 2025 marked a period of steady progress and renewed momentum for AMW Capital Leasing and Finance PLC, as we continued to build on the resilience demonstrated over the past few years.

Operating within a dynamic and often uncertain macroeconomic environment, the Company remained focused on disciplined growth, portfolio quality, and operational efficiency. While external conditions presented both opportunities and constraints, our approach was guided by prudence, agility, and a clear understanding of the evolving financial services landscape.

During the year, we recorded a meaningful expansion in our core lending portfolio, supported by improving market conditions and the gradual normalization of economic activity. More importantly, this growth was achieved while maintaining a strong focus on credit quality and risk management. Our collections performance strengthened, reflecting the effectiveness of our strategies and the commitment of our teams on the ground.

Profitability continued to improve, although we remain mindful of the structural and cyclical factors that influence returns in a portfolio-based financial services business. The after-

effects of the economic disruptions experienced in prior years, together with the impact of regulatory-driven provisioning frameworks, continue to shape financial outcomes. However, the underlying trajectory of the business remains positive, supported by portfolio growth, improved efficiency, and better asset quality.

Technology and data continued to be important enablers of our strategy. We have made significant progress in embedding real-time performance dashboards across the organization, enabling more informed and timely decision-making. In parallel, we continued to enhance our digital capabilities, including the development of mobility-driven applications to improve both customer engagement and operational effectiveness.

Our people remain central to everything we do. The commitment, adaptability, and resilience demonstrated by our teams across all levels of the organization have been instrumental in navigating challenges and delivering results. We have continued to invest in capability building, leadership development, and employee engagement to ensure that we are well-positioned for the future.

As part of the broader Al-Futtaim Group, we are encouraged by the increasing

strategic focus on financial services as a distinct business vertical. This provides us with greater alignment, clearer direction, and enhanced opportunities to unlock the full potential of our business.

Looking ahead, we remain cautiously optimistic. While uncertainties persist in both the global and local environment, the outlook for our industry is improving. Our priorities will be centered on sustainable portfolio growth, funding optimization, digital transformation, and strengthening customer relationships.

In closing, I would like to extend my sincere appreciation to our Board of Directors for their guidance and oversight, to our regulators for their continued support, and to our customers, partners, and employees for their trust and commitment.

We move forward with confidence, grounded in discipline and focused on creating long-term value for all our stakeholders.

Chamath Munasinghe
Director/CEO
AMW Capital Leasing and Finance PLC
30 March 2026



Board of Directors



INDRAJITH BOYAGODA

Chairman

(Independent Non-Executive Director)

Mr. Indrajith Boyagoda is the former Executive Vice President of Treasury and Investment Banking at Nations Trust Bank PLC with more than 30+ years of experience in the Financial Services industry, having worked at Citibank Sri Lanka, Samba Financial Group (Samba) in Saudi Arabia (an ex-subsiary of Citigroup), and Nations Trust Bank in Sri Lanka, holding senior and corporate management positions.

His work exposure spans Treasury, Capital Markets, Corporate Relationship Management, and Banking Operations in various geographies, coupled with highly-automated Operations support environments. This included working in partnership with businesses to provide value-added oversight to country and regional business heads, as well as direct client interactions on account, product, and process control aspects.

Mr. Boyagoda was appointed to the Board of AMW Capital Leasing and Finance PLC (AMWCL) as an Independent Non-Executive Director on 27 June 2024 and subsequently appointed as the Senior Director of AMWCL effective from 23 November 2024. He was appointed Chairman on 27 October 2025. He currently, serves as the Secretary General of Sri Lanka Banks' Association (Gtee) Ltd, and represents SLBA on the Director Boards of LankaPay (Pvt) Ltd and Lanka Financial Services Bureau Ltd.

He holds an MA (Econ) and a Postgraduate Diploma (Development Economics) from the University of Colombo, and a B.Sc. – (Chemistry Hons.) from the University of Peradeniya, Sri Lanka.



CHAMATH MUNASINGHE

Director / Chief Executive Officer

Mr. Chamath Munasinghe is a seasoned banking and financial services professional with over three decades of experience spanning both banking and non-banking financial institutions. He has held senior leadership roles for over 15 years and brings extensive expertise across Retail Banking, Consumer Financing, Credit Underwriting, Credit Administration, and Operations.

He possesses a strong grounding in Risk Management, Regulatory Compliance, and Financial Performance Management, supported by a deep understanding of portfolio dynamics and funding strategies. His professional experience also includes enterprise-wide responsibilities in Operational Transformation, Process Optimization, and the application of Lean Management Principles.

Mr. Munasinghe is recognized for his structured and analytical approach to decision-making, with a focus on data-driven insights, automation, and the use of technology to enhance efficiency and effectiveness within financial institutions. He has been involved in initiatives relating to digital enablement, performance management systems, and the integration of analytics into business processes.

Prior to his current role, he held senior leadership positions at Nations Trust Bank PLC, including Senior Vice President / Head of Banking Operations, where he was responsible for overseeing key operational, risk, and process-related functions.

He is a Fellow Member of the Chartered Institute of Management Accountants (FCMA, CGMA) UK, and a Certified Management Accountant (Australia). He holds a Master of Business Administration from Edith Cowan University (Australia) and a Diploma in Banking from the Institute of Bankers of Sri Lanka.



Board of Directors



BRIAN VINOD SELVANAYAGAM
Independent Non-Executive Director

Mr. Brian Selvanayagam is an Associate Member of the Chartered Institute of Management Accountants (UK), Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Marketing (UK), Fellow Member of the Certified Management Accountants of Sri Lanka, and Chartered Member of the Chartered Institute for Securities & Investment (UK).

He is the Past Chairman of the Chartered Institute of Marketing Sri Lanka and was a member of the Audit & Risk Committee of the Chartered Institute of Marketing (U.K.). He is presently a Non-Executive Director of Ceylon Biscuits Limited, Lanka Reality Investments PLC, National Asset Management Limited and Econsult Global Capital (Pvt) Ltd.

Mr. Selvanayagam was appointed to the Board of AMW Capital Leasing and Finance PLC (AMWCL) on 20 March 2025.

He counts over 26 years of work experience in fields covering auditing, banking and financial services, property development, and education. He is also a Justice of Peace for the whole Island.



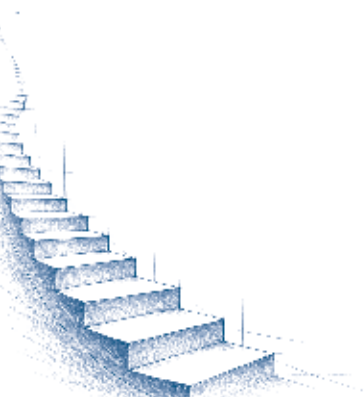
JOSEPH GABRIEL TRAVIS ROCHE
Independent Non-Executive Director

Mr. Travis Roche is a senior finance and business leader with over 30 years of experience across financial services, fintech, and payment infrastructure, operating across Sri Lanka and international markets. He currently serves as Group Executive Director & Chief Financial Officer of Hitachi Digital Payment Solutions Ltd (HDPS), where he leads financial strategy, governance, and transformation within a global payments ecosystem. He also serves as Director of Hitachi Channel Solutions Philippines Inc. and Megalink Ltd (Philippines), and as a Non-Executive Director of PickMe Lanka (Pvt) Ltd.

He was appointed as an Independent Non-Executive Director of the Board of AMW Capital Leasing and Finance PLC on 17 July 2025.

He is a founding member of Global Systems Solutions (GSS), which evolved into one of Sri Lanka's largest BPO operations, where he played a key role in early-stage setup, operational structuring, and scaling.

Mr. Roche is a Fellow of the Institute of Chartered Accountants of Sri Lanka and an Associate Member of ACCA (UK) and the Institute of Certified Management Accountants of Sri Lanka. He also holds an MBA in Finance from the University of Southern Queensland, Australia. His areas of expertise include fintech and payment platforms, group financial strategy, cross-border operations, capital structuring, governance and risk, and digital transformation.



**ERIC IMAD SHEHADEH***Non-Independent Non-Executive Director*

Mr. Eric Shehadeh is a seasoned global executive with over 25 years of experience in leading large organizations and complex financial operations across international markets. He currently serves as Group Head of Financial Services at Al-Futtaim and is the Founder of SH Capital Group, a boutique advisory firm operating across the UAE, Saudi Arabia, and the Netherlands.

Mr. Shehadeh advises prominent family offices and businesses in sectors such as retail, real estate, construction, and entertainment. His previous roles include Group Head of M&A and Corporate Development at First Abu Dhabi Bank and President & CEO of My Money Group in France, where he led the landmark acquisition of HSBC Retail France and oversaw a major digital transformation, achieving a 30x return for its private equity owners.

Mr. Shehadeh was appointed to the Board of AMW Capital Leasing and Finance PLC on 25 September 2025.

Mr. Shehadeh's extensive career includes executive leadership roles at GE Capital across France, the UAE, Thailand, and New Zealand, including CEO of GE Money Bank France, Vice Chairman of GE Capital France, and CFO of Mubadala GE Capital. He has led more than a dozen major M&A transactions globally, with deals spanning France, Portugal, Thailand, Australia, New Zealand, and the UAE. A graduate of GE's Financial Management Program (FMP) and Executive Financial Leadership Program (EFLP), Eric also completed executive education at Harvard Business School. He holds a BA in Political Science from Point Park University and a business degree in Finance and Management Control from ESCP Business School in Paris.

**JAWAHAR SHANKAR JAI GANESH***Non-Independent Non-Executive Director*

As Group Managing Director of the AMW Group, Mr. Jawahar Shankar Jai Ganesh oversees the diverse operations of AMW Sri Lanka, an Al-Futtaim Company in Dubai. This includes automotive sales and after-sales services, lubricants, batteries and tyres, tyre retreading, financial services (leasing and hire purchase), and a multitude of other strategic divisions. He serves on the Boards of AMW Ltd and AMW Capital Leasing and Finance PLC, working closely with the Al-Futtaim Group to further enhance and strengthen AMW's operational excellence in Sri Lanka.

Mr. Ganesh was appointed to the Board of AMW Capital Leasing and Finance PLC on 25 September 2025.

As a Senior Executive, he has demonstrated the ability to lead cultural and process changes, build strong teams, achieve operating efficiency in demanding and dynamic markets, and drive significant growth in revenue and profitability.

Mr. Ganesh is an exceptional leader with vast leadership abilities, having managed aftersales, business planning and development in internationally recognized businesses.

Having worked in the field for over 30 years, Mr. Ganesh has gained success in strategic – leadership planning, innovative thinking and problem solving at the managing director level in a variety of business domains, such as service strategy, planning and after-sale service delivery, etc.

Additionally, he is a professional in the Automotive industry with brands such as Nissan, Toyota, BYD, Yamaha, Suzuki and Mitsubishi in Europe and Middle Eastern countries.



Board of Directors



ROSHINI FERNANDO

Independent Non-Executive Director

Ms. Roshini Fernando has over three decades of professional experience acquired both in Sri Lanka and Australia across strategic sectors. She functioned as a Partner, Ernst & Young in Sri Lanka. Prior to this role, she served as a Financial Services Advisor at the University of Melbourne in Australia. For over twenty years, Ms. Fernando has also been an Executive Director of S. St. Clair Teas (Pvt) Ltd, gaining extensive business and commercial experience. The Company is engaged in the export of tea from Sri Lanka.

Ms. Fernando was appointed to the Board of AMW Capital Leasing and Finance PLC on 06 November 2025.

Functioning as a Partner, Tax Services at Ernst & Young, Ms. Fernando operated as a key resource person in providing professional tax services. These services related to both direct and indirect tax compliance and advisory services to a diverse portfolio of clients. She was also the practice builder for International Tax and Transaction Services, which included both buy/ sell side Mergers & Acquisition related transaction due diligence and encompassed post-merger structuring & integration-related tax advice.

Her professional experience at the University of Melbourne included supporting the Academic Board of the University in financial planning and execution. Her other core experience included collaborative partnerships with the Administrative Divisions to provide financial planning and advisory services as well as mitigating financial risk. She was also an active member of the Tax Liaison Group of the University.

Over the years, Ms. Fernando has had the distinctive advantage of expanding her knowledge and experience in implementing Risk and Quality Frameworks from a global perspective.

Ms. Fernando is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. She is also a Certified Practicing Accountant (Australia), a Fellow Member of the Chartered Institute of Management Accountants (UK) and a Member of the Association of Chartered Certified Accountants (UK). She has also completed a certification programme on Mergers and Acquisitions (International Tax Aspects) from the International Bureau of Fiscal Documentation (Netherlands).



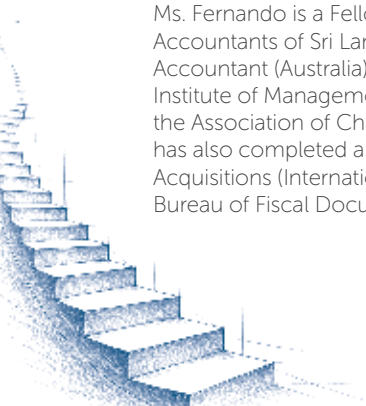
CHANDIMA NANAYAKKARA

Company Secretary

Ms. Chandima Nanayakkara serves as the Company Secretary of AMW Capital Leasing and Finance PLC, having joined the Company in July 2024. She brings over 25 years of experience in corporate secretarial practice, including more than 18 years in the finance leasing industry.

Prior to her current role, she was associated with the AMW Group of Companies since 1998, providing corporate secretarial, governance, and statutory support across multiple entities.

She possesses extensive expertise in corporate governance, regulatory compliance, and Board and Committee administration within licensed finance companies in Sri Lanka. Ms. Nanayakkara is an Associate Member of the Institute of Chartered Corporate Secretaries of Sri Lanka and is a registered Company Secretary with the Registrar General of Companies.



Senior Management Team



Senior Management Team



PRAMUDITHA MENDIS

General Manager - Credit & Operations

Mr. Pramuditha Mendis is a senior finance professional with over three decades of extensive experience in the leasing and financial services industry, complemented by international exposure in the Kingdom of Saudi Arabia. He holds a Special Degree in Industrial Management from the University of Kelaniya.

He commenced his career at Lanka ORIX Leasing Company Ltd (LOLC), where he progressed through a range of executive and managerial roles over an 11-year tenure, building a strong foundation in credit risk management and marketing.

He subsequently joined Saudi ORIX Leasing Company (SOLC), an investment of ORIX Corporation, Japan, where he served as Senior Manager – Credit & Marketing. During his tenure, he gained significant exposure to corporate credit, structured financing, and international best practices.

Mr. Mendis joined AMW Capital Leasing and Finance PLC in 2009 and currently serves as General Manager – Credit and Operations. In this role, he provides strategic oversight of the Company's credit and operational functions, driving robust risk governance frameworks, enhancing portfolio quality, and supporting sustainable business growth. He also serves as Chairman of the Credit Policy Committee, playing a key role in shaping the Company's credit strategy and policy direction.

He has previously served as a Director of the Leasing Association of Sri Lanka (LASL). Mr. Mendis is a Fellow Member of the Sri Lanka Institute of Credit Management (SLICM) and has contributed to the Institute as a Council Member and Resource Person, reflecting his continued commitment to the advancement of credit management practices in Sri Lanka.



LALITH MALAVIARACHCHI

General Manager - Marketing

Mr. Lalith Malaviarachchi serves as the General Manager – Marketing of AMW Capital Leasing & Finance PLC, bringing over 21 years of experience in the banking and financial services industry. He began his career as a Banking Trainee at People's Bank, after which he transitioned into the leisure and travel sector, gaining valuable cross-industry exposure before moving back into financial services. Since the inception of AMW Capital Leasing & Finance PLC, he has played a pivotal role in the Company's growth, holding multiple leadership positions and contributing significantly to its strategic and commercial success.

Mr. Malaviarachchi holds an MBA from the Postgraduate Institute of Management (PIM) and a Bachelor's degree in Marketing Management from the University of Kelaniya. He has also earned a Professional Postgraduate Diploma from CIM (UK) and is a Certified Professional Marketer (CPM – Asia Pacific). He is a Member of the Sri Lanka Institute of Marketing.



NISHAN PEMAKUMARA

General Manager - Finance

Mr. Nishan Pemakumara is a seasoned finance professional with over 15 years of experience in financial management, strategic planning, regulatory compliance, and business performance optimization across the financial services sector, including international exposure. He currently serves as the General Manager – Finance, providing strategic leadership in financial planning, budgeting, financial reporting, treasury management, regulatory compliance, and stakeholder engagement. He plays a pivotal role in driving financial discipline, enhancing operational efficiency, and supporting sustainable business growth through effective financial strategies.

Prior to his current role, Mr. Pemakumara served as Chief Financial Officer of Fina Trust Microfinance Bank, Nigeria, where he led finance transformation initiatives, strengthened financial reporting frameworks, optimized cost structures, and supported strategic expansion plans. He has also held key positions at LOLC Holdings PLC and Lanka Orix Leasing Company PLC, gaining extensive experience in financial operations, risk management, and regulatory compliance within regulated financial institutions.

He commenced his professional career in audit and accounting, developing strong technical expertise in financial reporting, internal controls, and compliance.

Mr. Pemakumara holds a Master of Business Administration (MBA) from the University of Southern Queensland, Australia, and a Bachelor of Science in Business Administration (Special) degree from the University of Sri Jayewardenepura.

He is an Associate Member of the Institute of Chartered Accountants of Sri Lanka (ACA) and the Institute of Certified Management Accountants of Sri Lanka (ACMA). He is also a Member of ACCA Global (UK) and a Registered Accountant of the Institute of Chartered Accountants of Nigeria.



CHINTHAKA DE ALWIS

Head of Operations

Mr. Chinthaka De Alwis is currently holding the post of Head of Operations at AMWCL, and he has been with the Company since its inception. The Head of Operations is the first line executor and second line defender, responsible for operational control, credit documentation custody, regulatory compliance (including CBSL and CRIB), and early identification of risk.

He has over 33 years of experience in the non-banking financial sector. He was the Head of Division, Compliance, at People's Leasing & Finance PLC (PLC) for a period of two and half years and he possesses 11 years' experience at Lanka Orix Leasing Company (LOLC) as a Senior Asst. Accountant attached to Finance, Micro Finance, Corporate Finance and Internal Audit divisions. Mr. De Alwis hold an MBA from Solent University, Southampton UK.



SUJEEWA SOORIYAARACHCHI

Head of Recoveries & Administrations

Mr. Sujeewa Sooriyaarachchi is the Head of Recovery and Administration of AMW Capital Leasing & Finance (AMWCL). He brings over 35 years of experience in recovery operations and administrative management, with exposure to the Trading, Leasing, and Manufacturing sectors.

Mr. Sooriyaarachchi commenced his career in the Sri Lanka Police, where he served in the grade of Inspector and received recognition for distinguished service. His professional background encompasses both public sector service and senior corporate management, supporting AMWCL's recovery functions, administrative controls, and compliance oriented operations.



MALINTHA RATHNAWEERA

Head of Compliance

Mr. Malintha Rathnaweera is a seasoned compliance professional with over ten years of experience in regulatory compliance, specializing in AML/CFT/CPF. Having honed his expertise at EY Sri Lanka, he went on to serve as Compliance Officer at Senkadagala Finance PLC, where he played a pivotal role in strengthening compliance frameworks and ensuring adherence to evolving regulatory requirements. In 2024, he joined AMW Capital Leasing and Finance PLC, further expanding his contributions to the non-bank financial sector.

Beyond his corporate roles, Mr. Rathnaweera is an active contributor to Sri Lanka's compliance community. From 2022 to 2025, he served on the Executive Committee of the Compliance Forum of the FHA, collaborating with industry leaders to advance best practices and foster greater regulatory awareness across the sector.

Mr. Rathnaweera holds an MBA from the University of West London and is a CIMA-passed finalist. He has also obtained the Certificate in Compliance for Non-Bank Financial Institutions, a newly-established credential awarded by the Institute of Bankers of Sri Lanka (IBSL) from 2025 onwards.



Senior Management Team



ROHANA EDIRISINGHE

Head of Information Technology

Mr. Rohana Edirisinghe is an accomplished Information Technology and Project Management professional with over 25 years of experience across the finance, telecommunications, and manufacturing sectors. He possesses strong expertise in IT governance, internal controls, and Technology implementation projects. He currently serves as the Head of Information Technology, providing strategic leadership across all IT functions, aligning technology initiatives with business objectives and regulatory compliance.

Prior to his current role, he served as Head of IT, Digitalization, and Projects at Sejaya Microcredit, a wholly owned subsidiary of GOJO & Company, Inc. (Japan), where he was responsible for driving digital transformation, formulating IT strategy, implementing IT policies, and ensuring successful project delivery.

Earlier in his career, he held key positions including Manager – Change Assurance at Etisalat Lanka (Pvt) Ltd and Project Manager at Informatics (Pvt) Ltd, where he managed projects across government institutions and the international insurance sector. He has also contributed to organizations such as the Colombo Stock Exchange, Richard Pieris Tyre Company, and Haikawa Industries, supporting his progressive growth in the IT field.

He has extensive experience in implementing ERP systems, core banking systems, digital field applications, call center/CRM platforms and system integrations. He has successfully led change management initiatives to ensure smooth IT operations and high availability of mission-critical systems. His achievements include implementing integrated repayment solutions through mobile operators, retail networks, and banking applications, as well as delivering customer-facing digital solutions such as mobile applications (e-passbook) for real-time transaction updates. He is also experienced in establishing structured change management frameworks.

Mr. Edirisinghe holds a Master of Science (MSc) in Computer Science and a Bachelor of Science (BSc Hons) in Industrial Management from the University of Kelaniya.



NAVARATNAM RUBINIE

Head of Internal Audit

Ms. Navaratnam Rubinie, with over 12 years of experience, began her career at Ernst & Young (EY) Colombo, leading assurance and advisory engagements across financial services, insurance, banking, leasing, investment, manufacturing and public sector industries. Her EY tenure strengthened her expertise in audit methodologies, risk assessment, process evaluation and regulatory compliance. She later joined People's Insurance PLC, where she served in multiple roles across Internal Audit and Risk & Compliance. Before joining AMWCL, she served as Manager – Internal Audit, Risk & Compliance at Fairfirst Insurance Ltd.

Since June 2025, Ms. Rubinie has been the Head of Internal Audit at AMW Capital Leasing and Finance PLC, leading the risk based audit plan, providing independent assurance and working closely with the Board Audit Committee and AFG's GIAD on audit and governance initiatives.

Ms. Rubinie holds a Bachelor of Management Studies (Honours) from the Open University of Sri Lanka and an MBA in Business Analytics from Cardiff Metropolitan University (UK). Her academic and professional qualifications include HNDE (Specialized in Business English)-(SLIATE), CAB (ICASL), Executive Certificate in Employment Law (CIPM), Diploma in Compliance (IBSL) and DICA (ESOFT). She is currently following the Certified Management Accountant (CMA – Australia) professional qualification. She is also a member of the Institute of Internal Auditors (IIA) Sri Lanka Chapter.



CHAMITH PERERA

Head of Risk

Mr. Chamith Perera possesses over 15 years of professional experience in finance, analytics, and risk management, primarily within the financial services industry. His experience spans non-banking financial institutions, insurance, stock brokering, and financial analytics, providing him with a broad perspective on financial risk and business performance.

Prior to joining AMW Capital Leasing and Finance PLC, he served as Senior Manager – Risk at Allianz Insurance Lanka Ltd. for six years, where he was involved in strengthening risk management practices and oversight. Earlier in his career, he worked as an Equity Analyst at Moody's Analytics for three years, gaining experience in financial analytics, equity research, and market analysis.

In October 2024, Mr. Perera joined AMW Capital Leasing and Finance PLC as Head of Risk Management, where he is responsible for overseeing the Company's risk management framework and strengthening enterprise risk governance.

Mr. Perera is a CIMA passed finalist and has completed CFA Level II, further enhancing his professional expertise in finance and risk management.





HARSHANI FERNANDO
Manager Legal

Ms. Harshani Fernando was called to the Bar of the Supreme Court of Sri Lanka in December 2005. She possesses over 20 years professional experience as an Attorney-at-Law, specializing in the commercial and financial services industry. Prior to joining AMW Capital Leasing and Finance PLC, she was employed at several finance companies as the Senior Manager-Legal and the Head of Legal where she was a part of the Strategic Planning Team and the Tactical Management Team. Ms. Fernando also holds an MBA in Human Resource Management from the University of Bedfordshire, UK and a Managerial Diploma in Business Administration at HRMI. She is a member of the Bar Association of Sri Lanka.

She has vast experience in all aspects of money recovery matters to ensure that the debts are efficiently recovered. Apart from litigation management she has added value to the organization to mitigate risks by improving other operational activities in accordance with the prevailing laws, and regulations of the industry.



HIRIMBURAGAMAGE SASANKA HASHANI
Head of Fixed Deposits

Ms. Hirimburagamage Sasanka Hashani serves as the Head of Fixed Deposits at AMW Capital Leasing and Finance PLC, where she leads the strategic development and management of the Company's Fixed Deposit portfolio. She is responsible for driving deposit mobilization, strengthening customer relationships, and executing funding strategies that support the Company's liquidity position and long-term financial sustainability.

Ms. Hashani holds a Master of Business Administration (MBA), specializing in Marketing, from Cardiff Metropolitan University, UK, and has successfully completed the Chartered Institute of Marketing (CIM). She also holds an Advanced Diploma in Business Management from National Institute of Business Management (NIBM) and is qualified in the Association of Accounting Technicians (AAT), reflecting a strong foundation in strategic marketing, business leadership, and financial management.

With over a decade of experience within the AMW Group, Ms. Hashani has developed extensive expertise in financial services operations, relationship management, and business development. Prior to assuming her current role, she gained valuable experience within the Group's automotive business, contributing to the growth and market development of the Nissan and Datsun brands in Sri Lanka.

In her current capacity, Ms. Hashani plays a key role in strengthening the Company's deposit franchise, enhancing customer value propositions, and supporting the execution of funding strategies that contribute to the Company's operational resilience and sustainable growth.



THILINI ARIYARATHNA
Human Resources Business Partner

Ms. Thilini Ariyaratna serves as the Human Resources Business Partner of AMW Capital Leasing and Finance PLC, where she leads strategic human resource initiatives that support the Company's operational and long-term business objectives. In this capacity, she partners closely with management to strengthen people strategies, enhance employee engagement, and drive initiatives that contribute to organizational effectiveness and sustainable growth.

She holds a Master of Business Administration (MBA) specializing in Human Resources Management and a B.Sc. Business Administration (Special) Degree from the University of Sri Jayewardenepura. Ms. Ariyaratna is also a Chartered Qualification in Human Resources Management (CQHRM) holder and an Associate Member of the Chartered Institute of Personnel Management (CIPM) Sri Lanka. In addition, she has successfully completed two levels of the Chartered Accountancy programme at the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

With close to a decade of professional experience, she has built a strong foundation in human resource management across the manufacturing, service, and financial services sectors. Prior to joining AMW Capital Leasing and Finance PLC in 2024, she served as Assistant Manager – Human Resources at LAUGFS Lubricants Limited.



Resilience, Discipline and Measured Growth

The Government pressed ahead with the reform roadmap agreed under the International Monetary Fund (IMF), crucially, the reform program progressed in a relatively stable political climate. There was widespread agreement across the political spectrum on the importance of continuing the reform trajectory the policy environment also reflected a renewed emphasis on openness and predictability by engaging constructively with international partners and maintaining a more transparent approach to policymaking sought to restore confidence among global investors. These efforts are centered on tightening fiscal discipline, improving the governance of public finances, and reinforcing the stability of the financial system so it could better withstand future shocks.

The year under review was characterized by a gradual but meaningful stabilization of Sri Lanka's financial system, underpinned by improved macroeconomic conditions and sustained policy support. An accommodative monetary policy stance contributed to a notable acceleration in private sector credit, while progress in debt restructuring and fiscal consolidation helped moderate systemic vulnerabilities. Liquidity conditions across the financial sector strengthened, profitability recovered, and capital buffers improved, signaling enhanced institutional resilience.

LFC Sector

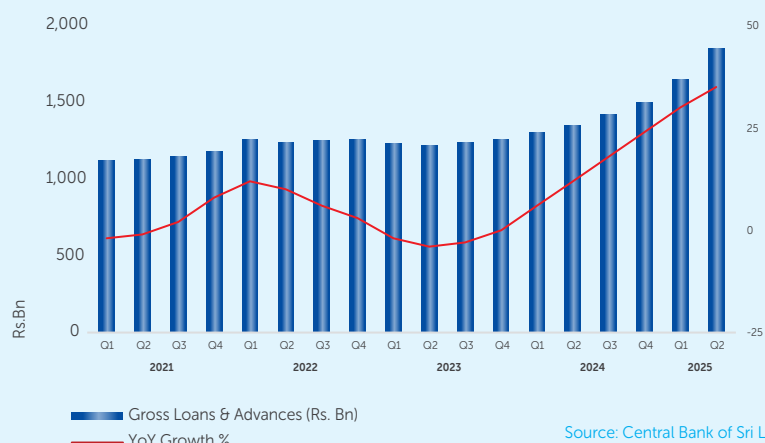
The Licensed Finance Companies (LFC) sector recorded strong growth by end Q2 2025, supported by easing market interest rates and the lifting of motor vehicle import restrictions, which stimulated demand for vehicle-backed lending. Asset quality indicators showed improvement, with a decline in Gross Stage 3 loans alongside rapid portfolio expansion. Profitability improved, primarily driven by higher net interest income, while liquidity levels remained comfortably above regulatory thresholds. However, capital adequacy ratios experienced marginal pressure due to the increase in risk-weighted assets associated with accelerated credit growth.

The Company's financing portfolio primarily comprises mortgage-based lending facilities, predominantly secured by motor vehicles, and is structured to address a broad range of customer needs. These include financing for vehicle purchases, housing construction and renovations, children's education, working capital requirements, and medical expenses. In addition, the portfolio includes finance lease products, as well as personal and consumer financing, catering to diverse individual financial requirements.

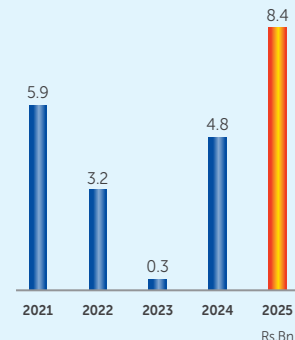
Business Expansion

Loans and Advances expanded significantly from Rs. 6.1 billion in 2024 to Rs. 11.1 billion in 2025, reflecting 82% portfolio growth and improved market engagement. This upward momentum was supported by 75% increase in new business volumes, which rose from Rs. 4.8 billion in 2024 to Rs. 8.4 billion in 2025. The growth was also supported by the demand created for motor vehicle financing, with the relaxation of motor vehicle import restrictions in March 2025.

Gross Loans and Advances -LFC Sector



New Business Volumes

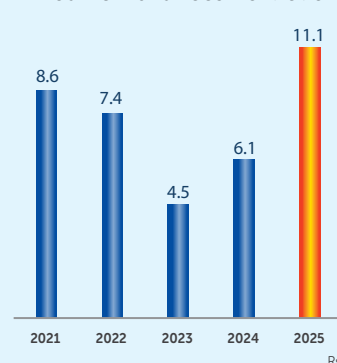


Our Performance

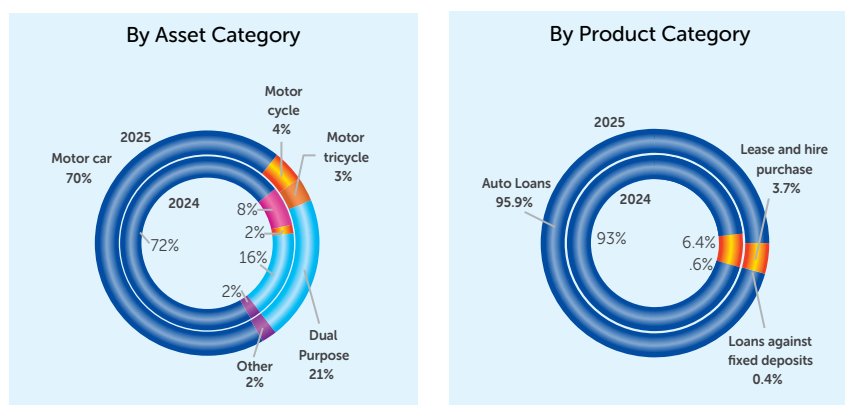
A strong portfolio growth in 2025, driven by renewed demand for asset-backed financing

Within this evolving landscape, AMW Capital Leasing & Finance PLC (AMWCL) remained focused on disciplined portfolio growth, prudent risk management, and maintaining prudent capital buffers. Management continued to prioritize asset quality, liquidity strength, and sustainable margin generation, ensuring that growth initiatives remained aligned with regulatory expectations and the Company's long-term risk appetite. The year under review marked a strong growth in lending activity, significantly surpassing the industry.

Loan & Advances Portfolio

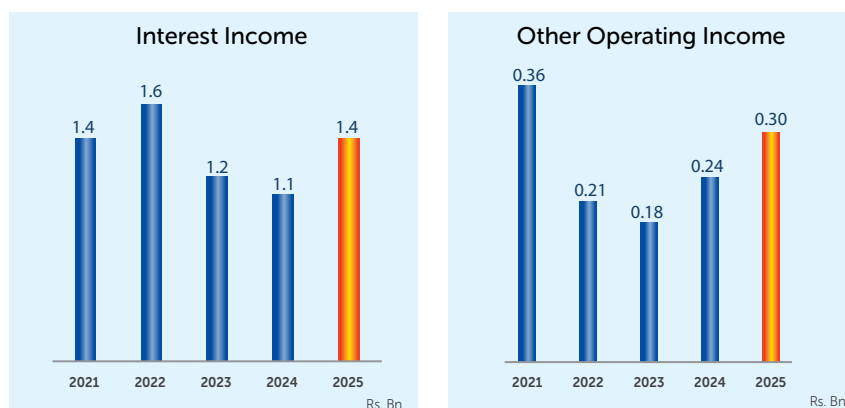


The portfolio composition indicates a strong concentration in Auto Loans, which increased from 93% in 2024 to 95.9% in 2025, reflecting the Company's strategic focus on strengthening its core lending operations. In contrast, Lease and Hire Purchase exposure declined from 6.4% in 2024 to 3.7% in 2025, while Loans against Fixed Deposits remained marginal at approximately 0.4%, representing a small but secured segment within the portfolio.



From a product perspective, the portfolio continues to be predominantly driven by motor car financing, which accounted for 70% in 2025, compared with 72% in 2024. Dual-purpose vehicles increased to 21% from 16%, indicating a shift in demand toward utility-oriented vehicles. Motorcycles and motor tricycles represented smaller shares of 4% and 3% respectively, while other categories remained stable at 2%, reflecting moderate diversification within the vehicle financing portfolio.

Income Growth

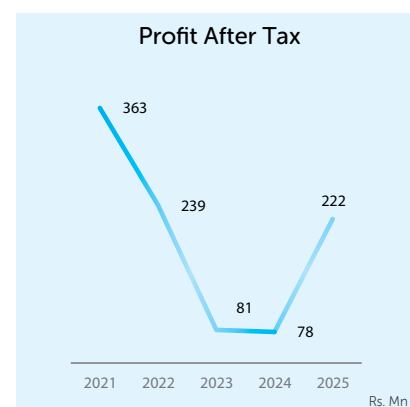
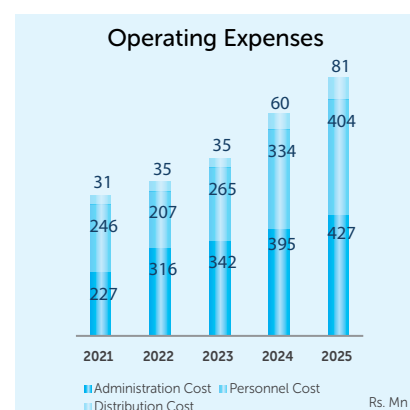


Overall, the improvement in both interest income and other operating income in 2025 highlights the Company's renewed operational momentum and strengthened revenue base, following the growth in the portfolio in improved market conditions

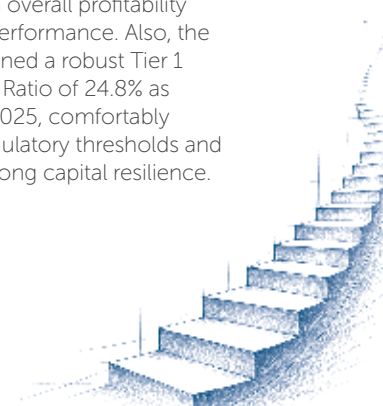
Interest income increased by 27% from Rs. 1.1 billion in 2024 to Rs. 1.4 billion in 2025, primarily supported by the significant expansion of the loan portfolio. The growth in the interest-earning asset base contributed to the strengthening of the Company's core revenue streams. Similarly, other operating income demonstrated a strong upward movement, rising from Rs. 0.2 billion in 2024 to Rs. 0.3 billion in 2025. This improvement reflects enhanced fee-based income and increased business activity associated with the expansion of the lending portfolio.

Operating Performance

Operating expenses increased to Rs. 0.91 billion in 2025, compared with Rs. 0.79 billion in 2024, mainly attributable to increased operational activities associated with portfolio expansion, investments in human capital and operational infrastructure aligned with the future growth strategies of the Company. The Company reported a 185% growth of Profit after tax (PAT) of Rs. 222 million in 2025, compared with Rs. 78 million in 2024, reflecting improved core income generation and lower credit impairment charges.



As a result, Return on Equity (ROE) increased to 5.9%, compared with 2.2% in 2024. Similarly, Return on Assets (ROA) improved to 2.4%, compared with 1.09% in the previous year, indicating a strengthening in overall profitability and operational performance. Also, the Company maintained a robust Tier 1 Capital Adequacy Ratio of 24.8% as at 31 December 2025, comfortably exceeding the regulatory thresholds and demonstrating strong capital resilience.

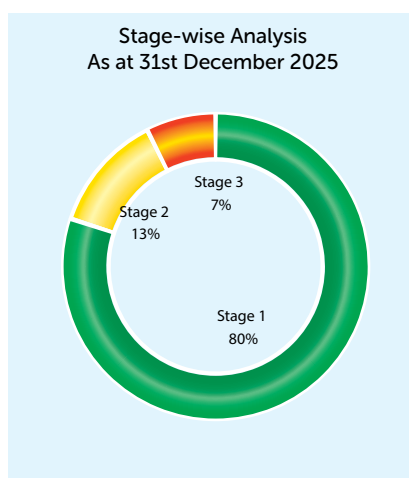
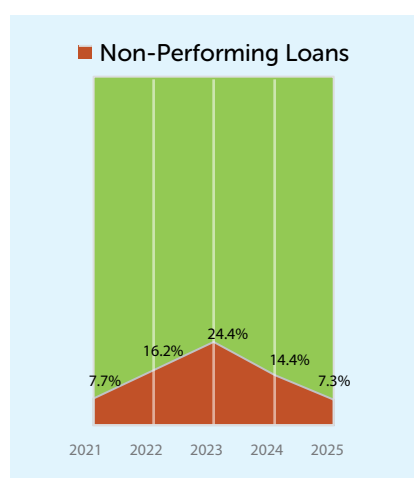


Resilience, Discipline and Measured Growth

Portfolio Health

The Company's recovery performance in 2025 reflects a strategically strengthened and technology-enabled credit monitoring framework, driving measurable improvements in portfolio quality. The Non-Performing Assets (NPA) ratio declined significantly to 7.3% in 2025 from 14.4% in 2024, underscoring the effectiveness of proactive recovery interventions and disciplined portfolio oversight.

A central pillar of this transformation has been the introduction of dynamic NPA and collection dashboards, enabling real-time visibility into portfolio health, delinquency trends, and recovery progress. These dashboards have empowered management with data-driven insights, facilitating early identification of risk signals and allowing for swift, targeted action before accounts deteriorate.



Complementing this, the Company implemented structured follow-up strategies supported by clearly defined workflows and accountability frameworks. Weekly monitoring of collection efficiency has further enhanced execution rigor, ensuring continuous tracking of recovery performance across regions and segments.

The stage-wise analysis as at 31 December 2025, with 80% of the portfolio in Stage 1, 13% in Stage 2, and only 7% in Stage 3, reflects a well-contained risk profile and effective credit discipline. Collectively, the integration of advanced monitoring tools, structured recovery processes, and consistent performance tracking has positioned AMWCL to sustain portfolio quality while reinforcing long-term financial resilience.

Our Strategy

Our strategy continues to focus on creating a sustainable and lasting impact for our customers, employees, investors, and the broader community. By prioritizing financial resilience, innovation, responsible growth, and strong governance, we aim to build a business that not only delivers value today but also supports long-term economic and social progress in Sri Lanka. Our commitment extends beyond financial performance, as we strive to contribute meaningfully to a stable and inclusive financial ecosystem.

During 2025, AMWCL demonstrated a strong recovery in operational performance, supported by the gradual stabilization of the economic environment and the resumption of lending activities. The Company focused on rebuilding its lending portfolio, strengthening operational capabilities, and capturing emerging credit opportunities in the market.

Strategic priorities during the year included expanding the market share, strengthening human capital, accelerating digital initiatives, enhancing governance practices, and promoting responsible lending. These initiatives enabled the Company to regain business momentum while reinforcing its foundation for sustainable growth.

AMWCL creates long-term value by effectively utilizing its financial, human, intellectual, manufactured, social, and natural capitals to deliver responsible financial solutions to customers while supporting economic development in Sri Lanka. Through disciplined risk management, customer-centric financing, digital innovation, and sustainable practices, the Company transforms available resources into sustainable financial performance and positive social impact.





Scaling New Heights

AMWCL continues to strengthen its Intellectual Capital by enhancing analytical capabilities and leveraging technology to support strategic decision-making. The expansion of the Analytics Team, together with the development of new dashboards and the enhancement of existing dashboards, enables management to monitor portfolio performance, operational metrics, and customer insights more effectively. These initiatives provide real-time intelligence to guide strategic decisions, strengthen risk monitoring, and improve operational responsiveness across the organization.

Recognizing that people remain central to sustainable value creation, the Company has prioritized initiatives aimed at strengthening Human Capital. These initiatives collectively enhance organizational agility, productivity, and customer engagement capabilities. As part of its Manufactured Capital and digital infrastructure strategy, AMWCL is investing significantly in technology platforms and operational systems. The Company is also implementing Robotic Process Automation (RPA) and exploring Artificial Intelligence capabilities to streamline processes, improve operational efficiency, and enhance customer service delivery.

Strong governance remains a cornerstone of the Company's strategy. The Recovery Division is being further strengthened to improve portfolio quality and enhance collection efficiency, supported by the Collections Mobile Application. At the same time, improvements in data governance, cybersecurity, and compliance frameworks ensure that the organization operates within a robust risk management environment. These initiatives reinforce AMWCL's commitment to strong governance, operational excellence, and sustainable loan portfolio growth.

AMWCL continues to strengthen its growth trajectory through the introduction of diversified lending products and market expansion initiatives designed to broaden its customer base and deepen market presence. Recognizing the importance of brand differentiation in a competitive financial services landscape, AMWCL is undertaking initiatives to enhance brand visibility and market positioning.

The planned rebranding of Capital Leasing, together with targeted brand communication initiatives, will strengthen market recognition and reinforce the Company's reputation as a trusted financial partner. The expansion of the Company's physical presence, complemented by digital platforms and strategic partnerships, will enable AMWCL to extend its reach to underserved regions while improving service accessibility for existing customers.

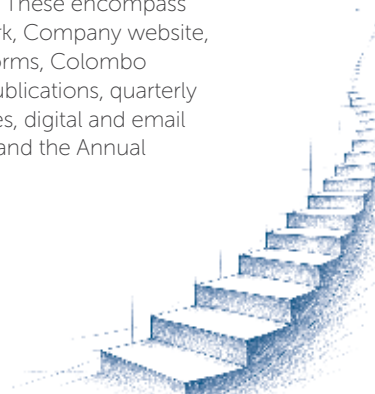
AMWCL continued to demonstrate resilience and strategic focus during the year under review, strengthening its foundation for sustainable growth despite a dynamic operating environment. Through disciplined portfolio expansion, enhanced operational efficiency, and ongoing investments in digital transformation, the Company has reinforced its capacity to deliver innovative financial solutions while maintaining strong governance and risk management practices. Strategic initiatives aimed at diversifying funding sources, expanding product offerings, and strengthening organizational capabilities further position AMWCL to capitalize on emerging opportunities within Sri Lanka's financial services sector.

Looking ahead, the Company remains committed to advancing financial inclusion, improving customer experience, and leveraging technology to drive operational excellence. Supported by a robust strategic framework and a dedicated workforce, AMWCL is well-positioned to generate sustainable value for its stakeholders while contributing to the continued development of the national economy.

Communication with Stakeholders

Maintaining open, transparent, and meaningful communication with our stakeholders is a cornerstone of our governance philosophy at AMWCL. We recognize that informed stakeholders are essential to sustaining the trust and confidence that underpins our long-term growth, and our approach to communication is designed to reflect that commitment.

We engage with our diverse stakeholder groups including shareholders which consist of the parent companies, regulators, customers, employees, and the broader community that we serve for; through a range of purposefully selected channels. These encompass our branch network, Company website, social media platforms, Colombo Stock Exchange publications, quarterly financial disclosures, digital and email communications, and the Annual General Meeting.



Resilience, Discipline and Measured Growth

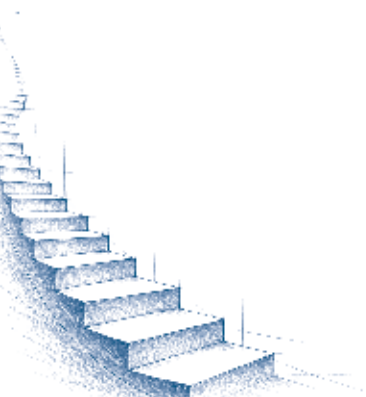
Each channel is maintained with a view to ensuring that material information reaches stakeholders in a timely, accurate, and accessible manner.

We actively cultivate a two-way dialogue, providing stakeholders with meaningful opportunities to raise queries, offer feedback, and communicate concerns. The Board places considerable value on this exchange, as stakeholder perspectives directly inform our governance decisions and strategic direction. Shareholder communications are facilitated through the Office of the Company Secretary, which serves as the primary point of contact and ensures that queries are escalated to the Board and responded to appropriately.

Shareholders and other stakeholders wishing to communicate with the Board or the Company Secretary may do so through the following contact:

Ms. Chandima Nanayakkara
No. 185, Union Place, Colombo 02.
Email: chandima.nanayakkara@amwltd.com
Contact No. 011-2446476

Our commitment to stakeholder communication goes beyond fulfilling disclosure obligations. We strive to build relationships grounded in consistency, clarity, and mutual understanding, sharing not only our financial performance but also our strategic outlook, market context, and material developments that may affect the Company. Through sustained engagement, we seek to align our stakeholders with our vision and reinforce the long-term value we collectively pursue.



Human Capital

Human Capital Development

At AMW Capital Leasing PLC, our people remain a fundamental driver of the Company's long-term strategy and sustainable growth. We recognize that a capable, engaged, and values-driven workforce is essential to navigating the evolving financial services landscape while consistently delivering value to customers, shareholders, and all stakeholders.

In line with this, the Company continues to strengthen its human capital framework through a strategic focus on talent development, succession planning, employee engagement, capability enhancement, and performance-based recognition. These initiatives are closely aligned with the Company's strategic priorities and are designed to ensure that employees are equipped with the competencies, leadership capabilities, and professional mindset required to support the organization's growth ambitions.

Through a combination of structured development programmes, competitive reward mechanisms, and a supportive workplace culture grounded in the core values of Respect, Integrity, Collaboration, and Excellence, AMWCL continues to cultivate a resilient, agile, and high-performing workforce capable of delivering operational excellence while driving sustainable business performance.

Talent Management & Succession Planning

The Company continues to enhance its talent management practices with a strong emphasis on building internal capabilities and developing a sustainable leadership pipeline to support long-term organizational success.

During the year under review, significant focus was placed on internal talent mobility, enabling high-performing employees to progress into roles arising from internal vacancies. This approach not only recognizes and rewards internal talent but also promotes career progression, strengthens employee engagement, and supports the retention of institutional knowledge.

Concurrently, the Company further strengthened its succession planning framework by identifying and developing potential successors for key roles across critical functions. Through structured assessments and targeted development initiatives for high-potential employees, AMW Capital Leasing PLC continues to build a robust leadership pipeline capable of supporting its strategic objectives.

By systematically nurturing future leaders and strengthening internal capabilities, the Company ensures leadership continuity, operational stability, and long-term organizational resilience.

Competitive Compensation & Performance Recognition

Maintaining a competitive and equitable remuneration structure remains central to the Company's employee value proposition and talent retention strategy. During the year, the Company undertook a comprehensive review of its salary structure to ensure alignment with market benchmarks, thereby reinforcing competitiveness and internal equity.

Employees were also recognized for their contributions through annual performance increments and performance-based bonuses, reinforcing a culture that values excellence, accountability, and commitment to organizational goals.

These initiatives support the Company's objective of attracting, motivating, and retaining high-caliber talent while fostering a performance-driven culture that contributes to sustainable business growth.

Learning, Capability Building & Professional Development

Ongoing training plays a vital role in helping employees acquire new skills and remain current with evolving industry practices. In the leasing and financial sector, this continuous development is essential to sustaining a competitive advantage. Recognizing this, the Company has invested significantly in reskilling and training initiatives across multiple departments.

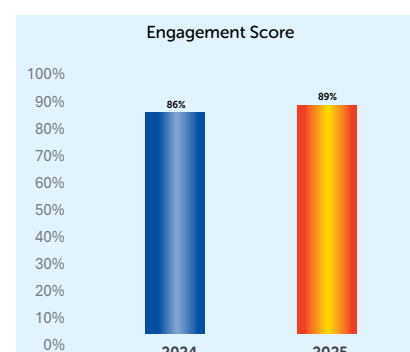
Given the critical importance of regulatory compliance and effective risk management within the financial services industry, these initiatives are

designed to ensure that employees are well-equipped to meet evolving regulatory requirements. Concurrently, they enhance the overall capability and expertise of the workforce, thereby strengthening the Company's resilience and supporting its long-term sustainability and growth.

During the year, training and development initiatives were implemented in line with the annual training calendar, with a strong focus on sales & marketing, risk management, regulatory compliance, operational effectiveness, and leadership development.

Employee Engagement, Organizational Alignment & Workplace Culture

Employee engagement remains a key indicator of organizational health, employee commitment, and overall workplace effectiveness. The annual Employee Engagement Survey indicated a positive improvement in employee sentiment, with the engagement score increasing from 86% in 2024 to 89% in 2025, and the participation rate rising from 89% in 2024 to 91% in 2025. These results demonstrate a strong level of employee commitment and alignment with the Company's vision, leadership, and core values.



Human Capital

The insights derived from the survey provide valuable guidance in strengthening workplace practices, leadership effectiveness, and employee experience initiatives. By actively listening to employee feedback, the Company continues to enhance workplace engagement and reinforce a culture of trust, collaboration, and shared purpose.

AMWCL continues to nurture a collaborative and inclusive workplace culture through a range of employee engagement initiatives implemented in line with the Company's annual employee engagement calendar. During the year, several initiatives were organized to strengthen employee connections, encourage collaboration, and promote a positive workplace environment.

The "Rise Together 2025" Strategy Event served as an important platform to communicate the Company's strategic direction and business priorities for 2025, while aligning employees with the organization's future vision and collective goals. The event concluded with a night gathering celebrating the Company's achievements.

The Company also celebrated the Sinhala and Tamil New Year Festival, which provided employees with the opportunity to engage in traditional cultural activities and games, fostering camaraderie and strengthening relationships among team members.

Through these initiatives, the Company continues to cultivate a workplace culture that promotes employee well-being, collaboration, and a strong sense of belonging, ultimately supporting higher levels of engagement and organizational performance.

Furthermore, employees who receive Group-level Employee Value Awards are recognized within the Company, highlighting their alignment with the Group's core values and their commitment to delivering excellence in their respective roles.

Through these structured recognition programmes, AMWCL continues to foster a motivated, engaged, and performance-driven workforce that contributes to the sustained success of the organization.

Employee Recognition & Reward

Recognizing employee contributions remains an integral component of the Company's human capital strategy and plays a key role in reinforcing a culture of performance excellence.

Employees demonstrating exceptional performance are formally recognized during the annual get together, providing an opportunity to celebrate outstanding achievements and reinforce the Company's commitment to recognizing employee contributions.



Financial Review

Company Overview

The financial year 2025 marked a significant growth phase for AMW Capital Leasing & Finance PLC, as the Company delivered strong improvements across key financial indicators including portfolio growth, income generation, and profitability.

The Company recorded a Profit After Tax of Rs. 221.73 million, representing a substantial increase from Rs. 78.06 million recorded in 2024, reflecting the positive impact of portfolio expansion, improved income streams, and disciplined cost management.

The Company's Loans and Advances portfolio expanded significantly to Rs. 11.79 billion, compared to Rs. 6.89 billion in 2024, demonstrating strong customer demand and successful execution of business growth strategies.

Total operating income increased to Rs. 1.25 billion, compared to Rs. 0.976 billion in 2024, supported by growth in both interest income and non-interest income streams. The Company continued to maintain prudent credit risk management practices, ensuring that asset quality remained stable despite rapid portfolio expansion.

A comprehensive analysis of the Company's financial performance covering key areas such as income generation, operating efficiency, asset quality, and profitability is presented below.

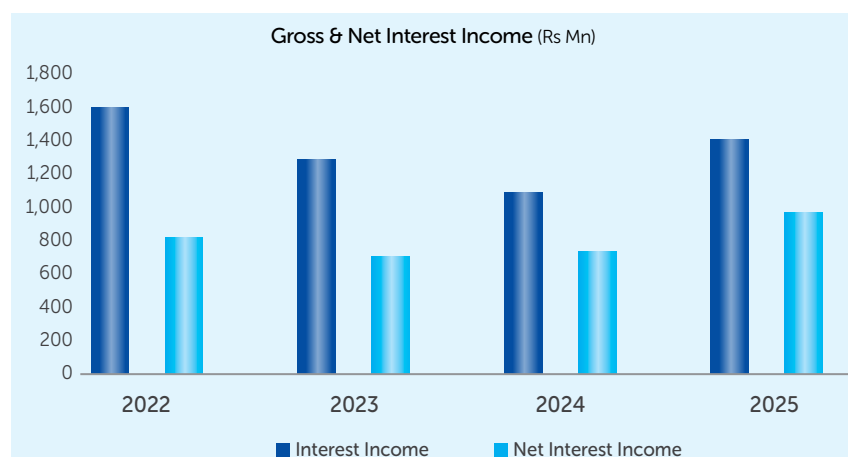
Interest Income & Portfolio Performance

Interest income remained the primary driver of the Company's revenue growth during the year under review. Interest income increased by 27.45%, rising to Rs. 1,375.98 million in 2025 from Rs. 1,079.58 million in 2024, reflecting the continued growth in interest-earning assets. The significant expansion of the loan portfolio played a critical role in driving this performance.

The Company's Loans and Advances portfolio increased by 71%, reaching Rs. 11.79 billion in 2025, compared to Rs. 6.89 billion in 2024, demonstrating strong lending momentum across core product segments.

Interest expenses increased by 23.10%, rising to Rs. 420.30 million in 2025, compared to Rs. 341.44 million in 2024, primarily due to higher funding requirements associated with portfolio growth.

Despite the increase in funding costs, Net Interest Income increased by 29.47%, reaching Rs. 955.67 million, compared to Rs. 738.14 million in 2024, reflecting the Company's ability to sustain earnings growth while managing funding costs.



Overall, the Company demonstrated strong portfolio growth supported by disciplined lending strategies and effective funding management.

Net Interest Income, Other Operating Income, Impairment and Overhead Expenses

Other operating income recorded steady growth during the year, increased by 25.33%, rising to Rs. 299.17 million in 2025, compared to Rs. 238.72 million in 2024, primarily driven by increased loan disbursements and higher fee-based income streams including documentation and service fees.

Total operating income increased by 28.46%, reaching Rs. 1.25 billion, compared to Rs. 976.85 million in the previous year, reflecting improved business volumes and income diversification.

Operating expenses increased in line with business expansion. Administrative expenses increased by 8.19%, while personnel expenses increased by 20.99%, reflecting workforce expansion and operational strengthening initiatives undertaken to support portfolio growth. Distribution expenses increased by 35.50%, mainly due to increased business development activities.

Despite the increase in operating costs, Operating Profit before VAT increased by 66.78%, reaching Rs. 439.58 million, compared to Rs. 263.58 million in 2024, demonstrating improved operating leverage.

Impairment & Asset Quality

During the year under review, the Company recorded a net impairment reversal, reflecting improved credit quality and strengthened recovery performance across the lending portfolio.

The net impairment reversal amounted to Rs. 97.44 million in 2025, compared to Rs. 75.78 million in 2024, representing an increase of 28.58% in reversal levels. This improvement was primarily attributable to enhanced collection efforts, improved repayment behavior, and favorable movements across loan stage classification.

Notably, the growth in impairment reversal was achieved alongside a 71% expansion in the loan portfolio, highlighting the Company's ability to maintain stable asset quality despite significant portfolio growth.



Financial Review

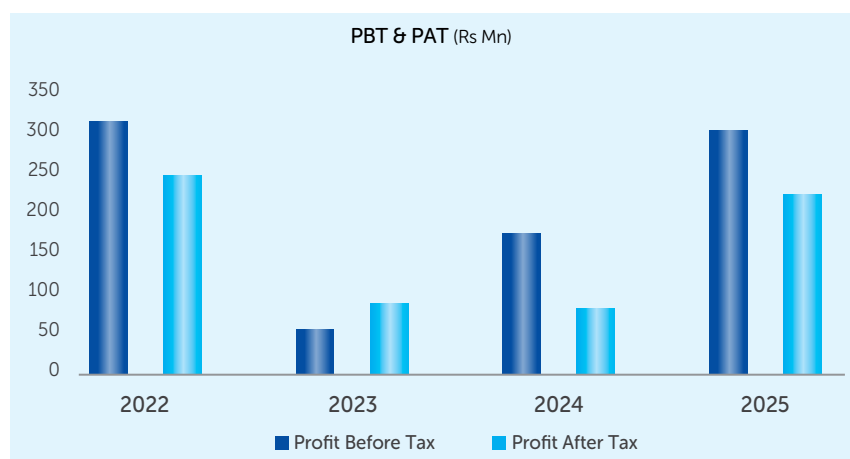
The Company continues to maintain robust credit risk management practices supported by:

- Strengthened credit underwriting frameworks
- Continuous portfolio monitoring mechanisms
- Proactive recovery and collection strategies

These measures contributed to the improvement in asset quality indicators and reinforced the overall resilience of the Company's loan book during the year.

Profitability

The Company recorded strong growth in profitability during the year under review, supported by increased revenue generation and improved operational performance. Profit Before Tax increased by 73.66%, rising to Rs. 295.36 million, compared to Rs. 170.08 million in 2024, reflecting improved income generation and operational efficiency.

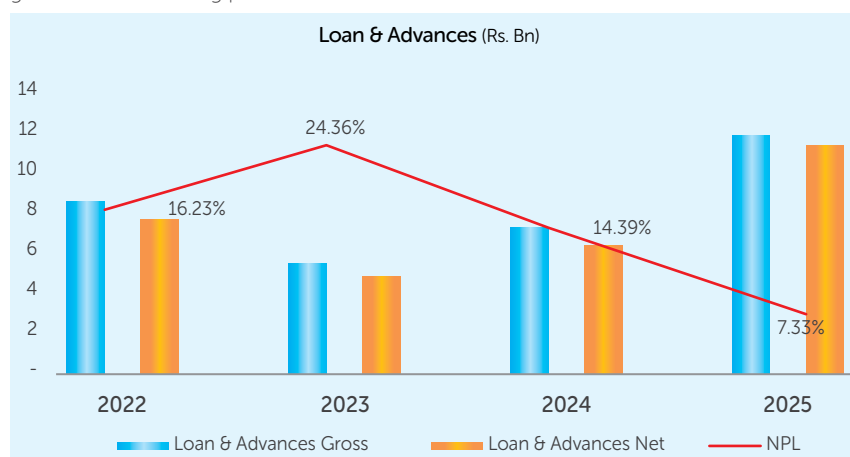


Profit After Tax increased significantly by 184.07%, reaching Rs. 221.73 million, compared to Rs. 78.06 million in 2024, demonstrating the Company's ability to translate revenue growth into enhanced bottom-line performance. Basic Earnings per Share improved to Rs. 11.09, compared to Rs. 3.90 in 2024, reflecting improved shareholder returns.

The overall profitability performance highlights the Company's ability to scale operations while maintaining financial discipline.

Asset Base and Lending Portfolio

The Company's asset base continued to expand during the year, primarily driven by growth in the lending portfolio.

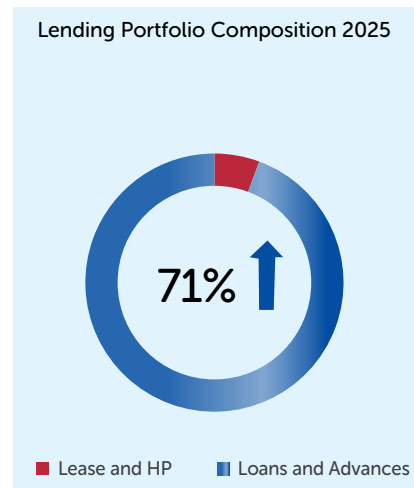


The Gross Lending Portfolio increased by 71%, reaching Rs. 11.79 billion, compared to Rs. 6.89 billion in 2024, reflecting increased customer demand and expansion across lending segments.

The portfolio remains diversified across multiple lending categories, supporting stable income generation and reducing concentration risk.

The continued expansion of the lending portfolio reflects the Company's strategic focus on sustainable lending growth while maintaining prudent credit standards.

Lending Portfolio Composition



The Company's lending portfolio demonstrated substantial growth during the year ended 31 December 2025, reflecting continued expansion in core lending activities and increased customer demand. Total lending exposure, comprising Loans & Advances and Lease & Hire Purchase (HP) facilities, recorded strong momentum compared to the previous year.

Loans & Advances remained the dominant component of the portfolio, increasing significantly to Rs. 11 billion in 2025, compared to Rs. 6.5 billion in 2024, representing a growth of approximately 76.9%. This growth reflects the Company's strategic emphasis on expanding its lending book across targeted customer segments while maintaining disciplined credit underwriting standards.

Meanwhile, the Lease & Hire Purchase (HP) portfolio also recorded notable growth, rising to Rs. 0.75 billion in 2025

from Rs. 0.37 billion in 2024, marking a growth of approximately 104% year-on-year. The increase in leasing activities reflects the gradual strengthening of asset-backed financing demand and the Company's continued focus on diversifying its product offerings.

As at 31 December 2025, Loans & Advances accounted for approximately 94% of the total lending portfolio, while Lease & HP facilities contributed around 6%, indicating a portfolio structure primarily driven by lending products. The overall expansion of the lending portfolio underscores the Company's strong market positioning, improved operational capacity, and commitment to sustainable growth while maintaining prudent risk management practices.

Capital Adequacy

The Company maintained capital adequacy levels well above the minimum regulatory requirements set by the Central Bank of Sri Lanka throughout the period under review. As at 31 December 2025, the Core Capital Ratio stood at 24.76%, significantly exceeding the minimum requirement of 8.5%, while the Total Risk Weighted Capital Ratio was 24.96%, comfortably above the regulatory threshold of 12.5%. Although capital ratios moderated compared to prior years, mainly due to the growth in the lending portfolio and the resulting increase in risk-weighted assets, the Company continued to maintain strong capital buffers, demonstrating sound capital management and the capacity to support future business expansion while meeting all regulatory requirements.

Strategy and Outlook

Looking ahead, AMW Capital Leasing & Finance PLC remains focused on strengthening its lending portfolio, enhancing funding diversification, and improving operational efficiency.

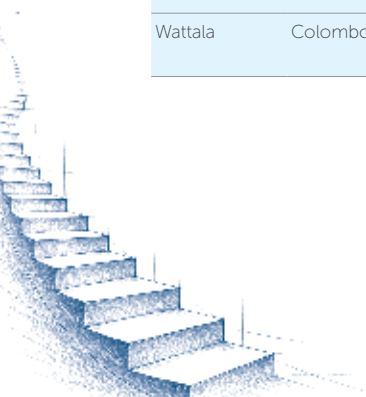
The Company aims to sustain its growth momentum through disciplined credit practices, improved customer engagement, and strategic expansion across key lending segments. Continued emphasis on risk management, funding optimization, and cost discipline is expected to support long-term profitability and financial stability.

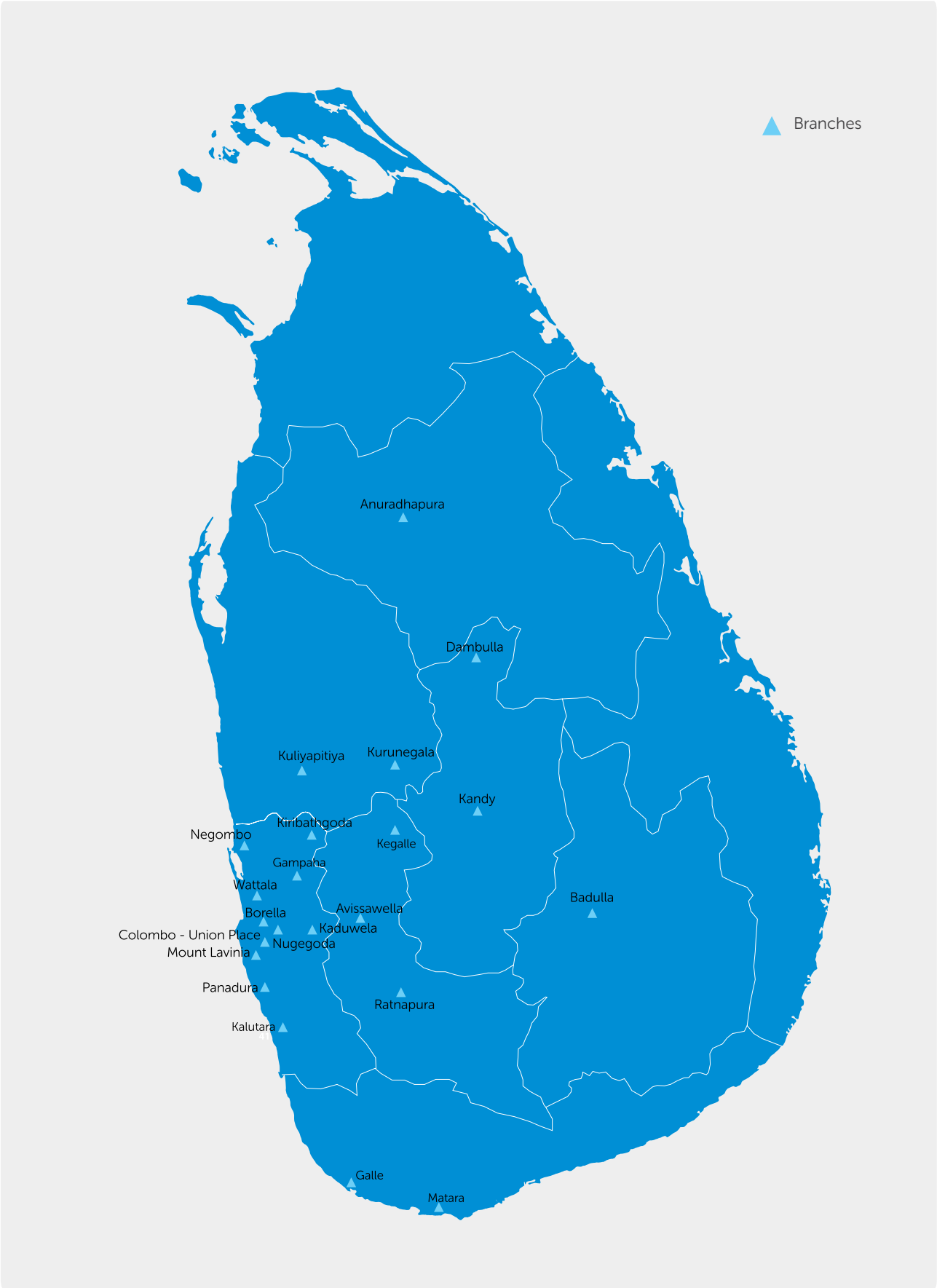
The Company remains committed to delivering sustainable value to stakeholders while maintaining strong governance standards and financial resilience in an evolving economic environment.



Branch Network

Location	District	Province	Address	Contact Person	Telephone	Fax
Anuradhapura	Anuradhapura	North Central	AMW Capital Leasing and Finance PLC No. 521/40, 4th Cross Street, New Town, Anuradhapura.	Mr. Suranga Kulathunga	025-2227020- 21-22-23	025-2227024
Awissawella	Colombo	Western	AMW Capital Leasing and Finance PLC No. 21, New Ratnapura Road, Awissawella.	Mr. Krishan Hettiarachchi	036-2231110- 13-14-15	036-2231116
Badulla	Colombo	Western	AMW Capital Leasing and Finance PLC No. 16A, Railway Station Road, Badulla.	Mr. Tharanga Wedaarachchi	055-2231993 94-95-96	055-2231997
Borella	Badulla	Uva	AMW Capital Leasing and Finance PLC No. 445, Buddhaloka Mawatha, Colombo 08.	Mr. Nalin Mendis	011-7609608	011-2671272
Dambulla	Dambulla	Central	AMW Capital Leasing and Finance PLC No. 22, 1st Floor, Kurunegala Junction, Dambulla.	Mr. Indika Kariyawasam	066-2285760- 61-63	066-2285364
Galle	Galle	Southern	AMW Capital Leasing and Finance PLC No. 287 A, Suzuki Maruti Showroom, Wackwella Road, Galle.	Mr. Rajitha Madusinghe	091-2231265	091-2231267
Gampaha	Gampaha	Western	AMW Capital Leasing and Finance PLC No. 163/A, Ja-Ela Road, Gampaha.	Mr. Prasanna Nissanka	033-7609608- 640-41-42-43	011-2829524
Kaduwela	Gampaha	Western	AMW Capital Leasing and Finance PLC No. 156/2, Old Awissawella Road, Hewagama, Kaduwela.	Mr. Angelo Perera	011-2538623 631-792	011-2538795
Kalutara	Kalutara	Western	AMW Capital Leasing and Finance PLC No. 380D, Galle Road, Kalutara North.	Mr. Isuru Manathunga	034-2228609- 10-11-12	034-2237411
Kandy	Kandy	Central	AMW Capital Leasing and Finance PLC No. 400, Katugastota Road, Kandy.	Mr. Nuwan Bandara	081-7609608- 44	081-2212952
Kegalle	Kegalle	Sabaragamuwa	AMW Capital Leasing and Finance PLC No. 509, Colombo Road, Ranwala, Kegalle.	Mr. Amila Jayasinghe	035-2232903	035-2232893
Kiribathgoda	Colombo	Western	AMW Capital Leasing and Finance PLC No. 101, Kandy Road, Kiribathgoda.	Mr. L.A.A.Nipuna Weerasiri	011-2908916- 17-18	011-2908914
Kuliyapitiya	Kurunegala	North Western	AMW Capital Leasing and Finance PLC No. 463/A, Madampe Road, Kuliyapitiya.	Mr. Niranjana Wijayasiri	037-7609653- 56	037-7609658
Kurunegala	Kurunegala	North Western	AMW Capital Leasing and Finance PLC No. 255, Colombo Road, Wanduragala, Kurunegala.	Mr. Geethika Rathnayake	037-7609608	037-2229867
Matara	Matara	Southern	AMW Capital Leasing and Finance PLC No. 215E, Galle Road, Pamburana, Matara.	Mr. P.E.H. Battage	041-7609608	041-2235544
Mount Lavinia	Colombo	Western	AMW Capital Leasing and Finance PLC No. 231, Galle Road, Mount Lavinia.	Mr. Thameera de Silva	011-2737425	011-2737632
Negombo	Gampaha	Western	AMW Capital Leasing and Finance PLC No. 262, Chilaw Road, Periyamulla, Negombo.	Mr. Asanka Thennakoon	031-2221775	031-2225552
Nugegoda	Colombo	Western	AMW Capital Leasing and Finance PLC No. 330, Gansaba Junction, High Level Road, Nugegoda.	Mr. Pathum De Zoysa	011-2829525- 26	011-2829521
Panadura	Kalutara	Western	AMW Capital Leasing and Finance PLC No. 201/A, Galle Road, Panadura.	Mr. Ruwan Weerasinghe	038-2230565	038-2230747
Ratnapura	Ratnapura	Sabaragamuwa	AMW Capital Leasing and Finance PLC No. 448, Colombo Road, Weralupa, Ratnapura.	Mr. Prabath Widanapathirana	045-2121182- 83	045-2226940
Union Place	Colombo	Western	AMW Capital Leasing and Finance PLC No. 185, Union Place, Colombo 2.	Mr. Nadun Mudalige	011-2307739	011-2307749
Wattala	Colombo	Western	AMW Capital Leasing and Finance PLC No. 114, Negombo Road, Wattala.	Mr. Indrajith Perera	011-2948736	011-2948705





Risk Management

Overview

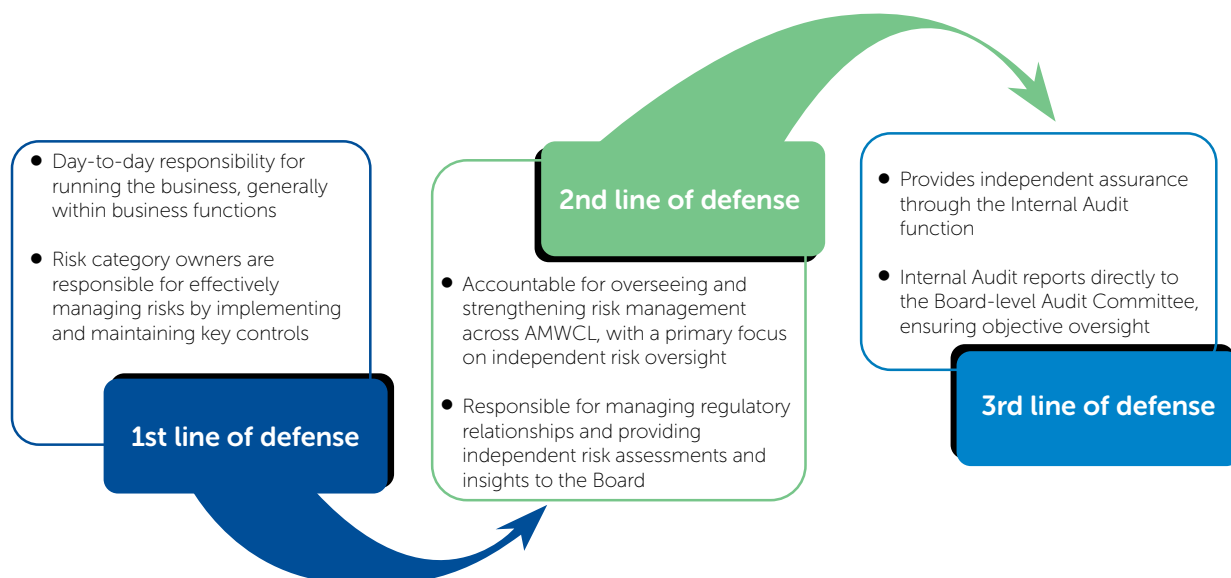
In 2025, Sri Lanka's economy continued its gradual recovery following the stabilization achieved in 2024, supported by the continued implementation of disciplined fiscal and monetary policies under the International Monetary Fund (IMF) Extended Fund Facility (EFF) program. The government remained committed to the reform agenda initiated in prior years, with ongoing fiscal consolidation measures and structural reforms aimed at strengthening macroeconomic stability and sustainability.

Key policy measures introduced under the IMF program, including formula-based fuel and electricity pricing, revenue-enhancing tax measures, reforms to state-owned enterprises (SOEs), and legislative initiatives to strengthen the autonomy and governance of the Central Bank of Sri Lanka, continued to be implemented during the year. In addition, the tourism sector demonstrated strong momentum during 2025, contributing positively to economic activity, foreign exchange inflows, and overall business confidence. The gradual relaxation of vehicle import restrictions during the year also supported increased activity in the automotive sector, driving growth in leasing and vehicle financing segments.

Following the successful completion of domestic and external debt restructuring in 2024, Sri Lanka's debt position remained broadly stable in 2025, supporting a more predictable macroeconomic environment. Key indicators such as inflation, interest rates, foreign exchange reserves, and exchange rate movements remained relatively stable compared to previous years. However, during the year, the country was affected by the Ditwah cyclone, which resulted in significant loss of human lives and damage to assets and infrastructure. Despite these challenges, policy continuity and adherence to the IMF-supported reform program helped sustain economic confidence and support the ongoing recovery process during 2025.

Despite the positive outlook, the Company remains focused on the proactive management of key risk categories, including credit, liquidity, market, operational, compliance, and strategic risks. A comprehensive framework of limits defines the Company's risk appetite across all material risk areas, as well as its risk capital position.

AMWCL's evolving risk management function encompasses systematic identification, assessment, monitoring, and mitigation of risks across these domains. This framework ensures that the Company's risk exposures remain within the limits approved by the Board of Directors (BoD), and that all risk-taking activities are aligned with its overall corporate strategy and business objectives.



AMWCL's risk management approach is founded on the Three Lines of Defense model, which establishes clear accountability for risk ownership and control, oversight of the effectiveness and integrity of the integrated risk management framework, and the provision of independent assurance across the first and second lines.

Integrated Risk Management Framework

An organization-wide risk management framework provides structured oversight and clear accountability for risks across all levels and risk categories within the Company. The key elements of AMWCL's Integrated Risk Management Framework include:

- ⊙ Risk Governance and Management Structure
- ⊙ Risk Appetite Statements (RAS)
- ⊙ Risk Management Methodology
- ⊙ A culture of Risk Awareness

AMWCL's integrated risk management framework comprises interconnected components, including governance structures, internal controls, risk appetite, risk management tools, and a risk-aware culture. These elements collectively support a cohesive approach to identifying, assessing, monitoring, and managing risks across the organization, while reinforcing the importance of embedding risk management into day-to-day operations.

Risk management is an integral part of AMWCL's strategic management process. It involves the systematic identification and management of risks arising from the Company's activities, ensuring alignment with corporate objectives. The framework is designed to be proportionate to the Company's risk profile, comprehensive in scope, and responsive to evolving internal and external conditions.

AMWCL focuses on the effective assessment of material risks and the implementation of appropriate mitigation strategies, with the objective of enhancing resilience and supporting sustainable value creation. By embedding risk management into business processes and decision-making, the Company aims to improve the likelihood of achieving its strategic objectives while minimizing potential losses and uncertainties.

Risk Governance and Management Structure

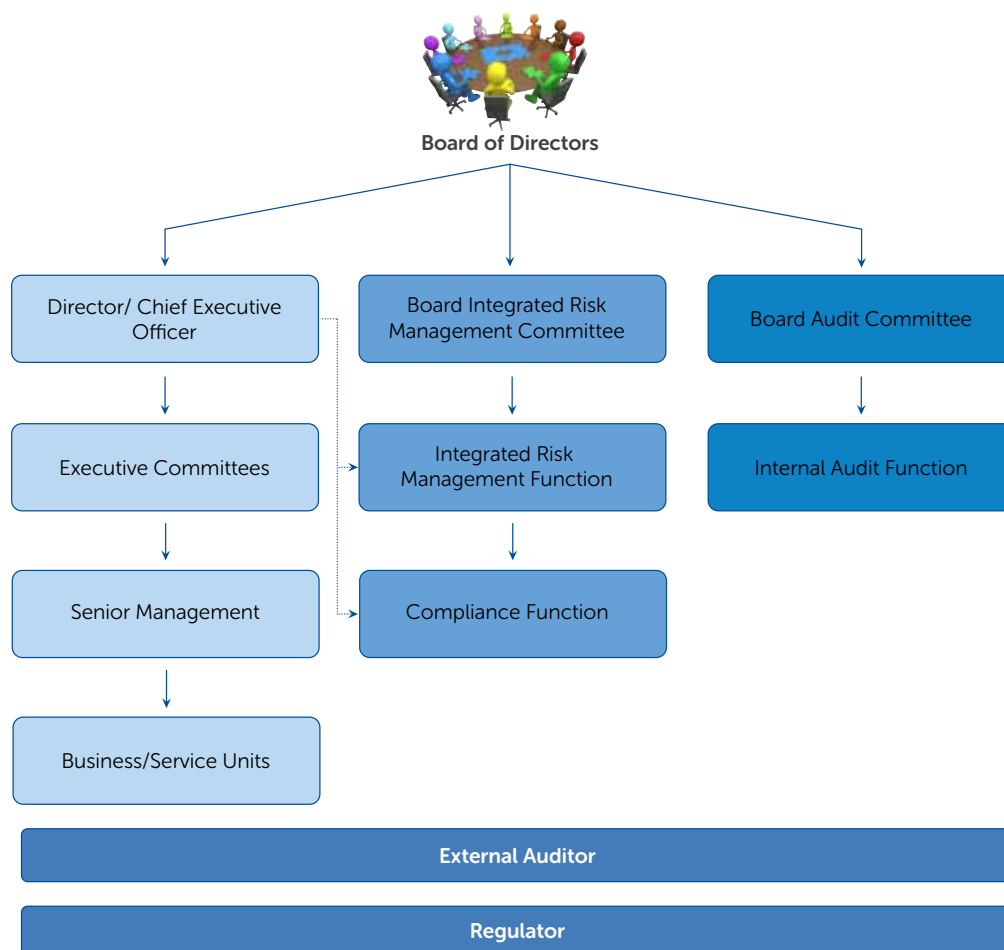
AMWCL's risk management structure is based on the Three Lines of Defense model, comprising business units (first line), the Risk Management and Compliance functions (second line), and Internal Audit (third line). These lines operate under the oversight of the Board of Directors to ensure that the Company is protected against unacceptable risk exposures.

This structure is supported by strong governance mechanisms, including oversight by the Board and senior management, clearly defined policies and procedures for risk management, robust risk measurement and monitoring processes, and independent assurance provided by the third line of defense.

AMWCL has established risk management policies and procedures covering key risk areas, including credit, market, and operational risks. These policies and associated systems are subject to periodic review to ensure continued relevance and compliance with regulatory requirements and the Company's risk appetite. The organizational structure clearly defines roles, responsibilities, and delegated authorities for risk-taking and risk management activities.

The Company continues to strengthen its risk management capabilities through ongoing capacity building, awareness initiatives, and regular reviews, ensuring that risk management principles are embedded across all levels of the organization.

AMWCL's risk management approach also recognizes the interdependencies between different risk types and incorporates these interactions into its assessment and decision-making processes. To effectively manage these interrelated risks, the integrated risk management function is structured as follows:



Risk Management

The Board of Directors holds ultimate responsibility for overseeing the Company's risk management framework. It defines the Company's risk appetite and regularly reviews the governance structure, policy framework, and risk management processes to ensure their effectiveness.

To support the discharge of these responsibilities, the Board has established the Integrated Risk Management Committee (IRMC), which assists in overseeing the implementation and effectiveness of the Company's risk management framework, including key policies and practices relating to credit, market, operational, and other material risks.

The Board Audit Committee provides independent oversight over the adequacy and effectiveness of internal controls, ensuring that business activities are conducted in accordance with established policies, procedures, and regulatory requirements. It also undertakes credit audits in line with the Company's internal control framework.

In addition, the Board has delegated oversight of specific risk categories to designated committees, as outlined below.

Management Committee	Description
Credit Policy Committee (CPC)	The CPC is a management committee authorized to approve credit facilities within the delegated authority limits set by the Board of Directors (BoD), subject to defined terms and conditions. The Committee also reviews and recommends credit-related policies and procedures requiring Board approval. It comprises members of corporate management and is chaired by the General Manager - Credit and Operations, who oversees the Company's credit risk management function.
Asset and Liability Management Committee (ALCO)	The ALCO is a key management committee responsible for overseeing the Company's balance sheet management, including market risk, liquidity risk, and capital planning. The Committee monitors the structure and maturity profile of assets and liabilities, evaluates interest rate risk exposures, and supports strategic decision-making relating to funding and pricing. It comprises corporate management personnel and is chaired by the Chief Executive Officer (CEO).
Operational Risk Management Committee (ORMC)	The ORMC is responsible for overseeing the identification, assessment, monitoring, and mitigation of operational risks across the Company. This includes risks arising from people, processes, systems, internal controls, fraud, and external events at branch, regional, and functional levels.
IT Steering Committee (ITSC)	The ITSC ensures that AMWCL's IT strategy is aligned with the Company's business objectives and growth plans. It oversees IT governance, including system development, infrastructure, and technology investments, while providing oversight of IT-related risks. The Committee is chaired by the CEO and comprises members of corporate management.
Information Security Committee (ISC)	The Information Security Committee (ISC) is responsible for overseeing the Company's information security and cybersecurity risk management framework, including data protection, threat monitoring, and compliance with relevant regulatory and internal security standards. It is chaired by the CEO and comprises members of corporate management.
Impairment Committee (IMP)	The IMP is responsible for overseeing the Company's impairment assessment process and ensuring compliance with applicable regulatory and accounting requirements. This includes the review of provisioning levels, assumptions, and methodologies applied in line with relevant standards. The Committee is chaired by the CEO.



Risk Appetite Statement

The Risk Appetite Statement (RAS) defines AMW Capital Leasing & Finance PLC's (AMWCL) willingness to accept risk in pursuit of its strategic objectives. It establishes clear boundaries for risk-taking activities and provides guidance to management and stakeholders on the level and types of risk the Company is prepared to assume or avoid.

The RAS is mandated under the Finance Business Act Direction No. 05 of 2021 on Corporate Governance (Section 1.4: Risk Appetite, Risk Management, and Internal Controls), which requires:

- the establishment and periodic review of the RAS in alignment with the financial institution's business strategy and governance framework; and
- the implementation of appropriate systems and controls to identify, measure, monitor, and manage risks prudently.

AMWCL considers the RAS a critical component of its risk management framework, ensuring alignment between risk-taking activities and strategic objectives, while maintaining compliance with regulatory requirements, including those issued by the Central Bank of Sri Lanka (CBSL).

As a foundational document, the RAS articulates the Company's overarching risk management principles. Its primary objectives are to define clear risk-taking boundaries, promote a strong risk-aware culture, and provide guidance on acceptable and unacceptable risk-related conduct across the organization.

The RAS is embedded into the Company's operations through policies, procedures, limit frameworks, monitoring metrics, and internal controls, ensuring its integration into key business processes and decision-making activities.

In addition to qualitative statements, the RAS is supported by a comprehensive set of Key Risk Indicators (KRIs) with defined thresholds. These indicators enable the ongoing monitoring of risk exposures and provide early warning signals to ensure that the Company operates within its approved risk appetite.

Risk Management Methodology

AMWCL's risk management methodology facilitates the systematic identification, measurement, evaluation, monitoring, and management of risks across the organization. This approach is supported by a range of tools, including policies, limit frameworks, and stress testing techniques.

The Risk Management function is responsible for the assessment, monitoring, and reporting of risks to support informed decision-making and effective risk control. Regular and ad hoc risk reports are submitted to management committees and the Board, providing timely insights to support strategic and operational decision-making.

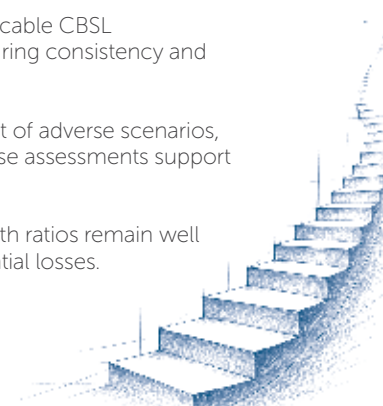


Reports containing aggregated risk measures across products and portfolios are assessed against established policy limits, providing a clear view of the magnitude, types, and sensitivities of the risks identified.

The Company's Integrated Risk Management Framework, developed in line with Basel II, Basel III, and applicable CBSL regulatory guidelines, clearly defines the objectives, processes, and roles relating to risk management, ensuring consistency and accountability across the organization.

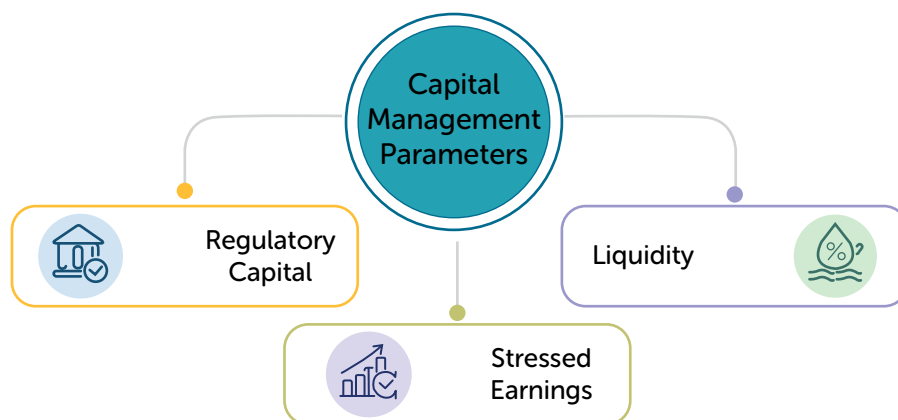
Stress testing is conducted at both individual risk and enterprise-wide levels to evaluate the potential impact of adverse scenarios, including market fluctuations and other risk drivers, on earnings, capital, and liquidity. The outcomes of these assessments support key decisions relating to credit risk appetite, market risk limits, and capital and funding strategies.

As at 31 December 2025, the Tier I capital ratio stood at 24.76%, while the total capital ratio was 24.96%. Both ratios remain well above regulatory and industry benchmarks, demonstrating the Company's strong capacity to absorb potential losses.



Risk Management

Capital Management Parameters are shown in the following diagrams.



A culture of Risk Awareness

Senior management ensures that the policies defined within the Integrated Risk Management Framework are effectively communicated across all levels of the organization and embedded into the Company's culture and day-to-day operations.

Risk tolerances for quantifiable risks are translated into clearly defined limits and sub-limits, which are communicated to relevant risk owners. Qualitative risk parameters are conveyed through policies, guidelines, and management directives, ensuring a consistent understanding of acceptable risk-taking practices.

Business line managers are responsible for ensuring that risk exposures remain within the limits approved by the Board of Directors (BoD). Any material deviations from established risk policies or tolerance levels are promptly escalated to senior management or the BoD, enabling timely corrective action. Such exceptions are also analyzed to assess the effectiveness of existing risk management systems and to identify areas for improvement.

The Company is committed to fostering a strong risk-aware culture, ensuring that employees understand the risks inherent in their roles and are equipped to make informed decisions within the boundaries of the Integrated Risk Management Framework.

Credit Risk

Credit risk refers to the potential failure of AMWCL's borrowers or counterparties to meet their contractual obligations. This risk encompasses default risk, exposure risk, concentration risk, and collateral risk. The Board defines risk appetite measures and Key Risk Indicators (KRIs) to ensure effective monitoring and management of credit risk.

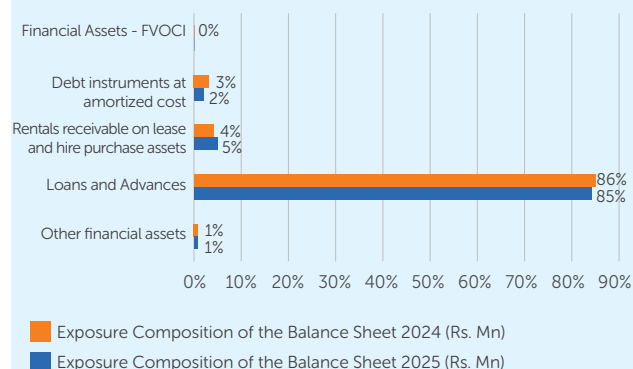
In 2025, loan advances as a percentage of total assets increased significantly, reflecting the continued expansion of the Company's core lending activities following the prior year's recovery from the loan disbursement freeze. This growth is further supported by a substantial increase in loans and advances, alongside a notable rise in rentals receivable from lease and hire purchase portfolios, indicating renewed business momentum.

Total exposure to earning assets increased by 77.1% during the year, reversing the contraction observed in the previous period.

This growth was primarily driven by the expansion in lending activities, with loans and advances recording a significant increase of 76.9%, complemented by strong growth in lease-related receivables. The increase in debt instruments and other financial assets remained relatively moderate, indicating that the growth in earning assets was largely concentrated in higher-yielding core business segments.

The shift in asset composition towards lending and lease-related exposures enhances the Company's income generation potential, while also increasing its exposure to credit risk. Accordingly, AMWCL continues to strengthen its credit risk management practices to ensure that growth is aligned with its defined risk appetite.

Exposure Composition of the Balance Sheet



AMWCL Exposure to Credit Risk from Earning Assets

	2025 (Rs. Mn)	2024 (Rs. Mn)	% change
Other financial assets	69.3	65.3	6.1%
Loans and advances	10,466.8	5,918.4	76.9%
Rentals receivable on lease and hire purchase assets	627.3	248.9	152.0%
Debt instruments at amortized cost	257.3	214.0	20.3%
Financial assets - FVOCI	2.5	2.4	6.2%
Total exposure to earning assets	11,423.3	6,449.0	77.1%

Counterparty Default Risk

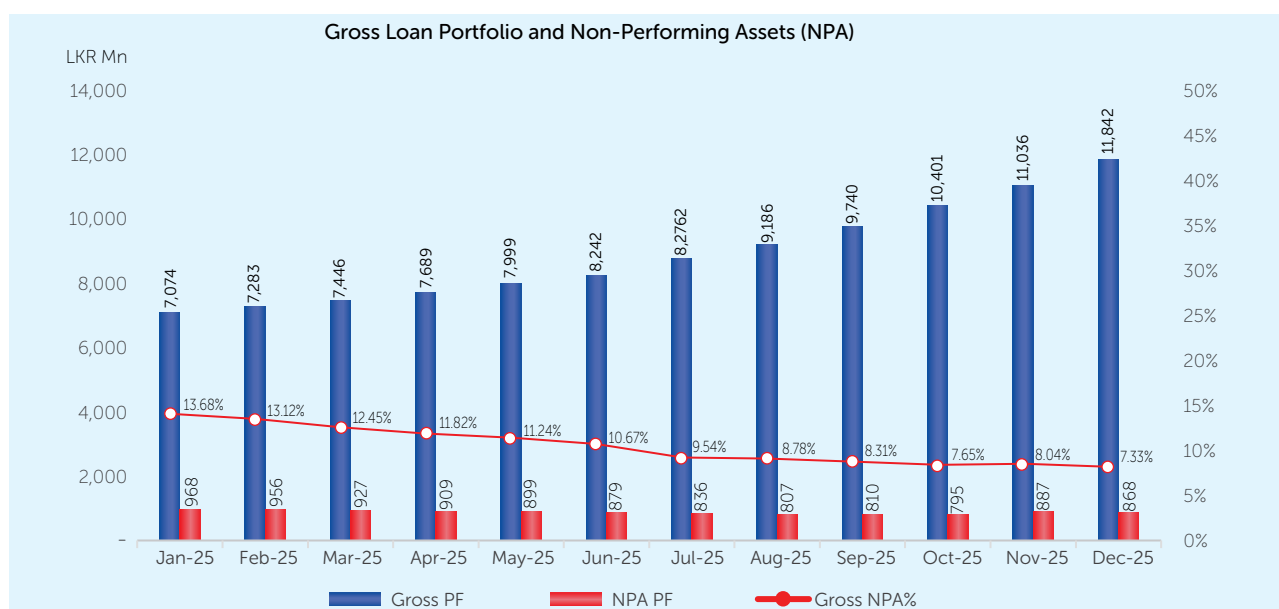
The most significant credit risk faced by AMWCL is the potential default by counterparties on their contractual payment obligations, which could adversely impact the Company's financial position and performance.

During 2025, the Company's gross loan portfolio recorded strong growth of 71% year-on-year, primarily driven by the resumption of vehicle imports, which supported higher financing volumes. In addition, AMWCL benefited from captive business generated through the AMW Group, further strengthening new loan origination and overall portfolio expansion.

Non-Performing Assets (NPA) increased marginally by 6% year-on-year. However, this increase was largely attributable to the adoption of an enhanced NPA classification methodology in line with regulatory requirements, rather than a deterioration in underlying credit quality.

Despite the significant expansion in the loan portfolio, the Company demonstrated a marked improvement in asset quality. The NPA ratio declined steadily during the year, reflecting improved credit performance, strengthened recovery efforts, and prudent underwriting standards. This indicates that portfolio growth was achieved without compromising credit quality.

Overall, AMWCL continues to maintain a disciplined approach to credit risk management, ensuring that growth in lending activities remains aligned with its defined risk appetite and supported by robust risk monitoring and control mechanisms.



Concentration Risk

Concentration risk arises from the uneven distribution of exposures or adverse developments related to a specific borrower, industry, product, sector, or geographic segment.

The Company utilizes defined risk appetite limits to measure and monitor these sub-risk categories. These limits are periodically reviewed and reported to the Board, together with appropriate recommendations to mitigate potential adverse impacts.

The Herfindahl-Hirschman Index (HHI) is used as a key measure of concentration risk. An HHI value below 1,500 indicates low concentration, values between 1,500 and 2,500 indicate moderate concentration, and values above 2,500 indicate a high level of concentration.

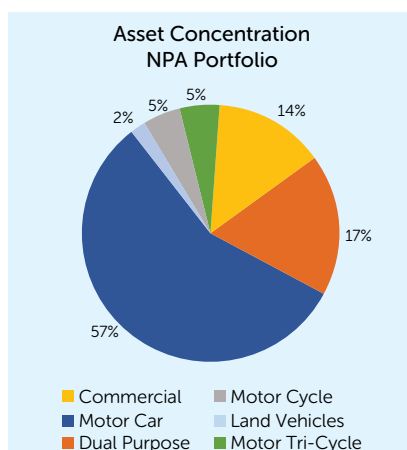
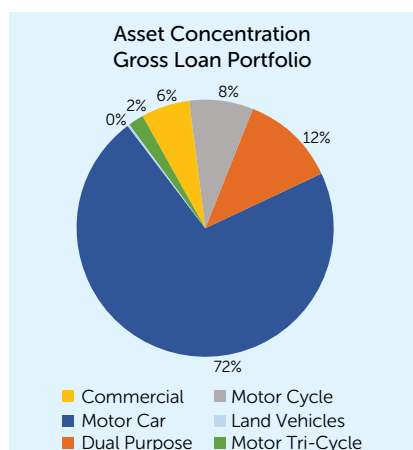
AMWCL's asset class concentration recorded an HHI of 5,441 in 2025, compared to 5,117 in 2024, indicating a continued high level of concentration within the portfolio. This reflects the significant dominance of motor cars and dual-purpose vehicles, which together account for a substantial proportion of the gross loan portfolio.

Motor cars represent the largest segment, accounting for approximately 72% of the gross loan portfolio, followed by dual-purpose vehicles at 12%, with other asset classes comprising relatively smaller shares. While this concentration reflects the Company's strategic focus on core vehicle financing segments, it also underscores the need for ongoing monitoring and gradual diversification.

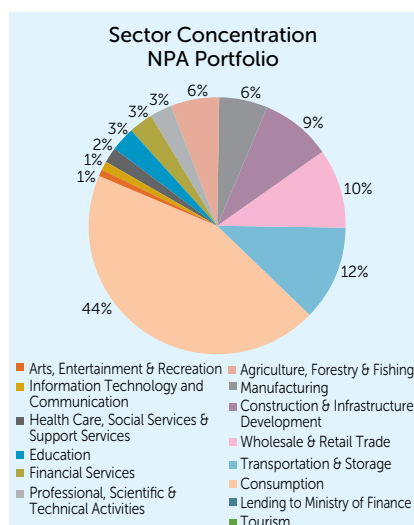
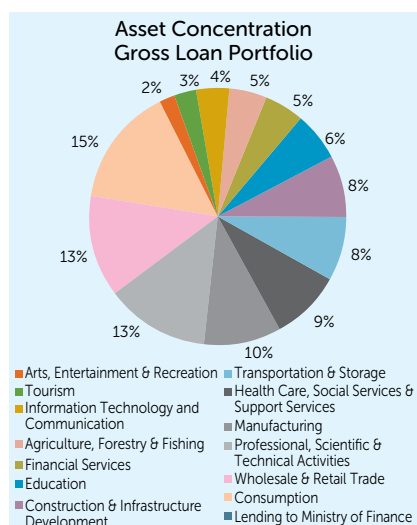
From an asset quality perspective, motor cars account for 57% of the NPA portfolio, which is lower relative to their share of the gross portfolio, indicating comparatively stronger credit performance within this segment. In contrast, dual-purpose vehicles and commercial segments exhibit higher NPA shares of 18% and 14% respectively, relative to their portfolio composition, suggesting relatively higher credit risk within these categories.

Risk Management

AMWCL continues to actively monitor concentration risk and manage exposures through prudent underwriting standards, portfolio diversification strategies, and adherence to its defined risk appetite.



AMWCL's sector concentration recorded a significant improvement, with the HHI declining to 954 in 2025 from 2,500 in 2024 (and 3,209 in 2023), indicating a transition from a moderately concentrated portfolio to a well-diversified sectoral distribution.



Credit Risk Management

The Risk Management function at AMWCL is focused on establishing prudent credit standards for borrowers and counterparties, ensuring sound portfolio risk management, and continuously monitoring economic developments that may impact the creditworthiness of counterparties.

AMWCL has established a comprehensive credit policy and credit manual, which set out the principles governing client selection, due diligence, risk tolerance, credit approval, review and recovery processes, as well as portfolio monitoring and management. These frameworks are aligned with the Board-approved risk appetite and provide a structured approach to identifying, measuring, monitoring, and controlling credit risk.

Both the credit policy and credit manual are subject to periodic review and approval by the Board of Directors, ensuring continued alignment with the Company's evolving risk appetite and strategic objectives. Accountability for credit risk management is embedded across business units, with clearly defined authority limits

for credit approvals and a structured escalation framework to address emerging risks.

AMWCL's credit risk management practices are aligned with industry standards and encompass the full credit lifecycle, from origination and assessment to approval and post-disbursement monitoring. The strength of the Company's credit portfolio is reinforced through robust pre- and post-disbursement review mechanisms, supporting the overall effectiveness of the risk management framework.

Market Risk

Market risk, within the context of AMWCL, refers to the potential adverse impact on the value of on-balance sheet positions arising from fluctuations in market variables, primarily interest rates. This risk is particularly relevant given the sensitivity of the Company's financial assets and liabilities to changes in interest rate movements within the financial markets, including the vehicle finance sector.

The Asset and Liability Management Committee (ALCO) is responsible for overseeing and managing market risk within the Company. ALCO continuously monitors the composition and repricing characteristics of assets and liabilities and plays a key role in determining appropriate pricing for advances and deposits in line with prevailing and expected market conditions.

In fulfilling its mandate, ALCO evaluates interest rate trends, formulates strategies to manage exposure to interest rate movements, and ensures that the balance sheet structure remains aligned with the Company's risk appetite. AMWCL operates under a Board-approved Asset and Liability Management Policy, which provides the framework for identifying, measuring, monitoring, and controlling market risk effectively.

Interest Rate Risk

Interest rate risk arises from mismatches in the timing of repricing of interest-bearing assets and liabilities within specified time bands. AMWCL's lending, funding, and investment activities expose the Company to such risk, as changes in market interest rates can affect both earnings and the economic value of its balance sheet.

Fluctuations in interest rates have a direct impact on the Company's Net Interest

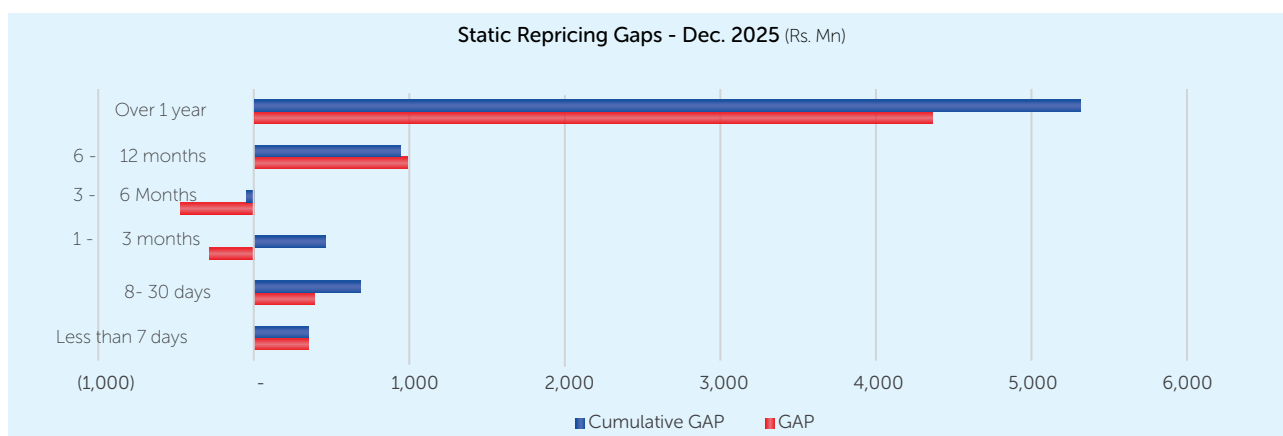
Income (NII), thereby influencing overall profitability. Changes in NII may also translate into variations in the Net Interest Margin (NIM), affecting the Company's financial performance. Interest rate movements further influence funding strategies, the term structure of assets and liabilities, and the extent of mismatches between rate-sensitive assets and liabilities.

The primary source of interest rate risk for AMWCL arises from its reliance on bank borrowings and deposit mobilization to fund lending activities. Interest rate risk is managed primarily through the monitoring of repricing gaps, which assess the sensitivity of NII to changes in the yield curve across different time buckets.

Where mismatches are identified, the Company manages these exposures through appropriate pricing strategies, tenor adjustments, and balance sheet rebalancing, in line with its risk appetite. While limited mismatches may arise in the normal course of business, AMWCL seeks to maintain these within acceptable thresholds to minimize volatility in NII. In doing so, the Company carefully considers prevailing market conditions, including tenure premiums, when pricing its lending and funding products.

Interest Rate Risk Management

More broadly, the Asset and Liability Management Committee (ALCO) manages the potential impact of market interest rate fluctuations and changes in the yield curve with the objective of mitigating adverse effects on Net Interest Income (NII).



Static Repricing Gaps (Rs. '000)

As of 31 December 2025	Less than 7 Days	7- 30 days	1 - 3 months	3 - 6 months	6 - 12 months	Over 1 year
Rentals receivable on lease, hire purchase and auto loan assets	117,705	390,647	429,258	768,369	1,702,641	7,685,547
Debt instruments at amortized cost	257,302	-	-	-	-	-
Total Interest Earning Assets	375,008	390,647	429,258	768,369	1,702,641	7,685,547
Bank overdraft	34,800					
Time deposits	41,077	79,564	271,405	1,023,880	305,652	1,016,632
Interest bearing borrowings		71,738	431,164	196,745	393,491	2,283,382
Lease liabilities		1,752	3,962	5,548	11,660	60,177
Total Interest Bearing Liabilities	75,877	153,054	706,530	1,226,174	710,803	3,360,190
GAP	299,131	388,895	(277,273)	(457,805)	991,838	4,325,357
Cumulative GAP	299,131	688,026	410,754	(47,051)	944,787	5,270,144

Repricing Gap Impact on Maturity Mismatch of the Assets and Liabilities

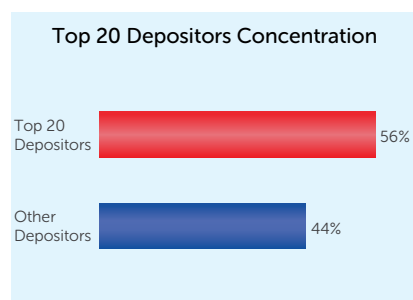
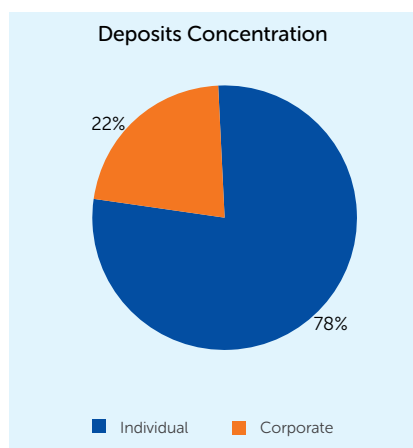
	Market Rate Declining Scenario 2025		Market Rate Declining Scenario 2024	
	100 bps	200 bps	100 bps	200 bps
Net Interest Income Impact (Monthly)	(6,880)	(13,761)	(5,684)	(11,369)

Risk Management

Liquidity Risk

Liquidity risk refers to the potential inability of the Company to meet its financial obligations as they fall due or to fund asset growth without incurring unacceptable costs or losses. This risk is inherently linked to other financial risks, particularly credit and market risks, which may adversely impact cash flows and funding availability.

Effective liquidity management is critical for AMWCL, given the nature of its asset and liability profile. The Company monitors liquidity through a range of key ratios and metrics that assess the composition and maturity profile of assets and liabilities, as well as the diversification and stability of funding sources. In addition, maintaining a high-quality credit portfolio supports stable cash inflows and enhances overall liquidity resilience.



Liquidity Risk Management

AMWCL manages liquidity risk through a structured framework that ensures the Company's ability to meet its financial obligations as they fall due, under both normal and stressed conditions.

The Company monitors a range of key liquidity ratios and metrics that assess the composition, maturity profile, and

stability of assets and liabilities. These indicators are regularly reviewed by the Asset and Liability Management Committee (ALCO) and the Board Integrated Risk Management Committee (BIRMC) to support timely decision-making and effective oversight.

Stress testing forms an integral part of AMWCL's liquidity risk management framework. The Company conducts regular stress testing and scenario analysis to evaluate its resilience under adverse but plausible conditions. These scenarios consider potential disruptions to funding sources, changes in cash flow patterns, and other liquidity pressures, and are categorized based on varying levels of severity.

The results of these stress tests are reviewed by management and reported to the BIRMC and the Board of Directors, along with appropriate management actions and contingency measures to mitigate potential liquidity risks.

In addition, AMWCL maintains a Board-approved Liquidity Contingency Funding Plan, which outlines strategies to address potential liquidity stress events. The adequacy of this plan is periodically assessed through stress testing of the Company's asset and liability profile, ensuring preparedness to manage potential funding disruptions.

Operational Risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, and systems, or from external events. It encompasses risks associated with human error, system failures, and weaknesses in procedures and internal controls.

Operational Risk Management

AMWCL mitigates operational risk through the continuous enhancement of policies, strengthening of internal controls, and ongoing investment in technology infrastructure. The Company has established a comprehensive operational risk management framework encompassing risk identification, assessment, control implementation, monitoring, and reporting.

As part of this framework, AMWCL has implemented a Risk and Control Self-Assessment (RCSA) process, under which all departments are responsible for identifying, assessing, and monitoring risks within their respective functions. This approach promotes strong risk

ownership at the business unit level and enables the timely identification and mitigation of potential operational risks.

The Company remains committed to continuous improvement in systems and processes, including the enhancement of controls through IT systems, preventive maintenance, employee capability development, and the timely introduction of policies and procedures. Risk transfer mechanisms are also utilized, where appropriate, to mitigate potential exposures. Regular reviews of operational activities are conducted to ensure the effectiveness of controls.

Employees are trained on operational procedures relevant to their roles, with emphasis placed on adherence to established policies and controls. Operational risk events are reported to the Risk Management function by designated officers across functional units. Risk identification is further supported by insights derived from internal audits, reconciliations, branch visits, and sample-based reviews conducted by the operational risk management function. Compliance with Company policies is independently monitored by both internal and external auditors.

To strengthen internal controls and enhance decision-making, the Company continues to invest in upgrading its information and management systems. AMWCL is also focused on expanding its market presence through alternative delivery channels, supported by targeted investments in people, structure, and systems to sustain its competitive position.

As part of its operational risk mitigation strategy, AMWCL maintains a Business Continuity Plan (BCP) to ensure the timely recovery of critical operations in the event of disruptions. The BCP is regularly reviewed and tested, and awareness programs are conducted across Head Office and branch staff to enhance preparedness. The Operational Risk Management Committee (ORMC) operates under defined Terms of Reference to oversee and strengthen the Company's operational risk framework.

AMWCL's operational risk management practices are aligned with regulatory expectations, and the Company is in the process of fully implementing the operational risk management framework mandated by the Central Bank of Sri Lanka (CBSL) well ahead of the

prescribed timeline. Existing practices are already largely in compliance with these requirements, reflecting the Company's proactive approach to strengthening its risk management capabilities.

Strategic Risk Management

Strategic risk refers to the potential impact on earnings or capital arising from adverse business decisions, ineffective execution of strategies, or the inability to respond adequately to changes in the operating environment.

The Board of Directors, together with the Chief Executive Officer and senior management, is responsible for formulating the Company's strategic direction and overseeing its effective implementation across the organization. Strategic plans are communicated throughout the Company to ensure alignment and execution at all levels.

In making strategic decisions, the Board and management consider regulatory requirements, applicable laws and regulations, corporate governance standards, ethical principles, and industry best practices. This structured approach supports informed decision-making and helps mitigate risks associated with strategic initiatives.

Legal Risk and Compliance Risk Management

Legal risk arises from the possibility of unenforceable transactions or the failure to successfully defend legal actions against the Company. AMWCL manages legal risk through its in-house legal function, which adopts a proactive approach in identifying, assessing, and addressing potential legal issues. Where necessary, external legal expertise is sought to support effective risk mitigation and ensure appropriate resolution of complex matters.

Compliance risk refers to the potential for financial loss, regulatory sanctions, or reputational damage resulting from non-compliance with applicable laws, regulations, codes of conduct, and best practices. The Compliance function works closely with business and operational units to promote a strong compliance culture and ensure consistent adherence to regulatory requirements.

Further details on the Company's compliance risk management activities are provided in the Corporate Governance section of this Annual Report.



Corporate Governance

Corporate Governance refers to the framework of rules, practices, and processes through which the Board of Directors ensures accountability, fairness, and transparency in the Company's interactions with its stakeholders, be it investors, customers, regulators, group companies, or the public.

AMW Capital Leasing and Finance PLC (AMWCL) is dedicated to upholding the highest standards of corporate governance, recognizing its fundamental role in driving sustainable success and delivering long-term value to our stakeholders.

We follow the regulatory requirements of the Central Bank of Sri Lanka (CBSL) which are fully applicable from 2024 onwards, and the Listing Rules of the Colombo Stock Exchange (CSE) which were comprehensively updated in 2024 to a full separate section on Corporate Governance. We also follow the Company Articles of Association, and the Companies Act No. 7 of 2007 to ensure good governance..

The tabulation below details the extent to which the Company strives to ensure good corporate governance, considering each regulatory aspect of the CBSL and CSE requirements.

Finance Companies (Corporate Governance) Direction No. 5 of 2021 for Licensed Finance Companies in Sri Lanka

Section	Governance Requirement	Extent of Compliance in 2025
1	BOARD'S OVERALL RESPONSIBILITIES	
1(1)	The Board shall assume overall responsibility and accountability for the operations of the Finance Company (FC), by setting up the strategic direction, governance framework, establishing corporate culture and ensuring compliance with regulatory requirements. The Board shall carry out the functions listed in Direction 1.2 to 1.7 below, but not limited to, in effectively discharging its responsibilities.	Complied. Please refer sections 1(2) to 1(7) below.
1(2)	Business Strategy and Governance Framework	
	a) Approving and overseeing the implementation of the FC'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. The Strategic Plan is created for three years and updated annually.
	b) Approving and implementing FC's governance framework commensurate with the FC's size, complexity, business strategy and regulatory requirements	Complied. The Corporate Governance Framework document is approved by the BOD, it was last updated on 13 December 2024.
	c) Assessing the effectiveness of its governance framework periodically.	Complied. The effectiveness of the governance framework is continuously monitored by the Board. Annually it is reviewed in granular detail through the preparation, review, and approval of the CG section of the annual report.
	d) Appointing the Chairperson and the Chief Executive Officer (CEO) and define the roles and responsibilities	Complied. Two separate persons function as the Chairperson and the Chief Executive Officer. Their roles and responsibilities have been defined separately.
1(3)	Corporate Culture and Values	
	a) Ensuring that there is a sound corporate culture within the FC, which reinforces ethical, prudent and professional behavior.	Complied. The Board of Directors plays a vital role in setting the right tone at the top, collectively driving toward achieving the right professional and ethical conduct aligned with the corporate values.

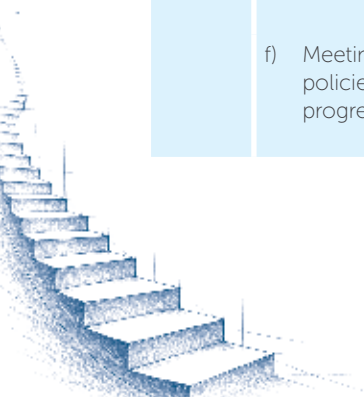


Section	Governance Requirement	Extent of Compliance in 2025
	b) Playing a lead role in establishing the FC's corporate culture and values, including developing a code of conduct and managing conflicts of interest. c) Promoting sustainable finance through appropriate environmental, social and governance considerations in the FC's business strategies. 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 FC's performance, position and prospects in public regulators.	Complied. The Board of Directors always provide leadership and guidance to establish the right culture and values through the Company. The Code of Conduct was last approved by the Board on 16 December 2025, and it contains sections on Conflict-of-Interest resolution. Partially Complied The Environmental, Social, and Governance policy was approved by the Board on 2 December 2024. Complied. The Board-approved the Communication Policy on 22 September 2023. This policy satisfies the requirement of this Direction.
1(4)	Risk Appetite, Risk Management and Internal Controls	
	a) Establishing and reviewing the Risk Appetite Statement (RAS) in line with FC's business strategy and governance framework. b) Ensuring the implementation of appropriate systems and controls to identify, mitigate and manage risks prudently. c) Adopting and reviewing the adequacy and the effectiveness of the FC's internal control systems and management information systems periodically. d) Approving and overseeing business continuity and disaster recovery plan for the FC to ensure stability, financial strength, and preserve critical operations and services under unforeseen circumstances.	Complied. The Board approved the RAS in July 2025. This is reviewed annually. Complied. Implementation of the Risk Policy is being monitored by the Board Integrated Risk Management Committee (BIRMC) and the Board through a well-structured Risk Reporting mechanism. The Board addresses concerning issues on a continuous basis. Complied. The Board of Directors assess the adequacy and the effectiveness of the Company's internal controls over financial reporting (refer page 85) which encompasses the review of all internal controls and management information systems as well. Partially Complied. The Board approved the Business Continuity Management Policy on 20 May 2022.
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 FC. b) All members of the Board shall possess necessary qualifications, adequate skills, knowledge, and experience.	Complied. All Directors allocate sufficient time for preparation and participation for Board and Subcommittee meetings. Complied. Directors possess qualifications, and experience with credible track records and have necessary skills to bring an appropriate counsel on matters of the Company. Brief profiles of the Directors are given on pages 07 to 10 of this Annual Report.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
	c) The Board shall regularly review and agree the training and development needs of all the members. 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. e) The Board shall resolve to obtain external independent professional advice to the Board to discharge duties to the FC.	Complied. The Training Plan of the Board of Directors has been approved by the Board on 27 November 2025 Complied. Self assessments on individual performance, Board as a whole, and sub-committees were performed for the year 2025 in April 2026. Complied. The Board Charter includes a provision to enable the Directors to seek independent professional advice at the Company's expense.
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. b) Defining the areas of authority and key responsibilities for the senior management. c) Ensuring the senior management possess the necessary qualifications, skills, experience and knowledge to achieve the FC's strategic objectives. d) Ensuring there is an appropriate oversight of the affairs of the FC by senior management. e) Ensuring the FC has an appropriate succession plan for senior management. f) Meeting regularly with the senior management to review policies, establish lines of communication and monitor progress towards strategic objectives.	Complied. The Board has clearly defined Senior Management hierarchy. Complied. Areas of authority and key responsibilities of the Senior Management are included in the respective job descriptions and Delegation of Authority. Complied. Senior management possess the required skills, qualifications, knowledge and experience to execute Board directions and achieve strategic objectives. Brief profiles of the senior management are given on pages 12 to 15. Complied. Senior Management personnel make regular presentations to the Board on matters under their purview and are also called in by the Board to explain matters relating to their areas. Senior Management responsible for internal controls and compliance attend every BIRMC meeting. Internal Audit and Accounting functions are overseen by the Board Audit Committee (BAC). Board exercise oversight of the affairs of the Company by the Senior Management through the minutes of the meetings of the BIRMC and BAC tabled at Board meetings. Complied. The Succession Plan for BOD and KRPs was approved by the Board on 16 December 2025. Complied. The Board meets the Senior Management at the Board and Board Sub-Committee meetings on a regular basis.

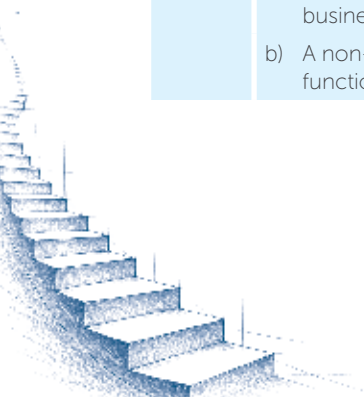


Section	Governance Requirement	Extent of Compliance in 2025
1(7)	Adherence to the Existing Legal Framework	
	a) Ensuring that the FC does not act in a manner that is detrimental to the interests of and obligations to depositors, shareholders and other stakeholders. b) Adherence to the regulatory environment and ensuring compliance with relevant laws, regulations, directions and ethical standards. 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 always take due care to protect the interests and rights of all the stakeholders. Complied. Compliance with statutory regulations and ethical standards is regularly monitored by the Board. The Head of Compliance submits a quarterly compliance report which covers the compliance status of all the applicable laws, rules, regulations, directions, and any other applicable guidelines. Complied. The Board is aware of their liabilities and executes their duties with prudence and integrity.
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. Governance Framework document consists of all the mentioned points.
3	COMPOSITION OF THE BOARD	
3(1)	The Board 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 FC.	Complied. Board members collectively bring a diverse range of skills, expertise, and industry knowledge to the discussions; ensuring an appropriate balance in most facets.
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 7 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. No Director has exceeded 9 years of holding office.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
3(4)	Non-executive directors, who directly or indirectly holds more than 10% of the voting rights or who is 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 (14) of the total number of directors of the Board.	Not Applicable
3(5)	Executive Directors	
	a) Only an employee of a FC shall be nominated, elected and appointed, as an executive director of the FC, provided that the number of executive directors shall not exceed one-third (1/3) of the total number of directors of the Board. b) A shareholder who directly or indirectly holds more than 10% of the voting rights of the FC, 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 FC 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. 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 FC. d) All executive directors shall have a functional reporting line in the organization structure of the FC. 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. As at the end of the financial year there was one Executive Director who is the Chief Executive Officer. The number of Executive Directors has not exceeded one-third of the total number of Directors of the Board. Not Applicable. Executive Director does not hold any shares of the Company. Complied. CEO is one of the Executive Directors. CEO is not designated as the Managing Director. Complied. All functional reporting lines converge to CEO. Not Applicable. No other Executive Directors besides the CEO. Complied. CEO does not hold executive directorships or senior management positions in any other entity.
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. b) A non-executive director cannot be appointed or function as the CEO/ executive director of the FC.	Complied. Directors' qualifications and experience are given on pages 07 to 10 of the Annual Report. Complied.

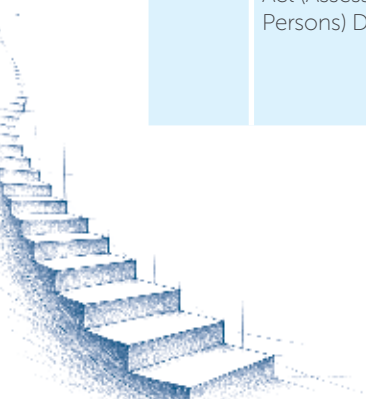


Section	Governance Requirement	Extent of Compliance in 2025
3(7)	Independent Directors	
	a) The number of independent directors of the Board shall be at least three (03) or one-third (1/3) of the total number of directors, whichever is higher. b) Independent directors appointed shall be of highest caliber, with professional qualifications, proven track record and sufficient experience. c) A non-executive director shall not be considered independent if such Director does not meet the criteria specified in the Direction. 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. 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.	Complied. Board consists of more than 3 Independent Directors, refer pages 07 to 10 for details. Complied. Please refer pages 07, 08, and 10 of the Annual Report for profiles of the Independent Directors. Complied. Independent Directors meet the CBSL and CSE independence requirements. Please refer pages 07, 08, and 10 of the Annual Report for profiles of the Independent Directors. Complied. The Nomination Committee determines whether there are any other circumstances that might influence a Director's independence. Complied. Independent Directors are aware of the requirement and will immediately disclose to the Board any circumstances that might affect their independence.
3(8)	Alternate Directors	
	a) Representation through an alternate director is allowed only in the circumstances mentioned in the Direction b) The existing directors of the FC cannot be appointed as an alternate director to another existing director of the FC. 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.	Not Applicable. There were no Alternate Directors appointed during the year 2025.
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 FC, who was previously employed as a CEO or director, of another FC. Any variation thereto in exceptional circumstances where expertise of such persons requires to reconstitute a Board of a FC which needs restructuring, shall be made with prior approval of the Monetary Board. b) A director, who fulfills 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.	Not applicable. No persons who were employed as a CEO or director, of another FC was considered to be appointed as a Director or CEO of AMWCL during the financial year 2025. Not applicable. No such occurrences during the financial year 2025



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
3(10)	Common Directorships Director or a senior management of a FC shall not be nominated, elected or appointed as a director of another FC except where such FC is a parent Company, subsidiary Company or an associate Company or has a joint arrangement with the first mentioned FC subject to conditions stipulated in Direction 3.5(f).	Complied. Directors and Senior Management are not directors of other FCs.
3(11)	The Board shall determine the appropriate limits for directorships that can be held by directors. However, a director of a FC 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 FC.	Complied. No Director holds office of more than 20 entities.
4	ASSESSMENT OF FITNESS AND PROPRIETY CRITERIA	
4(1)	No person shall be nominated, elected or appointed as a director of the FC or continue as a director of such FC unless that person is a fit and proper person to hold office as a director of such FC in accordance with the Finance Business Act (Assessment of Fitness and Propriety of Key Responsible Persons) Direction or as amended.	Complied. All Directors of the Board are approved by the DSNBFI according to the Assessment of Fitness and Propriety Direction. Annual submissions are made.
4(2)	A person over the age of 70 years shall not serve as a director of a FC.	Complied. One Director who was above the age of 70 was serving in the Board during the year 2025 as per the exceptions allowed in 4.3.
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.	Complied. Mr. Trevine Fernandopulle was over the age of 70 during the year 2025 and this was duly approved by DSNBFI on 22 November 2024. Mr. Fernandopulle left the Board with the completion of 9 years on 26 October 2025. No other Directors on the Board are over 70 years of age.
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 appointments, resignations, removals, and changes in designations of KRPs and Directors are informed to the DSNBFI and approval is obtained as per the Assessment of Fitness and Propriety Direction.



Section	Governance Requirement	Extent of Compliance in 2025
6	THE CHAIRPERSON AND THE CEO	
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. Responsibilities of the Chairman and the CEO have been defined in writing. Chairman's responsibilities are distinct from those of the CEO. Chairman provides leadership to the Board while the CEO manages the day-to-day operations of the Company giving effect to the strategies and policies approved by the Board.
6(2)	The chairperson shall be an independent director, subject to 6.3 below	Complied. Chairperson was a Non-Independent Non-Executive Director as per the exception under 6.3 until October 2025. The succeeding Chairperson is an Independent Director.
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.	Complied. Chairperson was declared as Non-Independent due to him reaching 70 years of age in 2024. Company obtained approval from the DSNBFI and appointed an Independent Director as the Senior Independent Director. This arrangement lasted until October 2025 where the Chairperson changed.
6(4)	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 Board approved the list of functions and responsibilities of Chairperson which includes providing leadership to the Board and ensuring the effective discharge of Board functions.
6(5)	Responsibilities of the CEO	
	The CEO shall function as the apex executive-in-charge of the day-to-day management of the FC's operations and business. The responsibilities of the CEO shall at least include: a) Implementing business and risk strategies in order to achieve the FC's strategic objectives. b) Establishing a management structure that promotes accountability and transparency throughout the FC's operations and preserves the effectiveness and independence of control functions. c) Promoting, together with the Board, a sound corporate culture within the FC, which reinforces ethical, prudent and professional behavior.	Complied. As per the Company's organization structure, the CEO functions as the apex executive-in-charge of the day-to-day management of the Company's operations and business with the support of the members of the corporate management.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
	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 FC and shall not carry on any other business, except as a non-executive director of another Company, subject to Direction 3.10.	
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. Twelve (12) meetings were held during the year. Please refer Directors' attendance report at the end of this section on pages 81-82.
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. Any Director can contact the Company Secretary and submit proposals or agenda items for the Board's attention.
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. Pre-set agendas for all meetings ensure the direction and control of the Company is firmly under Board control or authority. The Directors are given adequate time, at least 3 days of notice, for regular Board meetings and for all meetings a time period is set out in the respective TOR given. Any change to the schedule shall be notified to the Directors at least 3 days prior to the date of the meeting.
7(4)	A director shall devote sufficient time to prepare and attend Board meetings and actively contribute by providing views and suggestions.	Complied.
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. Please refer pages 81-82 of the Annual Report. All meetings of the Board held during the year have been attended by the required number of 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 took place with the Chairperson and the Directors with the CEO not being present.
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. Approved Board Charter includes specific provisions to avoid conflicts of interest. Directors' interests are disclosed to the Board at the beginning of each meeting of the Board of Directors. If a Director has an interest in a particular matter they abstain from voting for that matter and they will not be counted in the quorum.
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. Details of the Directors attendance is set out on pages 81-82 of the Annual Report.

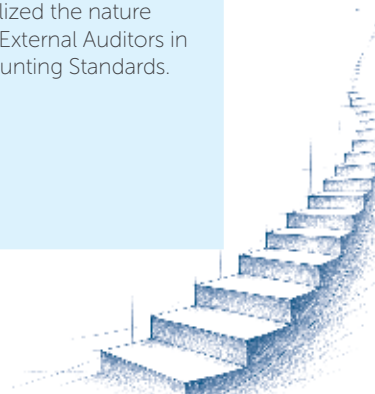
Section	Governance Requirement	Extent of Compliance in 2025
7(9)	Scheduled Board Meetings and Ad Hoc Board Meetings	
	For the scheduled meetings, participation in person is encouraged and for ad hoc meetings where director cannot attend on a short notice, participation through electronic means is acceptable.	Complied.
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. 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 FC and shall not become an employee of any other institution.	Complied. A senior management personnel member has been appointed as the Company Secretary from 26 July 2024 onwards. Complied. The Company Secretary possesses the necessary qualifications and experience to be considered for the position. Her profile is on page 10.
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
8(3)	The Company secretary shall be responsible for preparing the agenda in the event chairperson has delegated carrying out such function.	Complied.
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. Board Minutes are maintained by the Company Secretary.
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 FC.	Complied.
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 details mentioned in the Direction.	Complied. Minutes of Board Meetings are recorded in sufficient detail to enable proper assessment to be made of the depth of deliberations at the meeting.
8(7)	The minutes shall be open for inspection at any reasonable time, on reasonable notice by any director.	Complied. The Directors have access to the Board papers and 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 FC.	Partially Complied Directions to sub-committees and management are allocated through the TORs for sub-committees and management committees. Board has identified the matters reserved for the Board through the governance framework.
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.	Complied. All the Board Subcommittees required by the Direction have been established.



Corporate Governance

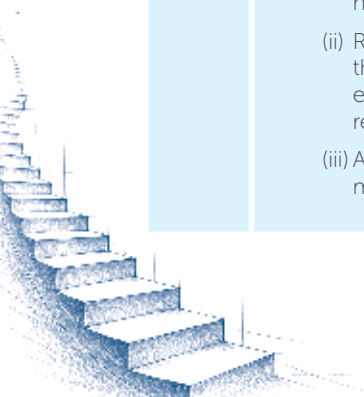
Section	Governance Requirement	Extent of Compliance in 2024
9(3)	The Board may establish appropriate senior management level sub-committees with appropriate DA to assist in Board decisions.	Complied. Senior Management level sub committees have been established, and the matters have been delegated to them by the Board with appropriate delegation of authority.
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 has delegated matters pertaining to the affairs of the Company to the Board Sub Committees and Management committees within scope of the respective Board approved Terms of Reference, which does not hinder the Board's ability to discharge their functions.
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 FC.	Complied. Delegation of Authority are allocated through TORs, and the TORs are subject to periodic review and as and when necessary.
10	BOARD SUB-COMMITTEES	
10(1)	a) For the purpose of specifying the requirements for board committees, FCs are divided into two categories based on the asset base as per the latest audited statement of financial position as FCs with asset base of more than Rs. 20 bn and FCs with asset base of less than Rs. 20 bn, subject to transitional provisions stated in direction 19.3. b) Each Board sub-committee shall have a board approved written terms of reference specifying clearly its authority and duties. 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 FC. 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. 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. 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. The Company has an asset base of less than Rs.20bn. The Company has established the following five Board sub committees. 01. Board Audit Committee 02. Board Integrated Risk Management Committee 03. Related Party Transactions Review Committee 04. Remuneration Committee 05. Nominations Committee Complied. For each Board Sub Committee written Terms of Reference have been approved by the Board. Complied A Report from each Board Sub Committee has been published in this Annual Report. Please refer pages from 83 to 92. Complied Company Secretary acts as the Secretary of Board Audit Committee, Integrated Board Risk Management Committee, Remuneration Committee, Related Party Transactions Review Committee, and Nominations Committee. Complied. Please refer pages 81 and 82 for the composition of the Board Sub committees and refer pages from 07 to 10 for the profiles of the Board Members. Complied. Occasional rotation of members is applied and codified.
10.2	Board Audit Committee (BAC)	
	The following shall apply in relation to the BAC. a) The chairperson of BAC shall be an independent director who possesses qualifications and experience in accountancy and/or audit.	Complied. During the financial year under review Mr. Nihal Kekulawala, Independent Non-Executive Director who is a fellow of the Institute of Chartered Accountants in England & Wales and a fellow of the ICASL, functioned as the Chairperson of the Board Audit Committee until 23 September 2025. He subsequently stepped down from the Board upon reaching the retirement age of 70 years on 08 December 2025.

Section	Governance Requirement	Extent of Compliance in 2025
		Mr. Brian Selvanayagam was appointed as the Chairperson of the Board Audit Committee from there onwards. He is an Associate Member of the Chartered Institute of Management Accountants (UK), Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Fellow Member of the Chartered Institute of Marketing (UK), Fellow Member of the Certified Management Accountants of Sri Lanka and Chartered Member of the Chartered Institute for Securities & Investment (UK).
	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. Majority of the members of BAC are Independent Directors, please refer page 81 for the composition of the BAC.
	c) The secretary to the BAC shall preferably be the Chief Internal Auditor (CIA).	Not Complied. Company Secretary functions as the Secretary for BAC.
	d) External Audit Function	
	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 BAC has recommended the appointment of Deloitte Partners for audit services provided in compliance with the relevant statutes for the financial year.
	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, FC shall not use the service of the same external audit firm for not more than ten years consecutively.	Complied. The BAC makes the recommendation on the service period, audit fee and any resignation or dismissal of the Auditor. The engagement of the current Audit Partner has not exceeded 5 years.
	iii. Audit partner of an FC shall not be a substantial shareholder, director, senior management or employee of any FC.	Complied.
	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. BAC reviews the independence of the Auditors.
	v. Audit partner shall not be assigned to any non-audit services with the FC 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. The Board approved policy for provision of non-audit services by the External Auditor is in place.
	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 FC'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; and (iii) the co-ordination between auditors where more than one auditor is involved.	Complied. The BAC has discussed and finalized the nature and scope of the audit with the External Auditors in accordance with Sri Lanka Accounting Standards.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
	vii. The BAC shall review the financial information of the FC, in order to monitor the integrity of the financial statements of the FC in its annual report, accounts and periodical reports prepared for disclosure, and the significant financial reporting judgments contained therein. In reviewing the FC's annual report and accounts and periodical reports before submission to the Board, the committee shall focus particularly on: (i) major judgmental areas; (ii) any changes in accounting policies and practices; (iii) significant adjustments arising from the audit; (iv) the going concern assumption; and (v) the compliance with relevant accounting standards and other legal requirements, 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. 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. e) The BAC shall at least annually conduct a review of the effectiveness of the system of internal controls. 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 FC.	Complied. Quarterly and annual financial statements are presented to BAC for review before they are submitted to the Board or published. Complied. The BAC discusses issues, problems and reservations arising from the interim and final audits with the External Auditors. The Committee had two discussions during the year without the Executive Management being present. Complied. The Committee has reviewed the External Auditor's Management Letter and Management responses relating to the audit for the year ended. Complied Directors' Statement on Internal Control over Financial Reporting can be found on page 84. Complied. The BAC monitors these through regular reporting from the Internal Audit Department.
	g) Internal Audit Function 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 FC's internal control, risk management, governance systems and processes. 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 FC to carry out their assignments effectively and objectively. iii. The BAC shall take the following steps with regard to the internal audit function of the FC: (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. (iii) Assess the performance of the head and senior staff members of the internal audit department.	Complied. Independent Internal Audit function is established. Complied. Board approved Internal Audit Charter is in place. Complied. Complied. BAC has discussed the adequacy of the scope, functions and resources of the IAD. Complied. BAC has reviewed and approved the Annual Internal Audit Plan. Complied. Performance evaluations of IAD are carried out by the BAC.



Section	Governance Requirement	Extent of Compliance in 2025
	(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. 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. i) Meetings of the Committee 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. 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. iii. BAC shall meet at least twice a year with the external auditors without any other directors/senior management/employees being present.	Complied. Complied. Complied. Complied. BAC reviews the draft supervisory concerns and the quarterly time bound action plan submissions. Complied. BAC meets every quarter, and meeting minutes are duly recorded and submitted to the Board for its information. Complied The Committee met the External Auditors in relation to the audit in the absence of the Executive Management twice during the year 2025.
10.3	Board Integrated Risk Management Committee (BIRMC)	
	The following shall apply in relation to the BIRMC: 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. b) The secretary to the committee may preferably be the CRO. c) The committee shall assess the impact of risks, including credit, market, liquidity, operational, strategic, compliance and technology, to the FC 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. d) Developing FC's risk appetite through a Risk Appetite Statement (RAS), which articulates the individual and aggregate level and types of risk that a FC 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 FC 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 FC.	Complied. The Committee is chaired by an Independent Non-Executive Director. The CEO and Head of Risk attend all BIRMC meetings and other KRPs are invited to the meetings when requested by the Committee. Not Complied. Company Secretary functions as the secretary to the BIRMC. Partially Complied. The Committee assesses the Company-wide risks covering all areas on a quarterly basis. Complied. Approved RAS is monitored by the Head of Risk and reported to the BIRMC on ongoing basis. RAS is subjected to annual review.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
	e) The BIRMC shall review the FC's risk policies including RAS, at least annually. 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. g) The committee shall assess all aspects of risk management including updated business continuity and disaster recovery plans. h) BIRMC shall annually assess the performance of the compliance officer and the CRO. i) Compliance Function i. BIRMC shall establish an independent compliance function to assess the FC's compliance with laws, regulations, directions, rules, regulatory guidelines and approved policies on the business operations. ii. For FCs with asset base of more than Rs. 20 bn, 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 hatting', 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. iii. For FCs with an asset base of less than Rs. 20bn, an officer with adequate seniority considered to be senior management shall be appointed as compliance officer avoiding any conflict of interest. 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 FC 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 FC; (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	Partially Complied. All the policies, including the Risk Policy are reviewed by BIRMC annually. The Risk Policy was last reviewed in 2023 and is pending an update. RAS was last reviewed in July 2025. Complied. The BIRMC assesses the adequacy of the operational level committees periodically. Partially Complied. BCP and DR plans are in place. However, they were last reviewed in 2022 and are pending an update. Complied. Performance evaluations of Compliance Officer (Head of Compliance) and CRO (Head of Risk) are carried out by BIRMC. Complied. Company has established an independent division headed by a dedicated Head of Compliance. Not Applicable. Complied. The Head of Compliance is independent from operations and avoids any conflicts of interest. Complied. Mentioned requirements are included in the responsibilities of the Head of Compliance.

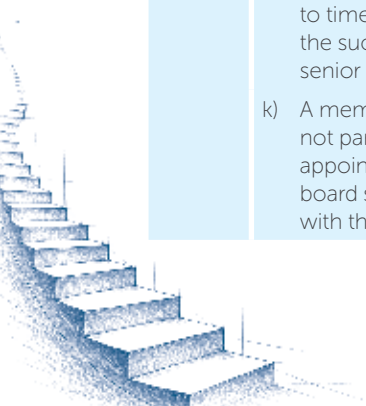


Section	Governance Requirement	Extent of Compliance in 2025
	Compliance issues and where appropriate, work with the management to ensure that they are rectified within an acceptable time; and (vii) maintain regular contact and good working relationship with regulators based upon clear and timely communication and a mutual understanding of the regulators' objectives with highest integrity. j) Risk Management Function i. BIRMC shall establish an independent risk management function responsible for managing risk-taking activities across the FC ii. For FCs 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. iii. The CRO has the primary responsibility for implementing the Board approved risk management policies and processes including RAS in order to ensure the FC's risk management function is robust and effective to support its strategic objectives and to fulfill broader responsibilities to various stakeholders. 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; and (v) relevant officers and committees responsible for such control and mitigation. The framework shall be reviewed and updated at least annually. 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. vi. The CRO shall maintain an updated risk register, which shall be submitted to the BIRMC on a quarterly basis. 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 Company has established an Independent Risk Management Function. Not Applicable, however Complied. A dedicated Head of Risk and an independent Risk Department is established. They report to the BIRMC quarterly. Complied. CRO's responsibilities define the mentioned requirements. Complied. Risk Management policy frameworks are approved and in place. Complied. Head of Risk participates in relevant meetings of the Company where risk can be an element. Complied. Head of Risk maintains a risk register. Complied. The risk assessment reports are submitted to the upcoming Board meetings periodically.
10.4	Nomination Committee	
	The following shall apply in relation to the Nomination Committee: 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. Nomination Committee consists of only Non-Executive Directors and is chaired by an Independent Director. Please refer the Committee details on page 92.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
	b) Secretary to the nomination committee may preferably be the Company secretary. 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 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. 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; and (iii) have sufficient time to fully carry out their responsibilities. 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 FC as a whole. 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. 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; and (iv) whether such director can be considered as independent. 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 FC and contribution made by the director concerned towards the discharge of the Board's overall responsibilities. 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. 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. Company Secretary acts as the secretary to the Nomination Committee Complied. Complied. Complied. All listed requirements are assessed when selecting new Directors to the Board Complied. Proper controls are in place to ensure this, including a rotation policy of committee compositions. Complied. The succession plan for Directors and Senior Management is approved by the Board. This includes the qualifications, experience and key attributes required of KRPs and Directors. Complied. When a new Director is appointed, the Company Secretary makes a public announcement through the CSE website including these details. Complied. The Committee annually recommends or not recommends Directors to continue to be members of the Board. Complied. Complied.

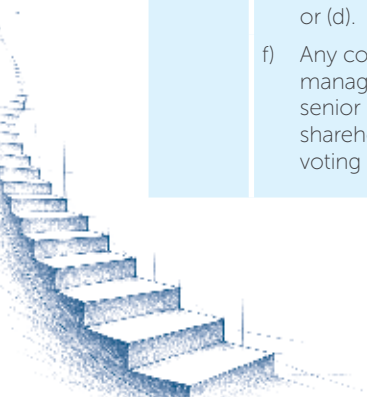


Section	Governance Requirement	Extent of Compliance in 2025
10.5.	Remuneration Committee	
	The following shall apply in relation to the Human Resources and Remuneration Committee:	
	a) The committee shall be chaired by a non-executive director and the majority of the members shall consist of non-executive directors.	Complied. Please refer the Committee details on page 89.
	b) The secretary to the human resource and remuneration committee may preferably be the Company secretary.	Complied. The Company Secretary acts as the Secretary to the Committee.
	c) The committee shall determine the remuneration policy (salaries, allowances, and other financial payments) relating to executive directors and senior management of the FC and fees and allowances structure for non-executive directors.	Complied. Remuneration Policy is in place.
	d) There shall be a formal and transparent procedure in developing the remuneration policy.	Complied. Remuneration Policy is developed in accordance with all the applicable directions, rules and regulations.
	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 FC. The policy shall be subject to periodic review of the Board, including when material changes are made.	Complied. The remuneration policy is periodically reviewed by the Committee and approved by the Board.
	f) The remuneration structure shall be in line with the business strategy, objectives, values, long-term interests and cost structure of the FC. It shall also incorporate measures to prevent conflicts of interest. In particular, incentives embedded within remuneration structures shall not incentivize employees to take excessive risk or to act in self-interest.	Complied. Remuneration strategies are created in line with the requirements, and follow the new guidelines on remuneration for Directors and Senior Management.
	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 performance of Senior Management are reviewed by the Remuneration Committee.
	h) The committee shall ensure that the senior management shall abstain from attending committee meetings, when matters relating to them are being discussed.	Complied.
11	INTERNAL CONTROLS	
11(1)	FCs 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.	Partially Complied. Well-defined internal control systems have been established covering all these areas. The Company has deployed procedures detailing the internal controls for its business activities and they are periodically reviewed.
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;	Complied. Objectives of each internal control process/ procedure cover these aspects.



Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025
11(2)	(e) ensure effective risk management systems; and (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.	Complied.
12	RELATED PARTY TRANSACTIONS	
12(1)	Board shall establish a policy and procedures for related party transactions, which covers the following. a) All FCs 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 FC in the form of deposits, borrowings and any other payable. III. Providing financial or non-financial services to the FC or obtaining those services from the FC. IV. Creating or maintaining reporting lines and information flows between the FC 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. RPTRC Chairperson is an Independent Director, all members are Non-Executive Directors. Please refer the Committee details on page 90. Complied. Complied. All the related party transaction details are reviewed by the RPTRC on a quarterly basis.
12(2)	The committee shall take the necessary steps to avoid any conflicts of interest that may arise from any transaction of the FC 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 hold more than 10% of the voting rights of the FC. c) Subsidiaries, associates, affiliates, holding Company, ultimate parent Company and any party (including their subsidiaries, associates and affiliates) that the FC 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 FC's directors, senior management or a relative of any of the FC'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 list of related parties as defined under (a) - (f) has been compiled and made available through the policy for managers and staff to avoid any conflicts and facilitate reporting.



Section	Governance Requirement	Extent of Compliance in 2025
12(3)	The committee shall ensure that the FC 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 FC. 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 FCs 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 FC 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. Internal controls have been deployed to comply with these parameters. Sufficient education has been provided to relevant employees in this regard.
13.	GROUP GOVERNANCE	
13(1)	Responsibilities of the FC as a Holding Company	Not applicable. Company does not have any associates or subsidiaries.
13(2)	Responsibilities as a Subsidiary if the FC is a subsidiary of another financial institution subject to prudential regulation, FC shall discharge its own legal and governance responsibilities.	Not applicable.
14	CORPORATE CULTURE	
14(1)	A FC 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. A code of conduct covering these areas is in place and made available to all employees. Last approved on 16 December 2025.
14(2)	The FC shall maintain records of breaches of code of conduct and address such breaches in a manner that upholds high standards of integrity.	Complied A record is maintained of breaches and actions taken in regard of each case.
14(3)	A FC 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. Company has deployed a Whistleblowing Policy and mechanism to report unethical, fraudulent and illegal activities. All incidents are investigated and reported to the BAC.
15	CONFLICTS OF INTEREST	
15(1)	a) Relationships between the directors shall not exercise undue influence or interest 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. Conflicts of interest are avoided, and the requirement is documented in the Corporate Governance Framework.



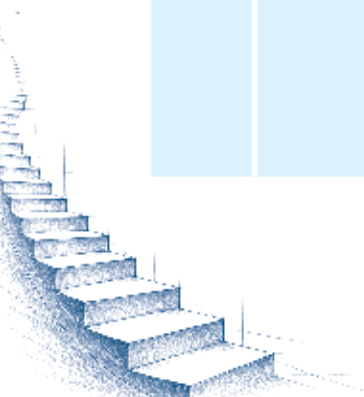
Corporate Governance

Section	Governance Requirement	Extent of Compliance in 2025				
15	CONFLICTS OF INTEREST					
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.	Complied. Corporate Governance Framework documents the management of conflicts of interest in detail, including the points mentioned in the Direction.				
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 that (b) such statements are published in the newspapers in Sinhala, Tamil and English. The Board shall ensure that at least following disclosures are made in the Annual Report of the FC. The Board shall ensure that at least following disclosures are made in the Annual Report of the FC. <table><tr><th>Subject</th><th>Disclosure</th></tr><tr><td>i. Financial statements</td><td> 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. </td></tr></table>	Subject	Disclosure	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. Complied. The financial statements are published in newspapers in all three languages including the audit opinion. Complied. References for each requirement are given below. Page Reference of the Annual Report Page 91 Page 93
Subject	Disclosure					
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.					

Section	Governance Requirement	Extent of Compliance in 2025																																						
	ii. Chairperson, CEO and Board related disclosures	○ Name, qualification and a brief profile. Page 07-10 ○ Whether executive, non-executive and/or independent director. Page 07-10 ○ Details of the director who is serving as the senior director, if any. N/A ○ The nature of expertise in relevant functional areas. Page 07-10 ○ Relatives and/or any business transaction relationships with other directors of the Company. Page 90 ○ Names of other companies in which the director/CEO concerned serves as a director and whether in an executive or non-executive capacity. Page 07-10 ○ Number/percentage of board meetings of the FC attended during the year; and Page 81-82 ○ Names of board committees in which the director serves as the Chairperson or a member. Page 81-82																																						
	iii. Appraisal of board performance	Performance evaluations were carried out through anonymous questionnaires provided to Committee members and Board members separately.																																						
	iv. Remuneration	Aggregate Remuneration Paid to Directors <table><tr><th>Form of Remuneration</th><th>Amount</th></tr><tr><td>Basic Salary</td><td>8,539,399.88</td></tr><tr><td>Board and sub-committee sitting fees</td><td>-</td></tr><tr><td>Fixed allowance</td><td>-</td></tr><tr><td>Variable allowance</td><td>-</td></tr><tr><td>Bonuses</td><td>-</td></tr><tr><td>Reimbursed expenses</td><td>-</td></tr><tr><td>Other monetary benefits</td><td>-</td></tr><tr><td>Non-monetary benefits</td><td>-</td></tr><tr><td>Total remuneration paid to Directors</td><td>8,539,399.88</td></tr></table> Aggregate Remuneration Paid to Senior Management <table><tr><th>Form of Remuneration</th><th>Amount</th></tr><tr><td>Basic Salary</td><td>76,029,082.41</td></tr><tr><td>Fixed allowance</td><td>8,720,500.00</td></tr><tr><td>Variable allowance</td><td>336,500.00</td></tr><tr><td>Bonuses</td><td>15,480,880.00</td></tr><tr><td>Reimbursed expenses</td><td>-</td></tr><tr><td>Other monetary benefits</td><td>771,753.58</td></tr><tr><td>Non-monetary benefits</td><td>7,765,159.96</td></tr><tr><td>Total remuneration paid to Senior Management</td><td>109,103,875.95</td></tr></table>	Form of Remuneration	Amount	Basic Salary	8,539,399.88	Board and sub-committee sitting fees	-	Fixed allowance	-	Variable allowance	-	Bonuses	-	Reimbursed expenses	-	Other monetary benefits	-	Non-monetary benefits	-	Total remuneration paid to Directors	8,539,399.88	Form of Remuneration	Amount	Basic Salary	76,029,082.41	Fixed allowance	8,720,500.00	Variable allowance	336,500.00	Bonuses	15,480,880.00	Reimbursed expenses	-	Other monetary benefits	771,753.58	Non-monetary benefits	7,765,159.96	Total remuneration paid to Senior Management	109,103,875.95
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Corporate Governance

Section	Governance Requirement		Extent of Compliance in 2025
	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 FC's core capital. - The aggregate values of the transactions of the FC with its senior management during the financial year, set out by broad categories such as accommodation granted, and deposits or investments made in the FC.	Page 90 Page 91 Page 91
	vi. Board appointed committees	The details of the chairperson and members of the board committees and attendance at such meetings.	Page 81-82
	vii. Group Structure	- The group structure of the FC within which it operates. - The group governance framework.	Page 159 The Group is governed by the Al-Futtaim Code of Conduct
	viii. Director's report	A report, which shall contain the following declarations by the Board: - The FC has not engaged in any activity, which contravenes laws and regulations. - The directors have declared all related party transactions with the FC and abstained from voting on matters in which they were materially interested. - The FC 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 FC and have obtained reasonable assurance of their effectiveness.	Page 83-84 Page 83-84 Page 83-84 Page 83-84 Page 85

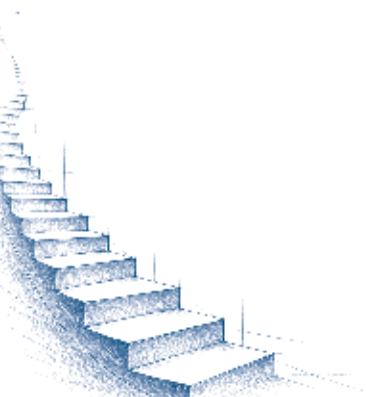


Section	Governance Requirement		Extent of Compliance in 2025
	ix. Statement on Internal Control	◉ A report by the Board on the FC's internal control mechanism that confirms that the financial reporting system has been designed to provide a reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes has been done in accordance with relevant accounting principles and regulatory requirements.	Page 85
		◉ The external auditor's assurance statement on the effectiveness of the internal control mechanism referred above, in respect of any statement prepared or published.	Page 85
		◉ A report setting out details of the compliance with prudential requirements, regulations, laws and internal controls and measures taken to rectify any non-compliances.	Page 85
		◉ A statement of the regulatory and supervisory concerns on lapses in the FC's risk management, or non-compliance with the Act, and rules and directions	Page 85
	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.	Page 38-80
	xi. Code of Conduct	◉ FC'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.	The Code of Business Conduct and Ethics is established and was last approved on 16 December 2025. Page 05



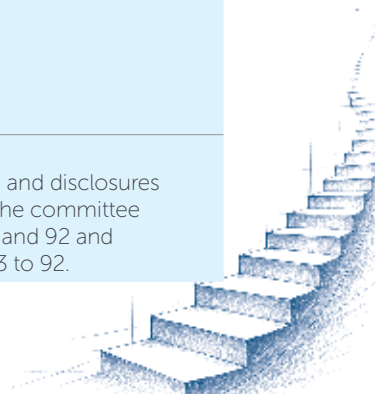
Corporate Governance

Section	Governance Requirement		Extent of Compliance in 2025
	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	Page 16-20 Page 16-20 Page 16-20 Page 16-20 Page 16-20
	xiii. Communication with shareholders	- The policy and methodology for communication with shareholders. - The contact person for such communication.	Page 19 Page 20



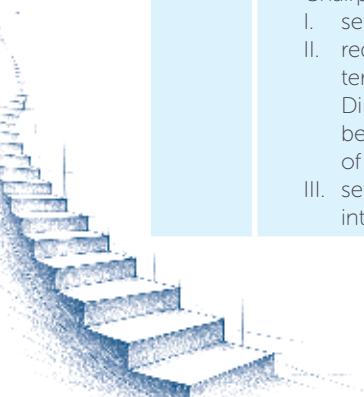
Compliance with the new Section 9 on Corporate Governance Rules for Listed Companies issued by the Colombo Stock Exchange

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
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. All listed policies are established and their summaries are published on the Company website.
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.	Complied. No exceptions 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. Disclosed under point 9.2.1 of this section. Certain policies are combined together as follows; • Policy on the matters relating to the Board of Directors, Policy on Board Committees, and Policy on Corporate Governance, Nominations and Re-election are included together in the Corporate Governance Framework. • Policy on Relations with Shareholders and Investors, and Policy on Corporate Disclosures are included together in the Communications Policy.
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied. Policies will be provided upon request.
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. All listed committees are established. Please refer the committee details on page 83 and 92.
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. All requirements of composition and disclosures are complied with. Please refer the committee composition details on page 83 and 92 and committee reports from page 83 to 92.



Corporate Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
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. Board Chairperson is not the Chair of any of the subcommittees mentioned under 9.3.1. However, Board Chairperson acts as the Chairperson of the BIRMC.
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. Records are maintained.
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 The Communications Policy is established, and a summary is available on the website. Complied Contact person is the Company Secretary. Details are on page 20. Complied The process is included in the policy and can be found on page 20. Complied Meetings were held following the guidelines.
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 (hereinafter commonly referred to as the CEO), 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.	Complied Policy is established. Complied. Not Applicable Chairperson and CEO are separate roles.



CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
	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. Complied. Complied. Complied. Complied. Complied. Complied. Complied.
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.	Confirmed as depicted above.
9.6	Chairperson and CEO	
9.6.1	The Chairperson of every Listed Entity shall be a Non Executive Director and the position of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	Complied Chairperson and CEO are separate and Chairperson is a Non-Executive
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity 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 if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules. Such Market Announcement shall include the rationale for appointment of an Executive Director as Chairperson and/or combining the positions of the Chairperson and CEO of the Listed Entity.	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:	Not Applicable However, during 2025, AMWCL appointed a Senior Independent Director (SID) to comply with Central Bank requirements, as the then-Chairperson was deemed non-independent solely by virtue of having exceeded 70 years of age under CSE Listing Rules. This appointment was nullified upon the Chairperson's retirement.



Corporate Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
	I. The positions of the Chairperson and CEO are held by the same individual. 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.	The SID role was in effect from 24 November 2024 to 27 October 2025, at which point the serving Chairperson stepped down and the Director designated as SID was appointed as his successor. Given this limited tenure, a full annual review period was not applicable during SID's tenure. It should also be noted that the previous Chairperson was, in all substantive respects, an Independent Director; the non-independence designation arose purely from the age threshold prescribed under the CSE Rules.
	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.	Not Applicable.
	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.	Not Applicable.
	d) The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c) above.	Not Applicable.
	e) The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	Not Applicable.
9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1 above, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity.	Complied Explained above.
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 as given in the CG rules of CSE	All Directors are appointed after assessing fitness and propriety as per the given rules. Further, CBSL rules are followed in assessing fitness and propriety as well. Prior approval from CBSL is obtained for any Director prior to being appointed.
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 Annual declarations are obtained.



CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
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 Page references given below; Provided above Not Applicable, no non-compliances.
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. As at year end the Board consisted of more than 5 Directors. Please refer the Board composition details on page 81.
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. Board consisted of more than 2 Independent Directors as at year end. Please refer the Board composition details on page 81.
9.8.3	Criteria for determining independence:	All Independent Directors satisfy the criteria listed in these rules.
9.8.4	Definitions for 9.8.3	
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. Complied. 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:	Not Applicable No Alternate Directors were appointed during the financial year 2025.
9.10	Disclosures relating to Directors	
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships its 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. The maximum number is included in the policy. No Director has exceeded the number.



Corporate Governance



9.11.1	Listed Entities Committee 9.11 of the
9.11.2	Listed Entities for the approval of Directors Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.11.3	The Nominations and Governance Committee shall have a written terms 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. The compositions of Board sub-committees can be referred to on page 81-82.
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; ⦿ 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, ⦿ 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. 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.	Complied. All functions are listed in the TOR and are understood and executed by the Committee members.



Corporate Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.11.6	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; - the names of the Chairperson and members of the Committee and the nature of directorships held by such members); - the date of appointment to the Committee; - whether a documented policy and processes are in place when nominating directors; - whether all directors should be required to submit themselves for re-election at regular intervals and at least once in every three (3) years; - a disclosure on Board diversity in the range of experience, skills, age, and gender as an essential factor for effective Board performance; - Details to demonstrate effective implementation of policies and processes relating to appointment and reappointment of Directors. - 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. - 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 - Processes adopted by the Listed Entity to inform the Independent Directors of major issues relating to the Entity; - 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; - 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. - A statement that the Directors of the Listed Entity meet the criteria for determining independence. - A statement that the Corporate Governance requirements stipulated under the Listing Rules of the CSE have been met and where the Listed Entities 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 such non-compliance.	Complied The Nominations and Governance Committee report is on page 92. The requirements listed are included in the report.



CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.12	Remuneration Committee	
9.12.1	For the purposes of Rule 9.12, the term "remuneration" shall make reference to cash and all non-cash benefits whatsoever received.	
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. Remuneration Committee is established.
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. Remuneration is decided following the Central Bank guidelines on remuneration as well.
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. Non-Executive Directors are given a nominal sitting fee and not paid salary.
9.12.5	Remuneration Committee shall have a written terms 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. 2. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied. The compositions of Board sub-committees can be referred to on page 81 and 82.
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. All functions are listed in the TOR and are understood and executed by the Committee members.
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; b) A statement regarding the remuneration policy; and, c) The aggregate remuneration of the Executive and Non-Executive Directors.	Complied The Remuneration Committee report is on page 89. The requirements listed are included in the report.
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 Board Integrated Risk Management Committee is established separately.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied.



Corporate Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.13.3	Composition - The members of the Audit Committee shall; - 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. - not comprise of Executive Directors of the Listed Entity. - The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. - 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. - An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. - 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. - 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. The compositions of Board sub-committees can be referred to on page 81-82.
9.13.4	Functions - The functions of the Audit Committee shall include the following: - 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. - 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: - changes in or implementation of major accounting policy changes; - significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed; - compliance with accounting standards and other legal requirements; - 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; - any letter of resignation from the external auditors of the Listed Entity; and, - whether there is reason (supported by grounds) to believe that the Listed Entity's external auditor is not suitable for re-appointment	Complied. All functions are listed in the TOR and are understood and executed by the Committee members.

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.13.4	III. To 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. 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.	



Corporate Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.13.5	- 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. - The Audit Committee Report shall contain the following disclosures: - the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members; - The status of risk management and internal control of the Listed Entity and as a Group (where applicable). - A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances. - 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. - whether the Listed Entity has a formal Audit Charter; - the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function; - Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity; - 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 - 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 The Audit Committee report is on page 86. The requirements listed are included in the report.
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. Related Party Transactions Review Committee is established.
9.14.2	Composition 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. The compositions of Board sub-committees can be referred to on page 81-82.



CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
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. All functions are listed in the TOR and are understood and executed by the Committee members
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. All requirements are listed in the TOR and are understood and executed by the Committee members
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:	Complied Related party transactions are reviewed by the Committee following the guidelines mentioned in the Rules.



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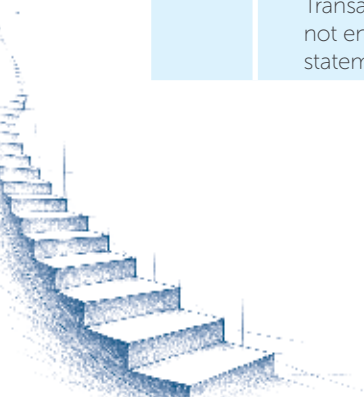
CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.14.5	I. the Related Party's relationship to the Listed Entity and interest in the transaction; II. the material facts of the proposed Related Party Transaction, including the proposed aggregate value of such transaction; III. the benefits 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, 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 II. 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. 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.	Complied Related party transactions are reviewed by the Committee following the guidelines mentioned in the Rules.
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.	Not Applicable Such transactions did not take place during the year, therefore no shareholder approval was sought.

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.14.6	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 favorable 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.	
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	Complied Immediate disclosures are made if required, with the information listed herein.



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CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
9.14.7	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 Transactions 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.	
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 information must be presented in the Annual Report in the tabular format as set out in the rules. 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 in the tabular format as set out in the rules. 2. 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. 3. 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.	Complied References below. Page 91 Page 91 Complied The Related Party Transactions Review Committee report is on page 90. The requirements listed are included in the report. Complied Committee report includes the statement.



CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
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). ⦿ 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 an independent professional expert 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 the relevant Related Party shall not be eligible to give such advice. For the purpose of this Rule; "Independent professional expert" shall mean an individual or entity who/which: I. does not have a shareholding carrying 10% or more of the voting rights of the Listed Entity or the Related Party; or, II. does not have an income/non-cash benefits from the Listed Entity, or the Related Party equivalent to twenty percent (20%) of the individual's or entity's annual income. 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;	Not applicable Such transactions did not take place during the year.



Corporate Governance

CSE Rule No.	Governance Requirement	Extent of Compliance in 2025
	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.	
9.14.10	The following Related Party Transactions shall not fall within the ambit of these Rules: a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to-day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favorable to the Related Party than those generally available to the public. b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares. c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules). d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction. e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a Company whose activities are regulated by any written law relating to licensed banks, finance companies or insurance companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka. f) Directors' fees and remuneration, and employment remuneration.	Complied Certain transactions are not considered as related party transactions as indicated.
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 Page references below Page 83-84 Page 85 Page 92 No material non-compliance

ATTENDANCE AT THE MEETINGS OF THE BOARD & SUB-COMMITTEES HELD DURING THE FINANCIAL YEAR 2025

Board Meetings

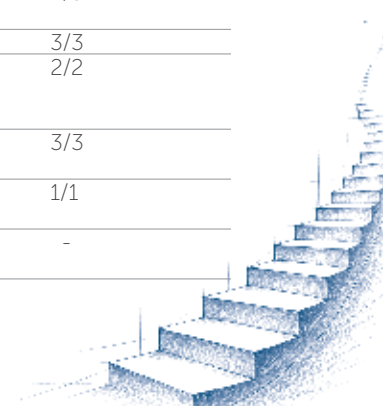
Names	Members	Number of Meetings
Number of meetings held		12
Mr. T S A Fernandopulle (Retired w.e.f: 26.10.25)	Chairman	10/10
Mr. I Boyagoda (appointed as Chairman w.e.f: 27.10.25)	Chairman	12/12
Mr. J D N Kekulawala (Retired w.e.f: 08.12.25)	Member	11/11
Mr. R C J De Silva Munasinghe	Member	12/12
Mr. V H R Boehme (Appointed w.e.f: 19.03.25 ; Resigned w.e.f: 07.07.25)	Member	3/3
Mr. A P J Bonthuys Resigned w.e.f: 14.10.25)	Member	6/7
Mr. B V Selvanayagam (Appointed w.e.f: 20.03.25)	Member	9/9
Mr. G J T Roche (Appointed w.e.f: 17.07.25)	Member	6/6
Mr. E I Shehadeh (Appointed w.e.f: 25.09.25)	Member	3/3
Mr. J S J Ganesh (Appointed w.e.f: 25.09.25)	Member	3/3
Ms. K R M Fernando (Appointed w.e.f: 06.11.25)	Member	1/2

Board Audit Committee

Names	Members	Number of Meetings
Number of meetings held		05
Mr. J D N Kekulawala Served as Chairman up to 23.09.25 (Resigned w.e.f: 08.12.25)	Chairman	5/5
Mr. B V Selvanayagam (Appointed as a member 21.04.25 and as Chairman w.e.f: 23.09.25)	Chairman	3/3
Mr. T S A Fernandopulle (Retired w.e.f: 25.10.25)	Member	4/4
Mr. I Boyagoda	Member	4/5
Mr. J G T Roche (Appointed w.e.f: 23.09.25)	Member	1/1
Mr. A P J Bonthuys (Appointed w.e.f: 18.10.25; Resigned w.e.f: 20.02.25)	Member	-
Ms. K R M Fernando (Appointed w.e.f: 27.11.25)	Member	-

Board Integrated Risk Management Committee

Names	Members	Number of Meetings
Number of meetings held		04
Mr. I Boyagoda	Chairman	4/4
Mr. T S A Fernandopulle (Retired w.e.f: 26.10.25)	Member	2/3
Mr. J D N Kekulawala (Retired w.e.f:08.12.25)	Member	3/3
Mr. A P J Bonthuys (Appointed w.e.f: 18.10.24; Resigned w.e.f: 14.10.25)	Member	2/2
Mr. B V Selvanayagam (Appointed w.e.f: 21.04.25)	Member	3/3
Mr. J G T Roche (Appointed w.e.f: 23.09.25)	Member	1/1
Ms. K R M Fernando (Appointed w.e.f: 27.11.25)	Member	-



Corporate Governance

Related Party Transactions Review Committee

Names	Members	Number of Meetings
Number of meetings held		04
Mr. J D N Kekulawala (Retired w.e.f: 08.12.25)	Chairman	3/3
Mr. J G T Roche (Appointed as the Chairman w.e.f: 23.09.25)	Chairman	1/1
Mr. T S A Fernandopulle (Retired w.e.f: 25.10.25)	Member	2/3
Mr. I Boyagoda	Member	4/4
Mr. A P J Bonthuys (Appointed w.e.f: 18.10.24; Resigned w.e.f: 14.10.25)	Member	2/2
Mr. B V Selvanayagam (Appointed w.e.f: 21.04.25)	Member	3/3
Ms. K R M Fernando (Appointed w.e.f: 27.11.25)	Member	1/1

Remuneration Committee

Names	Members	Number of Meetings
Number of meetings held		01
Mr. J D N Kekulawala (Retired w.e.f: 08.12.25)	Chairman	1/1
Mr. B V Selvanayagam (Appointed as Chairman w.e.f: 23.09.25)	Chairman	1/1
Mr. T S A Fernandopulle (Retired w.e.f: 26.10.2025)	Member	1/1
Mr. I Boyagoda	Member	1/1
Mr. A P J Bonthuys (Appointed w.e.f: 18.10.24; Resigned w.e.f: 14.10.25)	Member	1/1
Mr. J G T Roche (Appointed w.e.f: 23.09.25)	Member	-
Ms. K R M Fernando (Appointed w.e.f: 27.11.25)	Member	-
Mr. E I Shehadeh (Appointed w.e.f: 16.12.25)	Member	-

Nominations and Governance Committee

Names	Members	Number of Meetings
Number of meetings held		02
Mr. I Boyagoda (Served as Chairman up to 23.09.25)	Chairman	2/2
Mr. J G T Roche (Appointed as the Chairman w.e.f: 23.09.25)	Chairman	1/1
Mr. J D N Kekulawala (Retired w.e.f: 08.12.25)	Member	1/2
Mr. T S A Fernandopulle (Retired w.e.f: 08.12.25)	Member	1/1
Mr. A P J Bonthuys (Appointed w.e.f: 18.10.24; Resigned w.e.f: 14.10.25)	Member	-
Mr. B V Selvanayagam (Appointed w.e.f: 21.04.25)	Member	2/2
Ms. K R M Fernando (Appointed w.e.f: 27.11.25)	Member	-

Mr. Andries Petrus Jacobus Bonthuys was appointed to the Board of Directors with effect from 25 September 2024 and tendered his resignation on 31 July 2025.

At the time of his resignation, the Company was not in compliance with the minimum number of Directors required under Direction No. 05 of 2021 issued by the Central Bank of Sri Lanka. Accordingly, the Company was unable to notify the Colombo Stock Exchange of the resignation, as the approval of the Central Bank of Sri Lanka for the resignation was not granted at that time due to non-compliance with the minimum number of Directors required under the applicable Direction.

Upon restoring compliance, the Company duly notified the Central Bank of Sri Lanka and obtained approval for the resignation on 14 October 2025. Accordingly, the resignation of Mr. Bonthuys is considered effective from that date.

Report of the Directors

The Board of Directors of AMW Capital Leasing and Finance PLC (AMWCL) is pleased to present their Report for the Financial Year Ended 31 December 2025 together with the Audited Statement of Financial Position and the Statement of Comprehensive Income for the period under review.

AMWCL has not engaged in any activity which contravenes the applicable laws and regulations to the Company.

Review of the Period

The Chairman's Review along with the CEO's Review highlights the Company's performance during the period under review.

Financial Statements

The Financial Statements prepared in compliance with the requirements of Section 151 of the Companies Act No.7 of 2007 are given on pages 100 -154 in this Annual Report.

Directors' Responsibilities for Financial Statements

The Statement of the Directors' Responsibilities for Financial Statements is given on page 93.

Independent Auditors Report

The Auditors Report on the Financial Statements is given on pages 96 to 99 in this report.

Accounting Policies and Rules & Regulations

The Accounting Policies adopted in preparation of the Financial Statements are given on pages 104-114 Company has been complied for all the applied rules and regulation of the country.

Stated Capital

The Stated Capital of the Company on 31 December 2025 was Rs.200,000,000/- and was unchanged during the period.

Statutory Payments

All known statutory payments have been made by the Company.

Post Balance Sheet Events

No circumstances have arisen since the Balance Sheet date which would require

adjustments to or disclosure in the Financial Statements.

Meetings of the Board of Directors

Twelve scheduled monthly meetings were held during the year. A schedule of Directors Attendance at Board Meetings and Sub Committee Meetings is on pages 81-82.

Corporate Governance

The Board of Directors is committed to adhering to the Corporate Governance Framework which includes the procedures and processes governing the different stakeholders in the organization such as the Board, Executive Management Staff, Middle Management and other staff, Shareholders and others to ensure that the highest principles of Corporate Governance principles are maintained across all constituents. The Company has made all endeavours to ensure the fair treatment for all stakeholders, in particular the depositors.

In adopting the aforesaid Corporate Governance Framework, the Board has ensured that the Company is compliant with the Listing Rules of Colombo Stock Exchange (CSE) and the Finance Companies (Corporate Governance) Direction No. 5 of 2021 and the transitional provisions. The measures taken in this regard are set out in the Corporate Governance Report on pages 38-80 of this Annual Report.

Board Sub Committees

In compliance with regulatory guidelines and best practices, the Board has formed the following sub committees.

- ⦿ Audit Committee
- ⦿ Integrated Risk Management Committee
- ⦿ Related Party Transactions Review Committee
- ⦿ Remuneration Committee
- ⦿ Nominations and Governance Committee

The mandate of each of these sub committees is provided by their regulatory guideline or Board approved Terms of Reference. The composition of these committees is as prescribed by the relevant regulation (where applicable) or

as deemed most appropriate for effective functioning of the Committee.

The reports of the respective Committees are included in this Report on pages 83-92.

The Board sub committees are empowered to call for additional information, and also to invite key management personnel to provide further details, or to facilitate a dialogue.

This enables the Board to ensure that proposed initiatives, changes to procedures or enhancing of controls are practical and also clearly communicated to the senior management. Committee Meeting minutes are tabled at Board meetings. Thus, while the entire Board is aware of Committee deliberations and decisions, they have the assurance of knowing that matters receive the focused attention of sub committees.

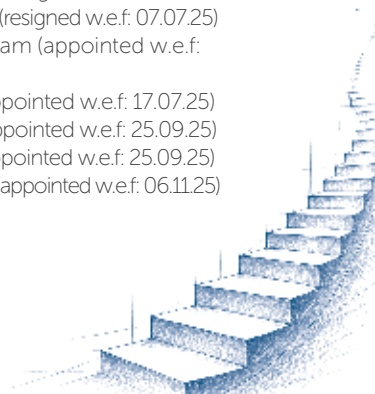
Directors

The Board of Directors of AMW Capital Leasing and Finance PLC consists of Directors with financial and commercial experience. The Directors are subject to an annual assessment of their fitness and propriety to continue as Directors in terms of the Direction No. 06 of 2021 (Assessment of Fitness and Propriety of Key Responsible Persons) of the Finance Business Act.

A brief profile of the Directors with their qualifications and experience is detailed on pages 7-10 of this Report.

The following were the Directors of the Company during the year under review:

Mr. T. S. A. Fernandopulle – Chairman (retired from the position of Chairman, w.e.f 26.10.25 upon completion of 9 years of service)
 Mr. I. Boyagoda – Chairman (appointed w.e.f: 27.10.25)
 Mr. R. C. J. De Silva Munasinghe
 Mr. J. D. N. Kekulawala (retired w.e.f 08.12.25 upon reaching the age of 70 years)
 Mr. A. P. J. Bonthuys (resigned w.e.f: 14.10.25)
 Mr. V. H. R. Boehme (resigned w.e.f: 07.07.25)
 Mr. B V Selvanayagam (appointed w.e.f: 20.03.25)
 Mr. J G T Roche (appointed w.e.f: 17.07.25)
 Mr. E I Shehadeh (appointed w.e.f: 25.09.25)
 Mr. J S J Ganesh (appointed w.e.f: 25.09.25)
 Ms. K R M Fernando (appointed w.e.f: 06.11.25)



Report of the Directors

Mr. T. S. A. Fernandopulle served as Chairman of the Company until his retirement with effect from 26.10.25. Mr. Indrajith Boyagoda was appointed as Chairman with effect from 27.10.25.

Appointment of Directors

Messrs. J. G. T. Roche, K. R.M. Fernando and E. I. Shehadeh, J. S. J. Ganesh were appointed to the Board as Independent Non-Executive Directors and Non-Independent Non-Executive Director, respectively, on 07.07.25, 25.09.25 and 06.11.25 following the last Annual General Meeting. Their appointments align with the Company's governance framework and regulatory requirements.

Resignation of Directors

During the year under review, Mr. V. H. R. Boehme resigned with effect from 07.07.25 and Mr. A. P. J. Bonthuys resigned with effect from 14.10.25.

Retirement of Directors

In accordance with the Finance Business Act Directions No. 05 of 2021 (Corporate Governance) issued by the Central Bank of Sri Lanka, Mr. T. S. A. Fernandopulle retired from the Board on 26.10.25 upon completing nine years of service, while Mr. J. D. N. Kekulawala retired on 08.12.25 upon attaining the age of 70 years.

Directors' Interests

The Directors' Interest in Contracts of the Company have been included in the Notes to the Accounts.

Related Party Transactions

The Directors have disclosed the transactions that could be classified as related party transactions in terms of Sri Lanka Accounting Standard 24, "Related Party Disclosures", in the Financial Statements, and accordingly given in Note 33 on page 139 of this Annual Report. Directors have abstained from voting on matters in which they were materially interested. The Directors confirm that the transactions carried out with the related parties during the year ended 31 December 2025 are in line with the provision contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and there were no related party transactions exceeding

the threshold of 10% of equity or 5% of total assets as per the Audited Financial Statements of the Company during the year. All related party transactions have been reviewed by the Related Party Transactions Review Committee and observations of the Committee have been duly communicated to the Board.

Directors' Remuneration

Details of the remuneration received by the Directors are set out in Note 33.2 to the Financial Statements on page 139.

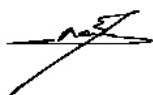
Auditors

Messrs. Deloitte Partners, Chartered Accountants have expressed their willingness to continue in office as Auditors of the Company for the year ending 31 December 2026. A resolution pertaining to their re-appointment and authorizing the Directors to determine their remuneration will be proposed at the Annual General Meeting.

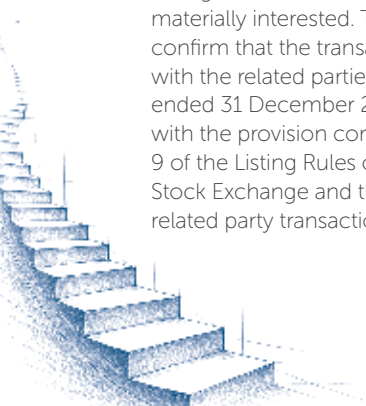
Going Concern

The Board is satisfied that the Company will continue its operations in the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the Financial Statements.

By Order of the Board



Chandima Nanayakkara
Company Secretary
30 March 2026



Directors' Statement on Internal Control Over Financial Reporting

REPORTING RESPONSIBILITY

The Board of Directors ("the Board") of AMW Capital Leasing & Finance PLC ("the Company") hereby issues this report on statement on internal controls over financial reporting and statement on adherence to prudential requirements, regulations, and laws, as mandated by Section 16 (1) (ix) of the Finance Business Act Direction No. 05 of 2021 on Corporate Governance, and Principle D.1.5 of the Code of Best Practice on Corporate Governance 2023 issued by Institute of Chartered Accountants of Sri Lanka.

STATEMENT IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Board is responsible for ensuring the adequacy and effectiveness of internal control over financial reporting of the Company. In this regard, the Board has established an ongoing process for identifying, evaluating, and managing significant risks faced by the Company, which includes enhancing the system of internal control over financial reporting as and when there are changes to the business environment or regulatory guidelines.

This process is regularly reviewed by the Board to maintain its effectiveness. The Board is of the view that the system of internal control over financial reporting in place is adequate to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The management assists the Board in the implementation of the Board's policies and procedures pertaining to internal control over financial reporting. In assessing the internal control system over financial reporting, identified officers of the Company are continuously improving the processes and procedures in line with the industry's best practices and regulatory reporting requirements. These in turn are being observed and checked by the Internal Audit Department of the Company for suitability of design and operating effectiveness on an on-going basis. Processes applied in reviewing the

design and effectiveness of the system of internal control.

- The Board has established Sub-committees to provide oversight of operations and to ensure that activities are carried out in line with the Company's objectives, strategies, and policies approved by the Board.
- Comprehensive policies and procedures have been developed to cover all major functions of the Company. These are approved by the Board and reviewed periodically to ensure they remain up to date and effective.
- The Internal Audit function independently reviews compliance with policies and procedures, while assessing the adequacy of the overall control environment.
- Audit findings and recommendations are reported to the Audit Committee, which reviews the scope and quality of internal audit work and submits its observations to the Board for further consideration.
- The Audit Committee also evaluates the effectiveness of internal controls over financial reporting by reviewing issues highlighted by Internal Audit, External Auditors, regulators, and management.

The Company adopts Sri Lanka Accounting Standards comprising LKAS and SLFRS in preparing its published financial statements. The Annual financial statements of the Company are reviewed and recommended by the Board Audit Committee for Approval by the Board of Directors. These financial statements are also subject to review by the external auditors.

CONFIRMATION

Based on the above processes, the Board confirms 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 and has been done in accordance with Sri Lanka Accounting Standards and regulatory requirements of the Central Bank of Sri Lanka.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditor, Messrs. Deloitte Partners, has reviewed the Director's Statement on Internal Control Over Financial Reporting included in the Company's Annual Report for the year ended 31 December 2025. They have reported that based on the procedures they performed, nothing has come to their attention that causes them to believe the statement included in the annual report is inconsistent with their understanding of the process adopted by the Board of Directors in reviewing the design and effectiveness of the Company's internal control over financial reporting.

STATEMENTS ON PRUDENTIAL REQUIREMENTS, REGULATIONS AND LAWS

The Board provides this report detailing compliance with prudential standards, regulations, and legal requirements, as per Section 16 (1) (ix) of the Finance Business Act Direction No. 05 of 2021 on Corporate Governance. The Board confirms that there are no significant regulatory or supervisory concerns regarding lapses in the Company's risk management systems or non-compliance with prudential requirements, regulations, laws, and Acts. As a result, there are no regulatory directives requiring public disclosure, and no measures to be taken or disclosures are required in this regard.

By Order of the Board



Brian Selvanayagam
Chairman
Board Audit Committee
30 March 2026



Chamath Munasinghe
Director/CEO
30 March 2026



Report of the Board Audit Committee

The Board Audit Committee has been appointed by the Board of Directors of AMW Capital Leasing and Finance PLC. The Committee operates under its Terms of Reference and in compliance with the Finance Business Act Direction No. 05 of 2021 issued by the Central Bank of Sri Lanka and the corporate governance provisions of the CSE Listing Rules.

COMPOSITION OF THE COMMITTEE

The Board Audit Committee comprised the following members at the end of the year under review:

- Mr. B. V. Selvanayagam – Chairman, Independent Non-Executive Director
- Mr. I. Boyagoda – Member, Independent Non-Executive Director
- Mr. J. G. T. Roche – Member, Independent Non-Executive Director
- Ms. K. R. M. Fernando – Member, Independent Non-Executive Director

CHANGES TO THE COMPOSITION OF THE COMMITTEE

During the year under review, Mr. J. D. N. Kekulawala served as Chairman of the Committee until the appointment of Mr. B. V. Selvanayagam as Chairman, following which he subsequently resigned from the Board.

Mr. T. S. A. Fernandopulle and Mr. A. P. J. Bonthuys ceased to be members of the Committee, while Mr. B. V. Selvanayagam, Mr. J. G. T. Roche, and Ms. K. R. M. Fernando were appointed as members.

Details of the dates of appointment and resignation of Directors are provided under 'Corporate Information'.

SECRETARY TO THE COMMITTEE

The Company Secretary serves as the Secretary to the Committee. The Board defined the Objectives of the Committee in the Audit Committee TOR as:

1. To ensure effective, accurate, and timely Financial Reporting and generation of management control information.
2. Management of Internal Controls.
3. Ensure the effective utilization of resources and report on conflicts of interest.

4. Assessing the independence of External Auditors and monitoring the External Audit function.
5. Ensure compliance with the Finance Business Act and the attendant Directions, Rules, Determinations, Notices, and Guidelines issued by the Central Bank of Sri Lanka.

MEETINGS

The Committee met on Four (04) occasions during the year. Minutes on the proceedings, findings, and recommendations of the Audit Committee are made available to the Board of Directors after each meeting. Refer page 81 for the Directors' attendance details of the Audit Committee meetings. The Director/CEO, along with General Manager – Credit and Operations, General Manager – Marketing, General Manager – Finance, Head of Risk, Head of Compliance, and Head of Internal Audit, attend the Audit Committee meetings by invitation.

INTERNAL AUDIT

The Company has established a dedicated Internal Audit Department that performs the internal audit function and reports directly to the Board Audit Committee. The Committee ensures the independence of the internal audit function from the activities subject to audit and confirms that the Department is vested with adequate authority, resources, and professional competence to perform its duties effectively. The roles, responsibilities, authority, and accountability of the Head of Internal Audit and the Internal Audit Department are formally defined in the Internal Audit Charter approved by the Committee. The Board Audit Committee reviews and approves the annual risk based Internal Audit Plan prior to the commencement of each financial year, including an assessment of the adequacy of resources to ensure uninterrupted assurance coverage.

The Committee regularly monitors progress against the approved plan and oversees the resolution of audit findings. The Internal Audit Department conducts onsite and off site audits across business units and branch operations. Information Systems Audits are also

performed to evaluate the Company's IT infrastructure, information security controls, governance framework, policies, procedures, and operational processes against recognized standards and best practices.

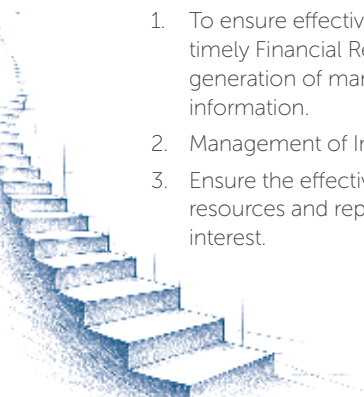
Significant audit findings and recommended corrective actions are reported to the Committee, which actively monitors the timely implementation of management actions. The Department utilizes a systematic audit management system and continues to enhance audit effectiveness through data analytics and progressive integration of AI enabled tools, including initiatives towards advanced analytics and continuous monitoring.

EXTERNAL AUDIT

The Board Audit Committee is primarily responsible for making recommendations to the Board on the appointment, re-appointment, or removal of External Auditors in line with professional standards and regulatory requirements.

The Committee reviewed the services provided by the External Auditors, Messrs. Deloitte Partners, to evaluate their independence and the basis for determining their independence, the Committee is satisfied with their independence based on their objectivity, the work carried out by them, and the fees paid to them for Audit and Non-audit services. There have been non-audit services performed by the external auditors during the year, the fees paid to auditors are given under Note 25 on page 135 Messrs. Deloitte Partners have been the auditor of AMWCL for the past 5 years and the audit partner Mr. H.A. Chathumin Hasinthaka Gunarathne took over the audit in 2024 making this their second audit after partner rotation. Written assurance was obtained from the external auditors, 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.

The Committee also reviewed, agreed, and discussed their audit plan, including their assessment on key audit matters.



FUNCTIONS AND DUTIES

Positions and movements in Non-Performance Loans and Arrears are brought to the attention of the Board by the Committee.

The Committee obtained assurance from the Chief Executive Officer and the General Manager – Finance regarding the integrity of the financial statements, confirming that the records provide a true and fair view of the operations and financial position of the Company.

The Committee also ensured that the Company complies with all regulatory and legal requirements, including financial reporting requirements, CBSL Directions, information and disclosure requirements under SEC Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.

The Committee is satisfied that the Risk Management and Control Environment is adequate to support the Business Process. The Management regularly evaluates the Business Process to ensure that it meets the needs of the market. Any changes brought about in the process will necessitate a review of the Control Environment.



Brian Selvanayagam
Chairman
Board Audit Committee
30 March 2026



Report of the Board Integrated Risk Management Committee

The Board Integrated Risk Management Committee (BIRMC) is a sub-committee of the Board established in compliance with the Corporate Governance Directions for Finance Companies issued by the Central Bank of Sri Lanka.

COMPOSITION OF THE COMMITTEE

The Committee comprised the following members at the end of the year under review:

- ◉ Mr. I. Boyagoda – Chairman, Independent Non-Executive Director
- ◉ Mr. B. V. Selvanayagam – Member, Independent Non-Executive Director
- ◉ Mr. J. G. T. Roche – Member, Independent Non-Executive Director
- ◉ Ms. K. R. M. Fernando – Member, Independent Non-Executive Director

CHANGES TO THE COMPOSITION OF THE COMMITTEE

During the year under review, Mr. T. S. A. Fernandopulle, Mr. J. D. N. Kekulawala, and Mr. A. P. J. Bonthuys ceased to be members of the Committee, while Mr. B. V. Selvanayagam, Mr. J. G. T. Roche, and Ms. K. R. M. Fernando were appointed as members.

Details of the dates of appointment and resignation of Directors are provided under 'Corporate Information'.

SECRETARY TO THE COMMITTEE

The Company Secretary serves as the Secretary to the Committee.

CHARTER OF THE COMMITTEE

The Board has approved the BIRMC charter in which it sets out the membership, source of authority, duties, and responsibilities of the BIRMC. The functions of the BIRMC in managing the risks of the Company have been discussed in detail under the "Risk Management" from pages 28 to 37 of this Annual Report.

COMMITTEE MEETINGS AND METHODOLOGY

The BIRMC met 04 times during the year ended 31 December 2025, and its deliberations and conclusions were reported to the Board of Directors. The BIRMC assists the Board of Directors

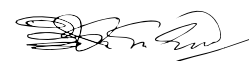
in performing its oversight function in relation to different types of risks faced by the Company in its business operations and ensures adequacy of the effectiveness of the risk management framework of the Company.

The scope of the Committee was based on the guidelines defined by the Central Bank. In particular, the Committee reviewed risks flowing from the business plan and strategy, economic, credit, market, liquidity, and operational risks, as well as interest rate mismatch risk.

ACTIVITIES AND FUNCTIONS OF THE COMMITTEE

- ◉ Assess the impact of risks, including credit, market, liquidity, operational, strategic, compliance, and technology through appropriate risk indicators and management information and make recommendations on the risk strategies and the risk appetite to the Board.
- ◉ Develop risk appetite through a Risk Appetite Statement (RAS), which articulates the individual and aggregate level and types of risk that AMWCL will accept or avoid in order to achieve strategic business objectives.
- ◉ Review the AMWCL's risk policies, including RAS, at least annually.
- ◉ Review the adequacy and effectiveness of senior management level committees (CPC, ALCO, ITSC, ISC, IMP, and ORMCM)* to address specific risks and manage those within quantitative risk limits and qualitative risk criteria set by the Committee.
- ◉ Assess all aspects of risk management, including updated business continuity and disaster recovery plans.
- ◉ Assess the performance of the Head of Compliance and the Head of Risk.
- ◉ Monitor the independent compliance function to assess AMWCL's compliance with laws, regulations, directions, rules, regulatory guidelines, and approved policies on business operations.

- ◉ Monitor the independent risk management function responsible for managing risk-taking activities across the AMWCL.
- ◉ Take appropriate actions against the officers responsible for failure to identify specific risks and take prompt corrective actions as recommended by the Committee.
- ◉ Submit a risk assessment report to the Board of Directors seeking Board's views, concurrence, and/or specific directions.
- ◉ Consider proposed material changes to the Company's risk profile or Risk Appetite arising from planned new or increased business.



Indrajith Boyagoda
Chairman
Board Integrated Risk Management Committee
30 March 2026

(*Credit Policy Committee, Asset and Liability Committee, Information Technology Steering Committee, Information Security Committee, Impairment Committee, and Operational Risk Management Committee).

Report of the Remuneration Committee

The Remuneration Committee has been appointed by the Board of Directors of AMW Capital Leasing and Finance PLC. It functions under its Terms of Reference, adhering to the Finance Business Act Direction No. 05 of 2021 and the corporate governance provisions of the CSE Listing Rules.

COMPOSITION OF THE COMMITTEE

The Committee comprised the following members at the end of the year under review:

- Mr. B. V. Selvanayagam - Chairman, Independent Non-Executive Director
- Mr. I. Boyagoda - Member, Independent Non-Executive Director
- Mr. J. G. T. Roche - Member, Independent Non-Executive Director
- Ms. K. R. M. Fernando - Member, Independent Non-Executive Director
- Mr. E. I. Shehadeh - Member, Non-Independent Non-Executive Director

During the year under review, Mr. J. D. N. Kekulawala served as Chairman of the Committee until 23 September 2025 and subsequently resigned from the Board. Mr. B. V. Selvanayagam, who was appointed to the Committee during the year, was appointed as Chairman with effect from 23 September 2025.

Mr. T. S. A. Fernandopulle and Mr. A. P. J. Bonthuys resigned from the Committee during the year.

Mr. J. G. T. Roche, Ms. K. R. M. Fernando, and Mr. E. I. Shehadeh were appointed to the Committee during the year.

Details of the dates of appointment and resignation of Directors are provided under 'Corporate Information'.

The composition of the Committee is in compliance with the Listing Rules of the Colombo Stock Exchange. The profiles of the members are detailed on pages 7 to 10 of this Annual Report.

SECRETARY

The Company Secretary functions as the Secretary to the Remuneration Committee.

INVITEES

Director/CEO, Human Resources Business Partner and Head of Compliance participated in the meetings by invitation.

TERMS OF REFERENCE

The Remuneration Committee operates under the Board-approved Terms of Reference and supports the Board of Directors in ensuring the effectiveness of the Company's remuneration framework. The Committee is authorized to review matters within its scope and make recommendations to the Board for informed decision-making. Its role and functions are governed by relevant statutory and regulatory requirements.

REMUNERATION POLICY

The Company's remuneration policy is designed to attract, reward, recognize, motivate and compensate employees for their services to the Company's success in line with market practice.

The policy encompasses the component of compensation and structured career progression through job evaluations and re-banding. It also supports succession planning.

The Committee provides oversight of the policy's implementation, ensuring compliance with regulatory requirements and best governance practices while aligning compensation strategies with the Company's long-term objectives.

FUNCTIONS

The Committee upholds the principles of accountability and transparency, ensuring a clear link between reward and performance. It reviews and oversees the Remuneration Policy, aligning it with industry best practices, regulatory requirements, and internal equity.

The Committee oversees setting up the remuneration framework for Key Responsible Persons (KRP), including Managerial Staff, and evaluates the performance of the CEO and senior management in line with corporate governance requirements, providing recommendations to the Board.

Additionally, the Committee reviews key human resource strategies, including

succession planning, to support long-term business objectives.

MEETINGS AND ATTENDANCE

During the year, the Committee held one (01) meeting, and the attendance of the Committee Members at these meetings is given in the table on page 82 of the Annual Report.

TOTAL AGGREGATE REMUNERATION

Aggregate remuneration paid to Non-Executive Directors and Executive Directors is disclosed in Note 33.2 to the financial statements on page 139 in accordance with the requirements of Section 16 (1) (iv) of the Finance Business Act Direction No. 5 of 2021 and following the Guidelines on Remuneration Policies and Disclosure Requirements issued by the Central Bank of Sri Lanka. It is also declared in accordance with the Section 9.12.8 of the CSE Listing Rules Section 9 on Corporate Governance.

CORPORATE GOVERNANCE

The Remuneration Committee is committed to upholding the highest standards of governance, ensuring that the Company's compensation framework supports long-term business success while maintaining fairness and transparency.



Brian Selvanayagam
Chairman
Remuneration Committee
30 March 2026



Report of the Related Party Transactions Review Committee

The Board-appointed Related Party Transactions (RPT) Review Committee comprised the following members at the end of the year under review:

- ◉ Mr. J. G. T. Roche – Chairman, Independent Non-Executive Director
- ◉ Mr. I. Boyagoda – Member, Independent Non-Executive Director
- ◉ Mr. B. V. Selvanayagam – Member, Independent Non-Executive Director
- ◉ Ms. K. R. M. Fernando – Member, Independent Non-Executive Director

During the year under review, Mr. J. D. N. Kekulawala served as Chairman of the Committee until the appointment of Mr. J. G. T. Roche as Chairman, following which he subsequently resigned from the Board.

Mr. T. S. A. Fernandopulle and Mr. A. P. J. Bonthuys ceased to be members of the Committee, while Mr. B. V. Selvanayagam and Ms. K. R. M. Fernando were appointed as members.

Details of the dates of appointment and resignation of Directors are provided under 'Corporate Information'.

SECRETARY

The Company Secretary functions as the Secretary to the Committee

The Committee met on four (04) occasions during the financial year, and the attendance at these meetings is provided on page 82 of this Annual Report.

TERMS OF REFERENCE OF THE COMMITTEE

The Committee was mandated by the Terms of Reference approved by the Board of Directors for the purpose of reviewing in advance all proposed related party transactions and communicating its comments and observations to the Board.

The Committee also ensured that

1. the transparency and fairness to all stakeholders of all transactions.
2. adherence of Related Party Transactions to the Accounting Standards, Rules issued by the SEC, and the Directions issued by the Central Bank of Sri Lanka.

METHODOLOGY USED BY THE COMMITTEE – AVOIDING CONFLICTS OF INTEREST

The Committee avoids "conflicts of interest" which may arise from any transaction entered into between the Company and any person, and ensure that related party dealings are carried out in an arm's length.

SUMMARY OF ACTIVITIES

Discharging the duties entrusted to the Committee within its Terms of Reference, the Committee has reviewed all the related party transactions engaged into by the Company during the period under review, and has duly reported same to the Board of Directors and shareholders where necessary.

The Committee confirms that a formal Related Party Transactions Policy, supported by appropriate systems, is in place to govern the identification, review, and approval of Related Party Transactions, and the Committee carried out its review functions during the financial year in accordance therewith.

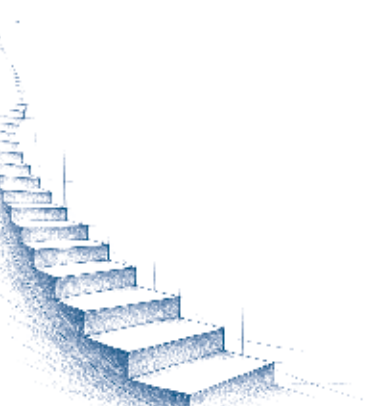
During the period under review, the Committee has reviewed various transactions falling within the categories as set out below

- ◉ Transactions with the Parent
- ◉ Recurrent Related Party Transactions
- ◉ Non-Recurrent Related Party Transactions
- ◉ Transactions with the KMPs and Directors of the Company;

Self-declarations from the Directors and KMPs are obtained in terms of the related party transaction guide for identifying parties related to them. Based on these declarations, information on related parties has been included in the core systems used by the Company.

There are no financial, business, family, or other material/relevant relationships between the Chairperson and the CEO, nor among members of the Board.

The Committee continuously focuses on identifying gaps in the existing policy and processes and will strengthen the processes on an ongoing basis.



Related Party Transactions During 2025

Details of related party transactions during the period under review are disclosed under Note 33 on pages 138-139 of the Audited Financial Statements.

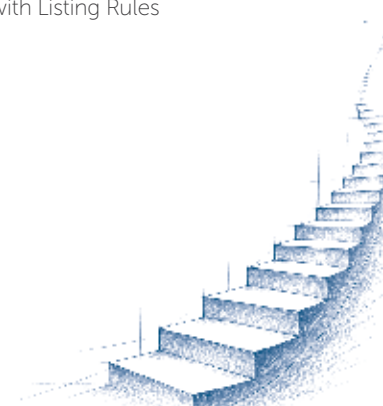
Name of the related party	Relationship	Nature of the Transaction	Closing Balance as at 31.12.2025 (Rs)	Aggregate value of related party transactions entered into during the financial year (Rs.)	Aggregate value of related party transactions as a % of Gross Interest Income	Terms and conditions of the related party transactions
Associated Motorways Private Limited	Parent	Shared Services	22,467,997		0.22%	Normal commercial terms
		- Vehicle Repair Cost		405,166		
		- Fuel/IT/Other Cost Reimbursement		66,151,425	3.95%	As per the Agreement
		- Rent Cost		23,469,380		
		Trading Transactions			1.40%	As per the Agreement
		- Sales	1,344,093,346	3,512,158,058		Normal commercial terms
		- Payments		2,168,064,712		Normal commercial terms
		Rent payment Receivables			210%	Normal commercial terms
			3,002,607		129%	
Orient Insurance Limited	Sister Company	Insurance Premium Payments	23,027,641	241,298,594	14.40%	Normal commercial terms
		Insurance Commission Receivables		23,822,559		
					1.42%	Normal commercial terms
		Fixed Deposit	350,000,000			
AFG Group	Group Companies	Shared IT and Other Services	28,589,597	10,548,833	0.63%	Normal commercial terms
Key Management Personnel	Key Management Personnel with close family members	Directors' emoluments and key management persons' remuneration		125,117,059	7.47%	
		Fixed Deposit Transactions				
		- New Fixed Deposits	55,381,655			
		- FD Renewals and Withdrawals		40,167,560		
		Loan Facilities		62,710,001	2.40%	Normal commercial terms
			17,026,378		3.74%	Normal commercial terms

Declaration

The declaration by the Board of Directors in the Annual Report as an affirmative statement of compliance with Listing Rules pertaining to Related Party Transactions is given on page 84 of this Annual Report



Travis Roche
Chairman
Related Party Transactions Review Committee
30 March 2026



Report of the Nominations and Governance Committee

The Nominations and Governance Committee has been appointed by the Board of Directors of AMW Capital Leasing and Finance PLC on 20 February 2024. It functions under its Terms of Reference, adhering to the Finance Business Act Direction No. 05 of 2021 and the corporate governance provisions of the CSE Listing Rules. The Committee follows the Corporate Governance framework which is approved by the Board when nominating Directors and KRPs.

COMPOSITION OF THE COMMITTEE

The Committee comprised the following members at the end of the year under review:

- ◉ Mr. J. G. T. Roche – Chairman, Independent Non-Executive Director
- ◉ Mr. I. Boyagoda – Member, Independent Non-Executive Director
- ◉ Mr. B. V. Selvanayagam – Member, Independent Non-Executive Director
- ◉ Ms. K. R. M. Fernando – Member, Independent Non-Executive Director

CHANGES TO THE COMPOSITION OF THE COMMITTEE

During the year under review, Mr. I. Boyagoda served as Chairman of the Committee until the appointment of Mr. J. G. T. Roche as Chairman, following which he continued as a Member. Mr. T. S. A. Fernandopulle, Mr. J. D. N. Kekulawala, and Mr. A. P. J. Bonthuys ceased to be members of the Committee, while Mr. B. V. Selvanayagam and Ms. K. R. M. Fernando were appointed as members.

Details of the dates of appointment and resignation of Directors are provided under 'Corporate Information'.

Brief Profiles of the Directors are given on pages 7-10 in this report.

Director/CEO participates in the meetings by invitation. In addition, the Committee has authority to invite any other management members or external experts to the Committee meetings if they deem necessary.

SECRETARY

The Company Secretary functions as the Secretary to the Committee.

FUNCTIONS OF THE COMMITTEE

The Committee's main function is to evaluate and recommend to the Board the appointment of new Directors, the CEO, and other Key Responsible Persons. They will also maintain formal procedures for this purpose. New Directors are assimilated to the Board through an informal induction by physical meeting and involving them in the routine discussions on corporate governance, Listing Rules, securities market regulations, and other applicable laws and regulations.

During the year under review, Directors were kept informed of developments in corporate governance, Listing Rules, securities market regulation, and other applicable laws and regulations through updates facilitated by the Compliance Department, the Company Secretary, and other reporting lines. Directors continue to participate in relevant external training and development programs on their own initiative.

In discharging the duties and responsibilities vested in the NGC, the Committee obtained declarations from the Directors through a prescribed format, confirming their status of independence. During the reporting period, there were no major issues that needed to be communicated to the Independent Directors.

Directors should be re-elected annually, following the applicable fitness and propriety assessments, which are reviewed by the Committee. Directors who were members of the Board as at 31 December 2025 have been recommended for re-election at the AGM to continue as Directors as per Articles of Association of the Company in 2026 in the same positions.

Attendance details for Board and Committee meetings are provided on pages 81 to 82.

The Board consists of members who possess a wide range of expertise, knowledge, and relevant qualifications, hailing from various backgrounds, which add to the depth and perspective of Board decisions. Such diversity of experience, skills, age, are essential for an effective Board performance. The Board

appointed the first female member during 2025 and is yet to further diversify in terms of gender.

FIT AND PROPER ASSESSMENT

As part of its mandate, the Committee ensures that all Directors and the Chief Executive Officer satisfy the Fit and Proper Assessment Criteria as stipulated in the Corporate Governance Rules of Central Bank and Colombo Stock Exchange. The Committee has obtained declarations through a prescribed format confirming each Directors' and the CEO's compliance with these criteria.

Further, performance evaluations of the Board as a whole, its subcommittees, and individual Directors, as well as the Chief Executive Officer, were conducted during the financial year under review in accordance with the Board's established evaluation framework.

During the reporting period, there have been no instances of non-compliance with the Fit and Proper Assessment Criteria.

During the year under review, the NGC held two (02) meetings.

A detailed breakdown of the compliance with Corporate Governance rules can be referred to on page 38 onwards.



Travis Roche
Chairman
Nominations and Governance
Committee
30 March 2026



Directors' Responsibility for Financial Reporting

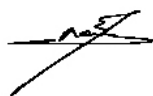
The Financial Statements are prepared in conformity with generally accepted accounting principles and the Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements reflect a true and fair view of the state of affairs of the Company as of 31st December, 2025 and provide the information required by the Companies Act No. 7 of 2007. The Financial Statements have been prepared on the going concern basis as the Board is satisfied that the Company will continue its operations in the foreseeable future.

The Board of Directors have instituted an effective and comprehensive system of internal checks, internal audits, and the whole system of financial and other controls required to carry on the business of the Company in an orderly manner, safeguard its assets and ensure as far as practicable the accuracy and reliability of the records. These controls are regularly reviewed.

The Company Auditors, Messrs. Deloitte Partners, Chartered Accountants, carry out reviews and test checks the effectiveness of internal controls as they consider appropriate and necessary for providing their opinion on the financial statements.

The Board of Directors oversees the Management's responsibilities for financial reporting at their regular meetings.

By Order of the Board



Chandima Nanayakkara
Company Secretary
30 March 2026



Financial Reports

Independent Auditor's Report

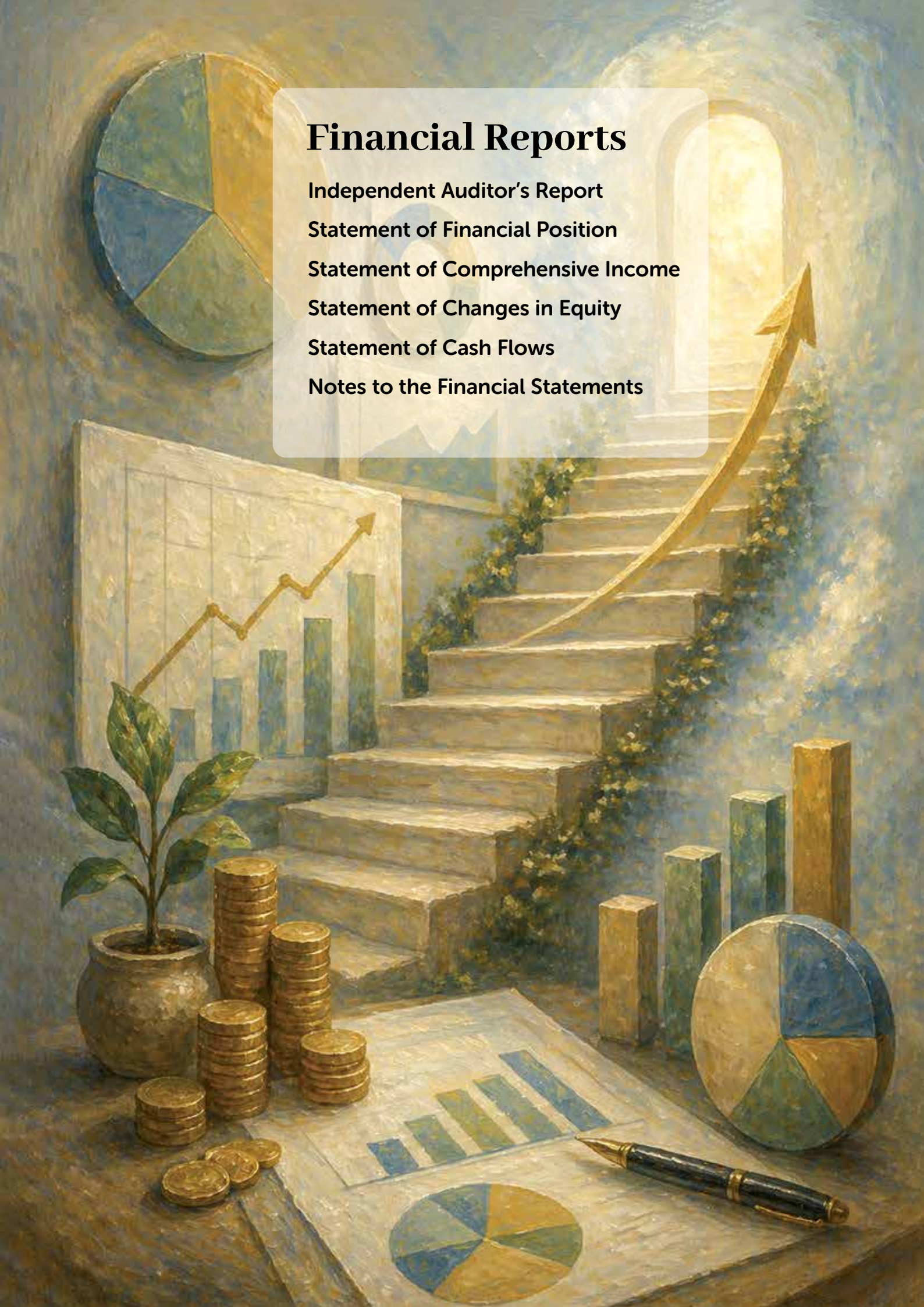
Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements



Independent Auditor's Report



Deloitte Partners
100 Braybrooke Place
Colombo 2
Sri Lanka

Tel: +94 11 7719700,
+94 11 771 9838
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AMW Capital Leasing and Finance PLC

Report on the Audit of the Financial Statements

Our opinion

We have audited the financial statements of AMW Capital Leasing and Finance PLC (the Company). The financial statements of the Company comprise:

- the statement of financial position as at 31 December 2025;
- the statement of profit or loss and other comprehensive income for the year then ended.
- the statement of changes in equity for the year then ended.
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, 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 the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

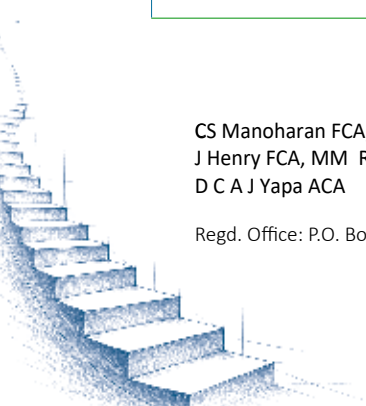
Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our 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.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans and advances and rentals receivable on lease and hire purchase assets. Refer accounting policy Section 2.2.2: Impairment losses on loans and receivables and Notes 7, 8 and 24 to the financial statements.	The audit procedures performed to assess the adequacy of the impairment allowance for credit losses on loans and advances and rentals receivable on lease and hire purchase assets in line with SLFRS 9 adopted, included the following:

CS Manoharan FCA, TU Jayasinghe FCA, M DB Boyagoda FCA, HACH Gunarathne FCA, MP MT Gunasekara FCA, N R Gunasekera FCA, MS J Henry FCA, MM R Hilmy FCA, H P V Lakdeva FCA, KM DR P Manatunga ACA, MM M Manzeer FCA, LACTillekeratne ACA, D C A J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AMW Capital Leasing and Finance PLC (Contd.)

Report on the audit of the financial statements (Contd.)

Key Audit Matters (Contd.)

Key audit matter	How our audit addressed the Key audit matter
As at 31 December 2025, total gross amount of loans and advances and rentals receivable on lease and hire purchase assets amounted to Rs. 11,796 million, with a total allowance for impairment of Rs. 701 million. Total net amount of loans and advances represent 90% of the total assets. Management assesses whether the credit risk of loans and advances to customers and rentals receivable on lease and hire purchase assets have increased significantly since their initial recognition and applies a three-stage impairment approach to calculate the Expected Credit Loss (ECL) by grouping the portfolio into different segments, namely motor car, motorcycle, dual purpose, motor tricycle and other assets. ECL is calculated on either an individual basis or a collective basis. Collective impairment is calculated incorporating key parameters, including probability of default, loss given default, exposure at default, discount factor for the period and economic factor adjustment. Individual impairment is determined using discounted cash flows. The impairment of loans and advances and rentals receivable on lease and hire purchase assets using the ECL model was considered as a key audit matter due to:- The complex calculations with key variables being used in the ECL model requiring significant management judgment and use of assumptions: The magnitude of the reported amounts of loans and advances and rentals receivable on lease and hire purchase assets and the impairment allowances thereof; and - The determination of ECL in an uncertain economic environment.	- Understanding, evaluating, and testing the design and operating effectiveness of key controls in lending and credit risk mitigation process. - Assessing the appropriateness of the criteria (E.g.: days past due, industry segments) used by management to determine whether customer credit facilities are impaired. - Assessing the appropriateness of the design and implementation of the ECL model, including the reasonableness of significant judgement made and assumptions used by management respectively, which included, cash flow estimates, discount rates, expected recoveries when defaults occur and management overlays. - Checking the reasonability of the macro-economic and other forward-looking information used by management, by comparing them against reliable publicly available information. - Checking the underlying calculations and data on a sample basis for accuracy and completeness; and - Assessing the accuracy and sufficiency of related financial statement disclosures. Based on our procedures, we found the methodology adopted to be appropriate, and the estimates and assumptions within the ECL model to be reasonable. We also found the disclosures in the financial statements in respect of the impairment to be adequate.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2025 ("the Annual Report") (but does not include the financial statements and our auditor's report thereon). The 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 will 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.



Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AMW Capital Leasing and Finance PLC (Contd.)

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.

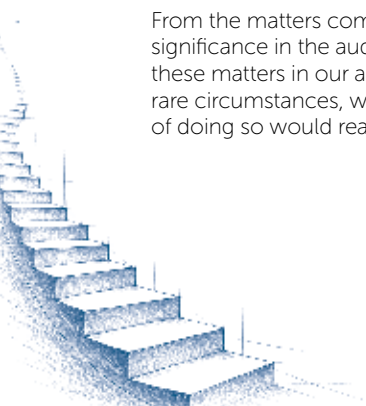
As part of an audit in accordance with SLAuSs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AMW Capital Leasing and Finance PLC (Contd.)

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 6355.



Deloitte Partners
Chartered Accountants
Colombo
30 March 2026



Statement of Financial Position

As at 31 December		2025	2024
	Note	Rs.	Rs.
ASSETS			
Cash and bank	3	582,546,077	198,265,641
Other financial assets	4	69,303,379	65,311,288
Other non-financial assets	5	46,866,975	48,114,125
Deferred tax assets	6	91,224,073	64,677,217
Rentals receivable on lease and hire purchase assets	7	627,329,465	248,893,692
Loans and advances	8	10,466,838,303	5,918,447,431
Equity instruments at fair value through other comprehensive income	9	2,505,126	2,358,001
Debt instruments at amortized cost	10	257,302,371	213,969,129
Property, plant and equipment	11	72,070,639	57,510,116
Intangible assets	12	22,116,005	6,527,970
Right-of-use assets	13	79,002,377	44,931,548
Total assets		12,317,104,789	6,869,006,158
EQUITY AND LIABILITIES			
Liabilities			
Bank overdraft	3	34,800,146	20,206,510
Trade and other payables	14	2,007,003,066	696,220,842
Time deposits	15	2,738,209,601	1,881,211,682
Interest bearing borrowings	16	3,376,519,151	419,682,138
Lease liabilities	13	83,098,488	56,917,361
Income tax payable	17	84,898,346	35,222,026
Employee benefit obligation	18	68,969,527	47,613,081
Total liabilities		8,393,498,325	3,157,073,640
Equity			
Stated capital	19	200,000,000	200,000,000
Retained profit		3,526,747,231	3,325,796,751
Fair value through OCI reserve		1,812,777	1,665,652
Statutory reserve fund	20	195,046,456	184,470,115
Total equity		3,923,606,464	3,711,932,518
Total equity and liabilities		12,317,104,789	6,869,006,158

The annexed Notes to the Financial Statements on pages 104 through 154 form an integral part of these financial statements. These Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Nishan Pemakumara
General Manager Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the Board,



Chamath Munasinghe
Director / Chief Executive Officer
30 March 2026



Brian Selvanayagam
Director
30 March 2026

Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December	Note	2025 Rs.	2024 Rs.
Gross income		1,675,149,433	1,318,296,273
Interest income	21	1,375,975,301	1,079,580,121
Less : Interest expenses	22	(420,303,247)	(341,444,432)
Net interest income		955,672,054	738,135,689
Other operating income	23	299,174,132	238,716,152
Total operating income		1,254,846,186	976,851,841
Impairment (charges) / reversal	24	97,443,033	75,783,470
Net operating income		1,352,289,219	1,052,635,311
Less: Operating expenses			
Administration expenses	25	(427,768,006)	(395,399,884)
Personnel expenses	26	(404,248,653)	(334,110,790)
Distribution expenses	27	(80,689,227)	(59,548,079)
Operating profit before Value Added Tax (VAT) on financial services		439,583,333	263,576,558
Less: Taxes on financial services	28	(144,225,315)	(93,498,337)
Profit before taxation		295,358,018	170,078,221
Income tax expense	29	(73,623,444)	(92,022,404)
Profit for the year		221,734,574	78,055,817
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial loss on employee benefit obligation	18	(14,519,450)	(13,561,413)
Fair value gain on equity instruments	9	147,125	172,959
Income tax relating to other comprehensive income	29	4,311,697	4,016,536
Other comprehensive income for the period, net of tax		(10,060,628)	(9,371,918)
Total comprehensive income for the year		211,673,946	68,683,899
Basic earnings per share (Rs.)	30	11.09	3.90

The annexed Notes to the Financial Statements on pages 104 through 154 form an integral part of these financial statements. Figures in brackets indicate deductions.



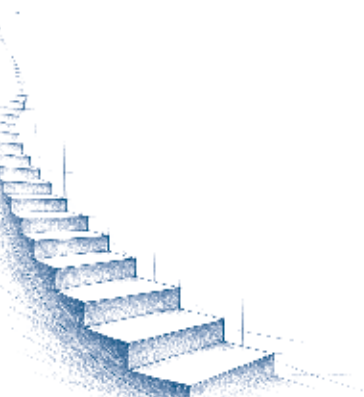
Statement of Changes in Equity

	Note	Stated Capital Rs.	Retained Profit Rs.	Statutory Reserve Fund Rs.	Fair Value through OCI Reserve Rs.	Total Equity Rs.
Balance as at 01 January 2024		200,000,000	3,260,711,358	181,044,568	1,492,693	3,643,248,619
Total comprehensive income for the year		-	68,510,940	-	172,959	68,683,899
Transfers	20	-	(3,425,547)	3,425,547	-	-
Balance as at 31 December 2024		200,000,000	3,325,796,751	184,470,115	1,665,652	3,711,932,518
Total comprehensive income for the year		-	211,526,821	-	147,125	211,673,946
Transfers	20	-	(10,576,341)	10,576,341	-	-
Balance as at 31 December 2025		200,000,000	3,526,747,231	195,046,456	1,812,777	3,923,606,464

The Company has certain equity instruments measured at FVOCI, as explained in Note 9.1. For these investments, changes in fair value is accumulated within the FVOCI reserve within equity. Accumulated changes in fair value are transferred to profit or loss when the investment is derecognized or impaired.

The annexed Notes to the Financial Statements on pages 104 through 154 form an integral part of these financial statements.

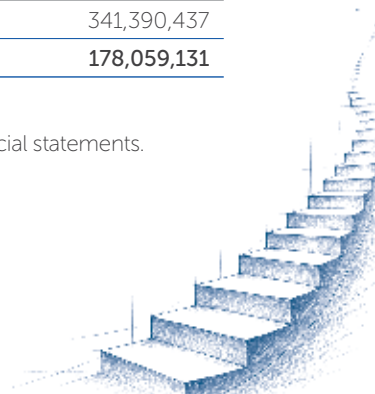
Figures in brackets indicate deductions.



Statement of Cash Flows

Year ended 31 December	Note	2025 Rs.	2024 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		295,358,018	170,078,221
Adjustments for :			
Interest income on debt instruments at amortized cost	21	(41,838,029)	(152,518,400)
Accrued loan interest	16	122,620,091	77,902,538
Dividend income	23	(291,200)	(268,900)
Retiring gratuity - charge for the year	26	11,003,387	8,089,480
Interest on lease liabilities	22	17,488,813	13,450,538
Depreciation and amortization	25	54,945,784	43,037,844
Operating profit before changes in working capital		459,286,864	159,771,321
Increase in trade and other payables		1,310,782,224	85,296,304
Decrease in other financial assets and non-financial assets		(2,744,941)	(11,688,977)
Net settlements from lease, hire purchase and loans and advances		(4,926,826,644)	(1,550,977,025)
Net deposit settlement to customers		856,997,919	510,419,634
Net cash generated from operations		(2,302,504,578)	(807,178,743)
Gratuity paid	18	(4,166,391)	(5,527,623)
Income tax paid	17	(46,182,281)	(40,076,687)
Net cash used in operating activities		(2,352,853,250)	(852,783,053)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Dividend received	23	291,200	268,900
Acquisition of plant, equipment and intangible assets	11	(57,468,169)	(41,210,813)
Acquisition cost related to Right of Use Assets		(11,383,993)	-
Proceeds from (purchase) / sales of investment securities		(43,333,242)	1,901,184,171
Interest received from debt instruments at amortized cost	21	41,838,029	152,518,400
Net cash used in investing activities		(70,056,175)	2,012,760,658
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Lease payments during the year	13	(41,620,698)	(41,614,279)
Loans obtained	16	3,650,000,000	800,000,000
Loan settlements made	16	(815,783,077)	(2,081,694,632)
Net cash used in financing activities		2,792,596,225	(1,323,308,911)
Net increase / (decrease) in cash and cash equivalents		369,686,800	(163,331,306)
Cash and cash equivalents at the beginning of the year		178,059,131	341,390,437
Cash and cash equivalents at the end of the year	3	547,745,931	178,059,131

The annexed Notes to the Financial Statements on pages 104 through 154 form an integral part of these financial statements.
Figures in brackets indicate deductions.



Notes to the Financial Statements

1. CORPORATE INFORMATION

AMW Capital Leasing and Finance PLC (Previously known as "AMW Capital Leasing PLC") was incorporated on 23 February 2006 under the Companies Act No. 17 of 1982 and was re-registered under the New Companies Act No. 07 of 2007 on 27 June 2007. The new Registration Number of the Company is PB14PQ.

The registered office of the Company is located at No. 185, Union Place, Colombo 02 and principal place of business of the Company is located at No. 445, Bauddhaloka Mawatha, Colombo 08.

The principal activities of the Company comprised of leasing, loans, mobilization of public deposits. There were no significant changes in the nature of the principal activities of the Company during the financial period under review.

The financial statements for the year ended 31 December 2025 were authorized for issue by the Directors on 30 March 2026.

The immediate holding Company of AMW Capital Leasing and Finance PLC is Associated Motorways (Pvt) Limited which is incorporated in Sri Lanka and ultimate parent Company is Al-Futtaim Engineering LLC, Dubai.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs and LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL) and comply with the requirements of the Companies Act, No. 7 of 2007, the Regulation of Finance Business Act No.42 of 2011 and amendments there to and listing rules of Colombo Stock Exchange (CSE).

The financial statements include the following components:

- ⦿ A statement of financial position as at 31 December 2025;
- ⦿ A statement of Profit or Loss and other comprehensive income for the

year then ended;

- ⦿ A statement of changes in equity for the year then ended;
- ⦿ A statement of cash flows for the year then ended; and
- ⦿ Notes to the financial statements comprising accounting policies and other explanatory information.

2.1.2 Historical Cost Convention

The financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value.

2.1.3 Presentation of Financial Statements

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the Note 35. 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expense is not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

2.1.4 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of these financial statements.

2.1.5 Approval of Financial Statements

The financial statements of the Company for the year ended 31 December 2025 were authorized for issue by the Board of Directors on 30 March 2026.

2.2 Material Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However,

uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

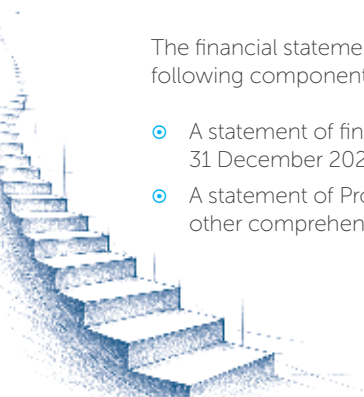
The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

2.2.1 Going Concern

The Company's management has made an assessment of the Company's ability to continue as a Going Concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, Management 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 continue to be prepared on the going concern basis.

2.2.2 Impairment Losses on Loans and Receivable and Rentals Receivable on Lease and Hire Purchase Assets

The measurement of impairment losses under SLFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in



credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- ⦿ The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on an ECL basis and the related qualitative assessment;
- ⦿ The segmentation of financial assets when their ECL is assessed on a collective basis;
- ❖ Development of ECL models, including the various formulas and the choice of inputs;
- ⦿ Determination of associations between macroeconomic scenarios and, economic inputs such as unemployment levels and collateral values, and the effect on probability of default (PD), exposure at default (EAD) and loss given default (LGD); and
- ⦿ Election of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Company reviews its individually significant loans and receivables at each reporting date to assess whether an impairment loss should be recorded in the statement of profit or loss. In particular, Management Judgment is required when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

ECL principles

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 the above process, the Company groups its loans into Stage 1, Stage 2 and Stage 3 as described below:

- ⦿ **Stage 1:** When loans are first recognized, the Company recognizes an allowance based on 12 month ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- ⦿ **Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECLs. Stage 2 loans also include facilities, where the credit risk has improved, presumed if interest and/or principal repayments are 30 days past due and the loan has been reclassified from Stage 3.
- ⦿ **Stage 3:** Loans considered credit-impaired, the Company records an allowance for the lifetime ECLs.

The calculation of ECLs

The Company calculates ECL based on 3 probability weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the Effective Interest Rate (EIR). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are as follows:

- ⦿ **PD** - The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- ⦿ **EAD** - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

- ⦿ **LGD** - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Definition of Default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of factors that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted.

Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are classified as other operating income.

2.2.3 Employee Benefit Obligations

The cost of the defined benefit plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about the assumptions used are given in Note 18.

2.2.4 Fair Value of Financial Instruments

The determination of fair value of financial assets and financial liabilities recorded on the statement of financial position for which there is no observable market price are determined using a



Notes to the Financial Statements

variety of valuation techniques that includes the use of mathematical models. The valuation of financial instrument is described in Note 37 to the financial statements. The Company measures fair value using the fair value hierarchy that reflects the significance of input used in making measurements. The fair value hierarchy is also given in Note 37 the financial statements.

2.2.5 Taxation

Income Taxes

Judgment is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognize liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters results in a difference in the amounts initially recognized, such differences will impact the income tax and/or deferred income tax provisions in the period in which such determination is made.

Deferred Income Tax Assets

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. This involves judgment regarding future financial performance of a particular entity in which the deferred income tax asset has been recognized.

2.2.6 Estimated useful lives of property, plant and equipment (PPE)

The Company reviews annually the estimated useful lives of PPE based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of PPE would increase the recorded depreciation charge and decrease the PPE carrying value.

2.2.7 Commitment and Contingent Liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on the

management's view of the expected outcome of the applicable contingency. The Company consult with legal counsel on matters related to litigation and other experts both within and outside the Company with respect to matters in the ordinary course of business.

2.3 Events after the Reporting Period

All material events after the reporting period have been considered and appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.4 Changes in Accounting Policies and Disclosures

2.4.1 New standards and amendments – applicable after 1 January 2025

The Company has applied the following amendments for the first time for their reporting period commencing 1 January 2025:

a. Amendments to LKAS 21 the effects of changes in foreign exchange rates - lack of exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement

date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

2.4.2 New standards, amendments and interpretations issued but not yet adopted in 2025 by the Company

The Company has not applied the following new and revised accounting standards that have been issued but are not yet effective for annual reporting period ending 31 December 2025.

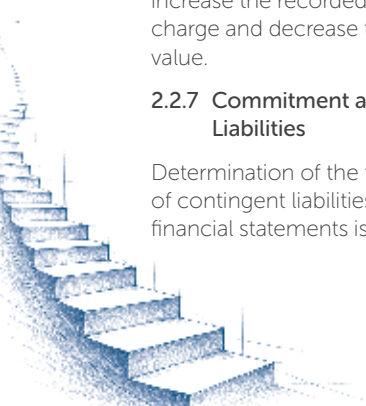
a. Amendments to SLFRS 9 and SLFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.



b. SLFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 replaces LKAS 1, carrying forward many of the requirements in LKAS 1 unchanged and complementing them with new requirements. In addition, some LKAS 1 paragraphs have been moved to LKAS 8 and SLFRS 7. Furthermore, the IASB has made minor amendments to LKAS 7 and LKAS 33 Earnings per Share.

SLFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply SLFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to LKAS 7 and LKAS 33, as well as the revised LKAS 8 and SLFRS 7, become effective when an entity applies SLFRS 18. SLFRS 18 requires retrospective application with specific transition provisions.

The Company anticipates that the application of these amendments may have an impact on the Company's financial statements in future periods.

c. SLFRS 19 Subsidiaries without Public Accountability: Disclosures

SLFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying SLFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with SLFRS Accounting Standards. SLFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply SLFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with SLFRS Accounting Standards.

Eligible entities can apply SLFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply SLFRS 19 in its consolidated financial statement may do so in its separate financial statements. The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The Directors of the Company do not anticipate that SLFRS 19 will be applied for purposes of the Company's financial statements.

d. Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2025 amendments are to the following standards:

SLFRS 1 First-time Adoption of International Financial Reporting Standards.

SLFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing

SLFRS 9 Financial Instruments.

SLFRS 10 Consolidated Financial Statements; and

LKAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

The Company anticipates that the application of these amendments may have an impact on the Company's financial statements in future periods.

e. Contracts Referencing Nature-dependent Electricity – Amendments to SLFRS 9 and SLFRS 7

The amendments apply only to contracts that reference nature-dependent electricity, the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a Company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the SLFRS 7 disclosure amendments must be implemented alongside the SLFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Directors of the Company anticipate that the application of these improvements may not have an impact on the Group's/Company's consolidated financial statements in future periods.

(f) Amendment to LKAS 21 - Translation to a Hyperinflationary Presentation Currency

These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if:

- its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or
- it is translating into the currency of a hyperinflationary economy the results and financial position



Notes to the Financial Statements

of a foreign operation whose functional currency is that of a non-hyperinflationary economy.

The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Directors of the Company anticipate that the application of these improvements may not have an impact on the Group's/Company's consolidated financial statements in future periods.

2.5 Summary of material accounting policies

The following are the material accounting policies applied by the Company in preparing its financial statements.

2.5.1 Foreign currency translation

(i) 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 entity operates ('the functional currency'). The financial statements are presented in Lankan Rupees (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net

basis within other operating income/ (expenses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

2.5.2 Recognition of income and expense

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining property, plant and equipment in a state of efficiency has been charged to the statement of comprehensive income.

For the purpose of presentation of the statement of profit or loss, the "function of expense method" has been adopted on the basis that it represents fairly the elements of Company's performance.

a. Interest income and interest expense

Under SLFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost and financial instruments designated at FVTPL. Interest income on interest bearing financial assets measured at FVOCI under SLFRS 9 is recorded by using the EIR method. The EIR is the rate that exactly discounts

estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortized cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Interest income is recognized using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges) is recognized.

Interest and similar income

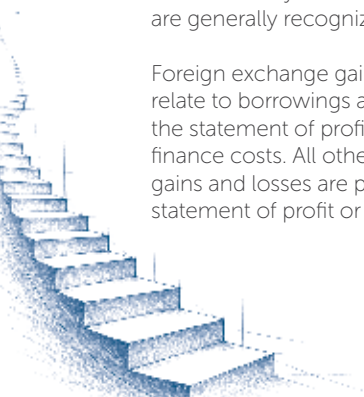
The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis as a reversal of interest income. For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortized cost of the asset.

The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cashflows (including credit losses) to the amortized cost of the POCI assets.

Revenue – Other

SLFRS 15 became effective for financial periods beginning on or after 1 January 2018. The core principle of SLFRS 15 is that an entity have to recognize revenue to depict the transfer of promised goods or services to customers. This core principle is delivered in a five-step model framework as disclosed below.

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract



- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation.

b. Dividends

Income is recognized when the Company's right to receive the payment is established.

c. Rental income

Rental income arising from operating leases on motor vehicles is accounted for on a straight-line basis over the lease term.

d. Fee and commission income

Fee and commission income is recognized on an accrual basis. The Company recognizes fees earned on transaction-based arrangements at a point in time when we have fully provided the service to the customer. Where the contract requires services to be provided over time, income is recognized on a systematic basis over the life of the agreement.

e. Other gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non-current assets, including investments, are accounted for in the statement of profit or loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

2.5.3 Tax

a. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date under the Inland Revenue Act No.24 of 2017 is effective from 1 April 2018 onwards.

b. Deferred tax

Deferred taxation is the tax attributable to the temporary differences that arise when taxation authorities recognize and

measure assets and liabilities with rules that differ from those of the financial statements.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realized or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes related to the same taxable entity and the same taxation authority.

c. Value added tax on financial services

The base for the computation of Value Added Tax on financial services is the accounting profit before income tax adjusted for the economic depreciation and emoluments of employees computed on the prescribed rate. The VAT on financial service is recognized as expense in the period it becomes due.

Social Security Contribution Levy (SSCL)

As per the Social Security Contribution Levy (SSCL) Act No. 25 of 2022, the

Company is liable to pay SSCL on Financial Services at the rate of 2.5% on the value addition attributable to the supply of financial services. Further, the non-financial services are also made liable on the turnover at the rate of 2.5%.

2.5.4 Property, plant and equipment Cost

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation

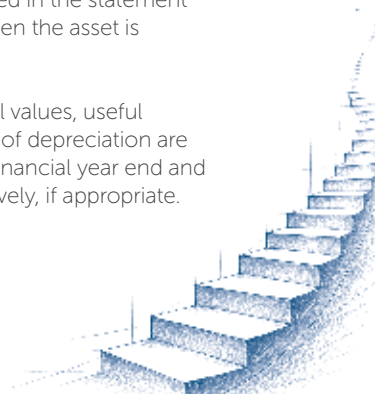
Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer Equipment	20%
Office Equipment	20%
Furniture and Fittings	20%
Motor Vehicles	20%
Motor Vehicles on Hire	20%
Fixtures	20%

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.



Notes to the Financial Statements

2.5.5 Right-of-use assets

Right-of-use assets of the Company include land & buildings, under long term rental agreements for its use as offices and branches. The Company recognizes right-of-use assets at the date of commencement of the lease, which is the present value of lease payments to be made over the lease term. Right-of-use assets are measured at cost less any accumulated amortization and impairment losses and adjusted for any re-measurement of lease liabilities.

The cost of the right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized on the straight-line basis over the lease term.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- ⦿ fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- ⦿ variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- ⦿ amounts expected to be payable by the Group under residual value guarantees;
- ⦿ the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- ⦿ payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used,

being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- ⦿ where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- ⦿ uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- ⦿ makes adjustments specific to the lease, e.g. term, country, currency and security.

2.5.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit or Loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of

the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Amortization

Amortization on computer software is calculated on a straight-line basis over the estimated useful life of 5 years.

2.5.7 Lease and hire purchase receivables

Finance and operating leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases

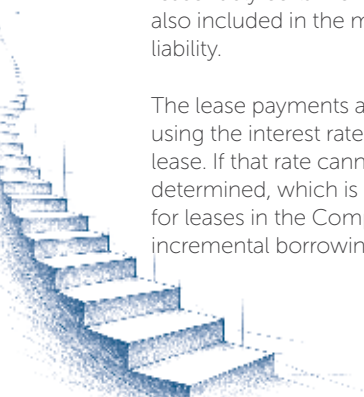
Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title are classified as finance leases. When the Company is the lessor under finance leases, the amounts due under the leases, after deduction of unearned income are included in Lease Receivables. The finance income receivable is recognized in "Interest Income" over the period of the leases based on the interest rate implicit in the lease so as to give a constant rate of return on the net investment in the leases.

Operating leases

All other leases are classified as operating leases. When acting as lessor, the Company includes the assets subject to operating leases in "Property, plant and equipment" and accounts for them accordingly. Rentals receivable under operating leases are accounted for on a straight-line basis over the period of the leases.

Hire purchase

Assets hired to customers under hire purchase agreements, which transfer all the risks and rewards incidental to ownership as well as the legal title at the end of such contractual period, are classified as hire purchase receivables. Such assets are accounted for in a similar manner as finance leases.



2.5.8 Financial instruments

The Company recognizes financial assets or financial liabilities in its statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or a liability (other than financial assets and financial liabilities at fair value through profit or loss) are added or deducted from the fair value of the financial asset or liability, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss. Financial assets and liabilities are offset and the net amount is presented when, and only when the Company has a legal right to offset the amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

a. Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss or amortized cost based on the Company's business model and cash flow characteristics of the financial asset.

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount.

b. Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. Subsequent to initial recognition, all assets within the scope of SLFRS 9 are measured at:

- ◉ Amortized cost
- ◉ Fair value through other comprehensive income (FVOCI)
- ◉ Fair value through profit or loss. (FVTPL)

Financial assets at amortized cost:

The Company only measures loans, receivables, and other financial investments at amortized cost if both of the following conditions are met:

- ◉ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ◉ The contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost consist of cash and bank balances, securities purchased under repurchase agreements, lease receivables, hire purchase receivables, loan receivables and other assets.

2.5.8 Financial instruments – (Contd.)

The details of the above conditions are outlined below.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- ◉ How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- ◉ The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- ◉ How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- ◉ The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Debt instruments at FVOCI

The Company applies the new category under SLFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- ◉ The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and



Notes to the Financial Statements

- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Equity instruments at FVOCI

Upon initial recognition, the Company occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

c. Derecognition of financial assets

The Company derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Company considers following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings at amortized cost, plus directly attributable transaction costs.

The financial liabilities include trade and other payables, Company overdrafts, loans and borrowings, time deposits, amounts due to related parties.

b. Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at

fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit or loss.

c. Derecognition

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

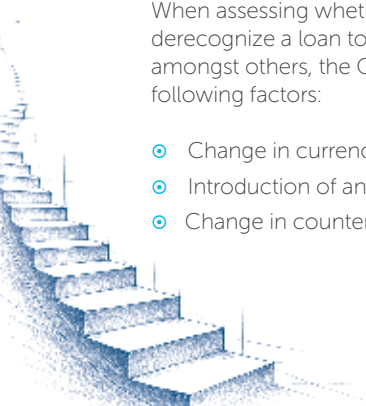
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

d. 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.5.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.



An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5.10 Cash and bank balances

Cash and Bank balances in the statement of financial position comprise cash at banks and in hand. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown separately within liabilities in the statement of financial position.

2.5.11 Post-employment benefits

Employee Benefit Obligation

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds, and that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and

changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

The employee defined benefit plan comprises the gratuity provided under the payment of Gratuity Act No.12 of 1983.

Defined Contribution Plan - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations. The Company contributes the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and Employees' Trust Fund respectively. The contribution paid and payable is recognized as an expense during the year.

2.5.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.5.13 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an

outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote.

2.5.14 Stated capital and equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.5.15 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.5.16 Earnings per share

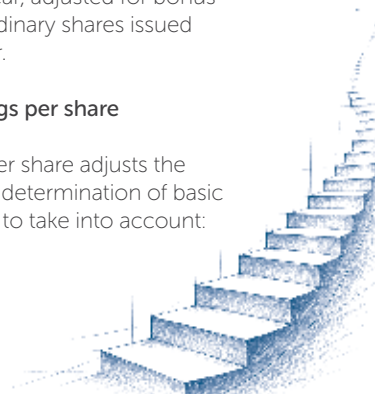
a. Basic earnings per share

Basic earnings per share is calculated by dividing:

- ⦿ the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- ⦿ by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:



Notes to the Financial Statements

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.5.17 Related party transactions

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - "Related Party Disclosures". Disclosure has been made in respect of the related party transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

According to LKAS 24 - "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors has been classified as Key Management Personnel of the Company. Emoluments paid to Key Management Personnel have been disclosed in Note 31.2.

2.5.18 Segment reporting

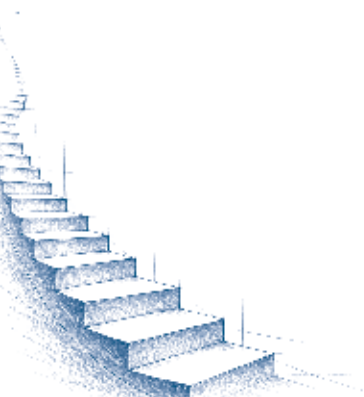
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company which assesses the financial performance and position of the Company, and makes strategic decisions has been identified as being the chief operating decision maker.

The Company's reportable segments comprise of Finance Lease, Hire Purchase, Term Loans and Unallocated.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Expenses that cannot be directly identified to a particular segment are allocated on bases decided by the management and applied consistently throughout the year.



3. CASH AND BANK

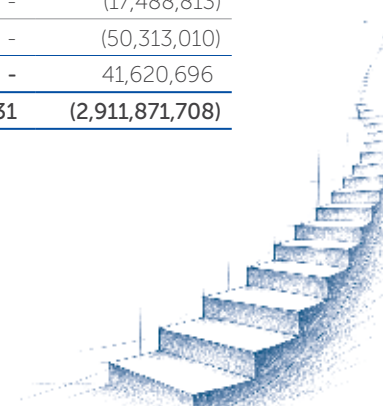
	2025 Rs.	2024 Rs.
Cash in hand	85,838,099	90,781,067
Cash at bank	496,707,978	107,484,574
	582,546,077	198,265,641
Bank overdraft	(34,800,146)	(20,206,510)
Cash and cash equivalents	547,745,931	178,059,131

3.1 Net debt reconciliation

This section sets out an analysis of net debt and movements in net debt for each of the periods presented.

Cash and cash equivalents	547,745,931	178,059,131
Borrowings		
- Interest bearing borrowings	(3,376,519,151)	(419,682,138)
- Lease liabilities	(83,098,488)	(56,917,361)
Net debt	(2,911,871,708)	(298,540,368)
Cash and cash equivalents	547,745,931	178,059,131
Gross debt – fixed interest rates	(2,466,229,881)	(181,917,361)
Gross debt – variable interest rates	(993,387,759)	(294,682,137)
Net debt	(2,911,871,708)	(298,540,367)

	Liability from financing activities		Assets	Total
	Borrowings	Lease Liabilities	Cash and Cash Equivalents	
Net debt as at 1 January 2024	(1,623,474,230)	(73,304,737)	341,390,437	(1,355,388,531)
Cash flows	-	-	(163,331,306)	(163,331,306)
Loans obtained from related parties	(800,000,000)	-	-	(800,000,000)
Securitization loan interest	(77,902,537)	-	-	(77,902,537)
Repayment of securitization loans	2,081,694,630	-	-	2,081,694,630
Interest charge on lease liabilities	-	(13,450,538)	-	(13,450,538)
New lease liabilities	-	(17,188,634)	-	(17,188,634)
Adjustments made during the year	-	5,412,277	-	5,412,277
Lease payments during the year	-	41,614,279	-	41,614,279
Net debt as at 31 December 2024	(419,682,137)	(56,917,353)	178,059,131	(298,540,359)
Cash flows	-	-	369,686,800	369,686,800
Securitization loans obtained from banks	(3,650,000,000)	-	-	(3,650,000,000)
Securitization loan Interest	(122,620,090)	-	-	(122,620,090)
Repayment of securitization loans	815,783,068	-	-	815,783,068
Interest charge on lease liabilities	-	(17,488,813)	-	(17,488,813)
New lease liabilities	-	(50,313,010)	-	(50,313,010)
Lease payments during the year	-	41,620,696	-	41,620,696
Net debt as at 31 December 2025	(3,376,519,159)	(83,098,480)	547,745,931	(2,911,871,708)



Notes to the Financial Statements

4. OTHER FINANCIAL ASSETS

	2025 Rs.	2024 Rs.
Portfolio related financial assets		
VAT receivable on lease rentals	40,090	26,107
Insurance receivable on lease and hire purchase	4,710,347	6,500,228
Insurance receivable on loans and advances	37,544,426	24,283,584
RMV charges receivable	2,496,944	1,989,807
Seizing charges receivable	160,722	220,722
Lawyer fee receivable	265,093	161,593
Other financial assets		
Refundable deposits	25,219,394	24,357,394
Other receivable - Related parties (Note 4.1)	3,002,607	3,002,607
Insurance commission receivable	26,225,268	25,147,264
Miscellaneous receivables	3,407,182	10,335,040
Less : Impairment provision for Other Financial Assets (Note 4.2)	(33,768,695)	(30,713,058)
	69,303,379	65,311,288

4.1 Other Receivable - Related parties

Associated Motorways (Pvt) Ltd	Parent	3,002,607	3,002,607
		3,002,607	3,002,607

4.2 Impairment provision for other financial assets

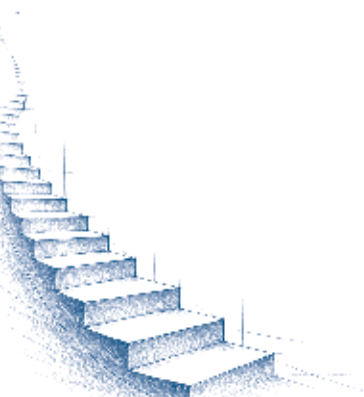
Balance as at 01 January	30,713,058	27,926,147
Provision / (reversal of provision) made during the year	3,055,637	2,786,911
Balance as at 31 December	33,768,695	30,713,058

5. OTHER NON-FINANCIAL ASSETS

Input VAT receivable	19,121,346	7,040,123
Other prepayments	27,745,629	41,074,002
	46,866,975	48,114,125
Less: Impairment provision for other non-financial assets	-	-
	46,866,975	48,114,125

5.1 Impairment provision for other non-financial assets

Balance as at 01 January	-	6,900,060
Provisions made during the year	-	(6,900,060)
Balance as at 31 December	-	-



6. DEFERRED TAX

	2025 Rs.	2024 Rs.
Balance as at the beginning of the year	64,677,218	152,683,085
Further recognition/(reversal) of deferred tax assets during the year	22,235,156	(92,022,402)
Addition/ (reversal) for the year through Statement of other comprehensive income	4,311,698	4,016,535
Balance as at 31 December	91,224,073	64,677,218

6.1 Deferred Tax (Assets) / Liabilities

The closing deferred tax assets balance relates to the following:

Accelerated depreciation for tax purposes	(3,003,659)	(3,464,006)
Employee benefit obligations	20,690,858	14,283,924
Expected credit loss expenses	73,035,457	46,928,300
Fair value gain on equity instruments	(727,418)	(683,280)
Lease liabilities	(23,700,713)	(13,479,464)
Right-of-use assets	24,929,546	17,075,208
	91,224,071	60,660,682

6.2 Composition of deferred tax assets and liabilities

	2025		2024	
	Temporary difference	Deferred tax	Temporary difference	Deferred tax
Deferred tax liabilities				
Property, plant and equipment	(10,012,198)	(3,003,659)	(11,546,688)	(3,464,006)
Equity securities - FVOCI	(2,424,726)	(727,418)	(2,277,601)	(683,280)
Right-of-use assets	(79,002,377)	(23,700,713)	(44,931,548)	(13,479,464)
Deferred tax assets				
Retirement benefit obligations	68,969,527	20,690,858	47,613,081	14,283,924
Provision for expected credit loss expenses	243,451,523	73,035,457	156,427,668	46,928,300
Lease liabilities	83,098,488	24,929,546	56,917,361	17,075,208
	304,080,237	91,224,071	202,202,273	60,660,682

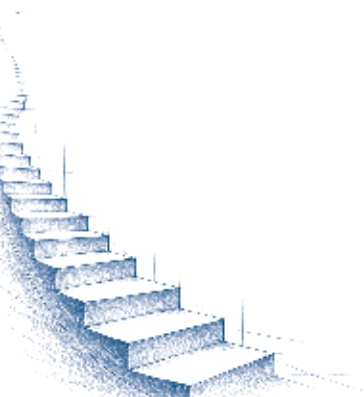
Deferred tax has been computed according to the provisions of the Inland Revenue Act No. 24 of 2017. The Company is liable to income tax at 30% per annum on taxable profits.



Notes to the Financial Statements

7. RENTALS RECEIVABLE ON LEASE AND HIRE PURCHASE ASSETS

	2025 Rs.	2024 Rs.
7.1 Rentals receivable on lease assets		
Receivable from one to five years	466,177,807	123,058,049
Rentals receivable	(91,026,795)	(16,975,837)
Unearned income	375,151,012	106,082,212
Receivable within one year		
Rentals receivable	394,973,634	177,648,915
Unearned income	(115,206,423)	(33,197,211)
	279,767,211	144,451,704
Overdue rental receivable		
Rentals receivable	99,643,198	119,834,616
	99,643,198	119,834,616
Total		
Future rentals receivable	861,151,441	300,706,964
Overdue rentals receivable	99,643,198	119,834,616
Total rentals receivable	960,794,639	420,541,580
Unearned income	(206,233,218)	(50,173,048)
	754,561,421	370,368,532
Less : Provision for expected credit loss expenses	(127,239,321)	(121,561,067)
Balance as at 31 December	627,322,101	248,807,464
7.2 Rentals receivable on hire purchase assets		
Overdue rental receivable		
Rentals receivable	749,537	733,037
	749,537	733,037
Total		
Future rentals receivable	-	-
Overdue rentals receivable	749,537	733,037
Total rentals receivable	749,537	733,037
Unearned income	-	-
	749,537	733,037
Less : Provision for credit loss expenses	(742,173)	(646,809)
Balance as at 31 December	7,364	86,228



7. RENTALS RECEIVABLE ON LEASE AND HIRE PURCHASE ASSETS (Contd...)

	2025 Rs.	2024 Rs.
Total rentals receivable on lease assets and hire purchase assets		
Future rentals receivable	861,151,441	300,706,964
Overdue rental receivable	100,392,736	120,567,652
Total rentals receivable	961,544,177	421,274,616
Unearned income	(206,233,218)	(50,173,048)
	755,310,959	371,101,568
Less : Provision for expected credit loss expenses (7.3)	(127,981,494)	(122,207,876)
Balance as at 31 December	627,329,465	248,893,692

7.3 Provision for credit loss expenses

Balance as at 01 January	122,207,876	171,419,307
(Reversal) / Provisions made during the year	5,773,618	(49,211,431)
Write-off during the year	-	-
	127,981,494	122,207,876
Balance as at 31 December	127,981,494	122,207,876

7.4 Maturity analysis of lease rentals receivable on lease and hire purchase assets

Less than 1 year	394,973,634	177,648,915
1 to 2 years	258,473,794	89,801,535
2 to 3 years	150,660,836	25,422,467
3 to 4 years	52,981,891	7,204,414
4 to 5 years	4,061,286	629,633
More than 5 years	-	-
	861,151,441	300,706,963
Less: Unearned interest income	(206,233,218)	(50,173,048)
Gross rentals receivable	654,918,223	250,533,915
Overdue rental receivable	100,392,736	120,567,652
Less : Provision for credit loss expenses	(127,981,494)	(122,207,876)
Balance as at 31 December	627,329,465	248,893,690

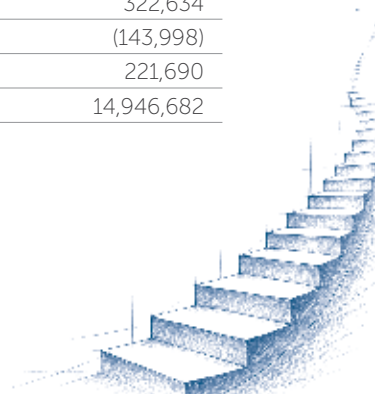
7.5 Assumptions used and sensitivity analysis

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and collateral values change etc. are monitored and reviewed on a quarterly basis.

Forward-looking economic indicators - The most significant indicators used for ECL estimate as at 31 December 2025 are set out below.

The Company assumes that there is a direct relationship between the economy of the country and the Company's default probabilities.

	Sensitivity on provision for impairment losses	
	1% Increase	1% Decrease
GDP Growth (%)	(358,329)	322,634
Inflation (YoY average)	108,674	(143,998)
Interest Rate (PLR)	(257,168)	221,690
Unemployment (% of labour force)	(14,031,717)	14,946,682



Notes to the Financial Statements

7. RENTALS RECEIVABLE ON LEASE AND HIRE PURCHASE ASSETS (Contd...)

The Company assesses significant customer exposures to determine whether there are any signs of impairment. The present value of the expected future cash flow method has been used to determine credit loss for the individually impaired customers. Individually tested but not impaired customer exposures collectively assessed in the ECL model.

Considering the uncertain economic situation in the country the Company has applied a 15% economic model overlay with a view to manage macroeconomic forecast uncertainty in the model. The sensitivity of profit before tax and net assets of the Company to the management overlay assumption is as follows :

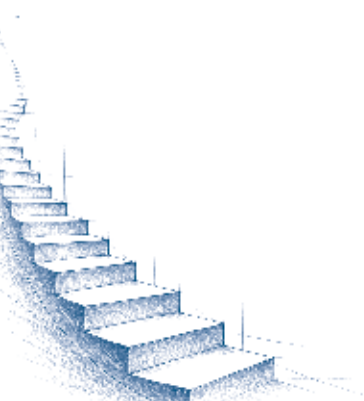
	Sensitivity on provision for impairment losses	
	1% Increase	1% Decrease
Impact to the provision for credit loss expenses	264,965	(264,965)

7.6 Capital outstanding on non-performing assets as at 31.12.2025 amounts to Rs. 129,972,886/- (As at 31.12.2024 amounts to Rs. 170,721,067/-)

7.7 Motor vehicles and equipment are held as collaterals against lease and hire purchase receivables.

8. LOANS AND ADVANCES

	2025 Rs.	2024 Rs.
8.1 Instalments receivable on auto loans		
Receivable after five years		
Instalments receivable	83,890,192	1,630,219
Unearned income	(6,411,285)	(63,593)
	77,478,908	1,566,626
Receivable from one to five years		
Instalments receivable	9,150,836,969	5,303,157,468
Unearned income	(1,893,768,689)	(1,142,227,105)
	7,257,068,280	4,160,930,363
Receivable within one year		
Instalments receivable	4,667,615,483	2,892,032,342
Unearned income	(1,443,189,337)	(933,749,797)
	3,224,426,146	1,958,282,545
Overdue instalment receivable		
Instalments receivable	429,920,508	378,059,386
Total	429,920,508	378,059,386
Instalments receivable	13,902,342,644	8,196,820,029
Overdue instalments receivable	429,920,508	378,059,386
Total instalments receivable	14,332,263,152	8,574,879,415
Unearned income	(3,343,369,310)	(2,076,040,495)
	10,988,893,842	6,498,838,920
Less: Provision for expected credit loss expenses (8.3)	(573,442,670)	(608,059,417)
Balance as at 31 December	10,415,451,172	5,890,779,503



8. LOANS AND ADVANCES (Contd...)

	2025 Rs.	2024 Rs.
8.2 Loans against fixed deposits	51,387,131	27,667,928
Total loans and advances	10,466,838,303	5,918,447,431
8.3 Provision for credit loss expenses		
Balance as at 01 January	608,059,417	585,182,280
Provisions made during the year	(34,616,748)	22,877,137
Balance as at 31 December	573,442,670	608,059,417
8.4 Maturity analysis of loans and advances		
Less than 1 year	4,667,615,483	2,892,032,342
1 to 2 years	3,482,407,857	2,215,529,960
2 to 3 years	2,661,938,482	1,548,085,963
3 to 4 years	1,929,169,696	1,006,907,897
4 to 5 years	1,077,320,934	532,633,648
More than 5 years	83,890,192	1,630,219
	13,902,342,644	8,196,820,029
Less: Unearned interest income	(3,343,369,310)	(2,076,040,495)
Gross instalments receivable	10,558,973,334	6,120,779,534
Overdue instalments receivable	429,920,508	378,059,386
Loans against fixed deposits	51,387,131	27,667,928
Less : Provision for expected credit loss expenses	(573,442,670)	(608,059,417)
Balance as at 31 December	10,466,838,303	5,918,447,431

8.5 Assumptions used and sensitivity analysis

The assumptions underlying the ECL calculation such as how the maturity profile of the PDs and how collateral values change etc. are monitored and reviewed on a quarterly basis.

Forward-looking economic indicators - The most significant period-end indicators used for ECL estimate as at 31 December 2025 are set out below.

The Company assumes that there is a direct relationship between the economy of the country and the Company default probabilities.

	Sensitivity on provision for impairment losses	
	1% Increase	1% Decrease
GDP Growth (%)	(1,628,798)	1,624,559
Inflation (YoY average)	734,268	(734,977)
Interest Rate (PLR)	(1,325,140)	1,322,850
Unemployment (% of labour force)	(133,602,990)	140,848,506

The Company assesses significant customer exposures to determine whether there are any signs of impairment. The present value of the expected future cash flow method has been used to determine credit loss for the individually impaired customers. Individually tested but not impaired customer exposures collectively assessed in the ECL model.



Notes to the Financial Statements

8. LOANS AND ADVANCES (Contd...)

Considering the uncertain economic situation in the country the Company has applied a 15% economic model overlay with a view to manage macroeconomic forecast uncertainty in the model. The sensitivity of profit before tax and net assets of the Company to the management overlay assumption is as follows :

	Sensitivity on provision for impairment losses	
	1% Increase	1% Decrease
Impact to the provision for expected credit loss expenses	2,126,593	(2,126,593)

8.6 Capital outstanding on non-performing assets as at 31.12.2025 amounts to Rs. 738,188,771/- (As at 31.12.2024 - Rs. 718,655,320/-).

8.7 Motor vehicles are held as collaterals against loans and advances.

9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

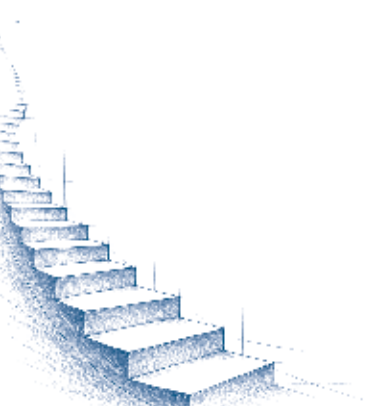
	Holding %	No of shares		2025	2024
		2025	2024	Rs.	Rs.
Unquoted Investments					
Credit Information Bureau of Sri Lanka	0.04%	100	100	2,505,126	2,358,001
				2,505,126	2,358,001

Unquoted equity investment includes shares of Credit Information Bureau of Sri Lanka which is carried at adjusted net asset value, which is assumed to approximate its fair value.

9.1 Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items for the periods ended 31 December 2024 and 31 December 2025:

Opening balance as at 1 January 2024	2,185,042
Gains recognized in other comprehensive income	172,959
Closing balance as at 31 December 2024	2,358,001
Gains recognized in other comprehensive income	147,125
Closing balance as at 31 December 2025	2,505,126



9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Contd..)

9.2 Valuation inputs and relationship to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Description	Fair value		Unobservable input / Valuation technique	Range of inputs		Relationship of unobservable inputs to fair value
	2025	2024		2025	2024	
Unlisted equity securities	2,505,126	2,358,001	Adjusted net assets value per share	25,051	23,580	2025: increasing / decreasing adjusted net assets per share by 6% would change the fair value by Rs 147,125.
						2024: increasing / decreasing adjusted net assets per share by 8% would change the fair value by Rs 172,960.

9.3 Amounts recognized in profit or loss and other comprehensive income

During the year, the following gains/(losses) were recognized in profit or loss and other comprehensive income:

	2025 Rs.	2024 Rs.
Gains / (losses) recognized in other comprehensive income Related to equity investments	147,125	172,959
Dividends from equity investments held at FVOCI recognized in profit or loss in Other operating income (see Note 23)	291,200	268,900

10. DEBT INSTRUMENTS AT AMORTIZED COST

Investments		
Treasury bills repurchase agreements	257,302,371	213,969,129
	257,302,371	213,969,129



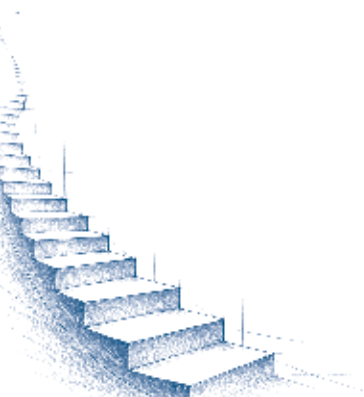
Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2025	As at 01.01.2025	Additions during the year	Disposals during the year	As at 31.12.2025
Cost	Rs.	Rs.	Rs.	Rs.
Computer equipment	30,948,340	16,291,500	(4,088,906)	43,150,934
Office equipment	68,064,847	13,299,767	(3,776,215)	77,588,400
Furniture and fittings	56,228,058	9,727,257	(4,836,530)	61,118,785
Motor vehicles	85,000	-	-	85,000
Motor vehicles on hire	19,620,536	-	(6,621,429)	12,999,107
	174,946,781	39,318,525	(19,323,080)	194,942,226

	As at 01.01.2025	Charge for the year	Disposals during the year	As at 31.12.2025
Depreciation	Rs.	Rs.	Rs.	Rs.
Computer equipment	20,302,132	7,475,851	(4,088,906)	23,689,077
Office equipment	36,811,158	12,284,397	(3,776,215)	45,319,340
Furniture and fittings	40,617,839	4,997,754	(4,836,530)	40,779,063
Motor vehicles	85,000	-	-	85,000
Motor vehicles on hire	19,620,536	-	(6,621,429)	12,999,107
	117,436,665	24,758,002	(19,323,080)	122,871,587

As at 31 December 2024	As at 01.01.2024	Additions during the year	Disposals during the year	As at 31.12.2024
Cost	Rs.	Rs.	Rs.	Rs.
Computer equipment	18,735,340	12,213,000	-	30,948,340
Office equipment	51,224,594	16,840,253	-	68,064,847
Furniture and fittings	50,652,418	5,575,640	-	56,228,058
Motor vehicles	85,000	-	-	85,000
Motor vehicles on hire	19,620,536	-	-	19,620,536
	140,317,888	34,628,893	-	174,946,781



11. PROPERTY, PLANT AND EQUIPMENT (Contd...)

Depreciation	As at 01.01.2024 Rs.	Charge for the year Rs.	Disposals during the year Rs.	As at 31.12.2024 Rs.
Computer equipment	16,347,803	3,954,329	-	20,302,132
Office equipment	29,061,812	7,749,346	-	36,811,158
Furniture and fittings	36,950,670	3,667,169	-	40,617,839
Motor vehicles	85,000	-	-	85,000
Motor vehicles on hire	19,620,536	-	-	19,620,536
	102,065,821	15,370,844	-	117,436,665

Written down value	2025 Rs.	2024 Rs.
Computer equipment	19,461,857	10,646,208
Office equipment	32,269,060	31,253,689
Furniture and fittings	20,339,722	15,610,219
	72,070,639	57,510,116
	72,070,639	57,510,116

- 11.1** During the financial year, Company acquired plant and equipment to the aggregate value of Rs.39,318,525 (2024 - Rs.34,628,892). Cash payments amounting to Rs.39,318,525 (2024 - Rs.34,628,892) were made during the year for purchase of plant and equipment.
- 11.2** Gross carrying amount of fully depreciated property, plant and equipment still in use is Rs.71,067,844 (2024 - Rs.80,052,269)
- 11.3** None of the property, plant and equipment have been pledged as securities against borrowings as at the reporting date.



Notes to the Financial Statements

12. INTANGIBLE ASSETS

As at 31 December 2025	As at 01.01.2025 Rs.	Additions during the year Rs.	Disposals during the year Rs.	As at 31.12.2025 Rs.
Cost/carrying value				
Computer software	79,902,580	18,149,644	-	98,052,224
	79,902,580	18,149,644	-	98,052,224
	As at 01.01.2025 Rs.	Amortization during the year Rs.	Disposals during the year Rs.	As at 31.12.2025 Rs.
Amortization				
Computer software	73,374,610	2,561,609	-	75,936,219
	73,374,610	2,561,609	-	75,936,219
			2025 Rs.	2024 Rs.
Written down value				
Computer software			22,116,005	6,527,970
			22,116,005	6,527,970
As at 31 December 2024	As at 01.01.2024 Rs.	Additions during the year Rs.	Disposals during the year Rs.	As at 31.12.2024 Rs.
Cost/carrying value				
Computer software	73,320,660	6,581,920	-	79,902,580
	73,320,660	6,581,920	-	79,902,580
	As at 01.01.2024 Rs.	Amortization during the year Rs.	Disposals during the year Rs.	As at 31.12.2024 Rs.
Amortization				
Computer software	73,320,660	53,950	-	73,374,610
	73,320,660	53,950	-	73,374,610
			2024 Rs.	2023 Rs.
Written down value				
Computer software			6,527,970	-
			6,527,970	

12.1 During the financial year, Company has acquired intangible assets amounting to Rs. 18,149,644 (2024 - Rs 6,581,920). Cash payments have been made during the year is Rs. 18,149,644.

12.2 Gross carrying amount of fully amortized intangible assets still in use is Rs. 98,052,224 (2024 - Rs.73,320,060).

13. LEASES

	2025 Rs.	2024 Rs.
13.1 Amounts recognized in the statement of financial position		
Right-of-use assets		
Buildings		
Balance as at 01 January	44,931,548	60,768,227
Additions during the year	61,697,002	17,188,634
Amortization during the year	(27,626,174)	(27,613,051)
Any other adjustments to the carrying value of ROU assets	-	(5,412,262)
Balance as at 31 December	79,002,377	44,931,548
Lease liabilities		
Balance as at 01 January	56,917,361	73,304,734
Additions during the year	50,313,011	17,188,634
Payments during the year	(41,620,696)	(41,614,279)
Early termination	-	(5,412,266)
Interest on lease liabilities	17,488,813	13,450,538
Balance as at 31 December	83,098,488	56,917,361
Current	22,921,890	19,807,130
Non-current	60,176,598	37,110,231
	83,098,488	56,917,361

13.2 Amounts recognized in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		
Buildings	27,626,174	27,613,051
Interest on lease liability	17,488,813	13,450,538
The total cash outflow for leases	41,620,696	41,614,279

13.3 Maturity analysis of undiscounted cash flows of lease liability

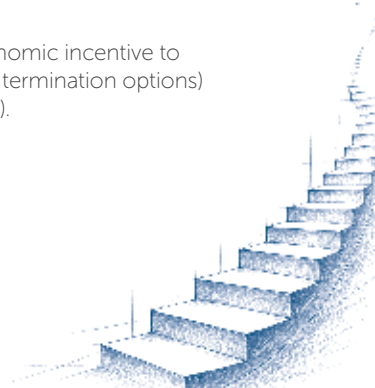
Less than 1 year	38,617,270	29,525,170
1 to 5 years	89,954,630	46,710,907
More than 5 years	(45,473,412)	(19,318,715)
	83,098,488	56,917,361

13.4 Extension and termination options

Extension and termination options are included in a number of property and equipment leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor.

13.5 Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).



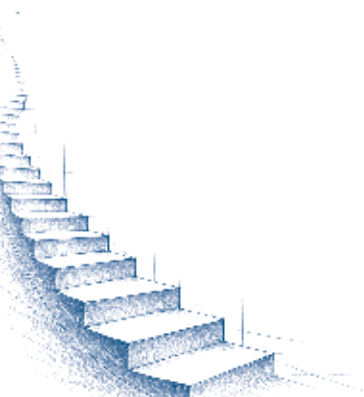
Notes to the Financial Statements

14 TRADE & OTHER PAYABLES

		2025 Rs.	2024 Rs.
Trade creditors - Related parties (14.1)		1,344,093,346	580,738
- Non-related parties		43,834,824	35,583,265
Other payables - Related parties (14.2)		74,085,235	184,747,034
- Non-related parties - Advances received from customers		26,462,932	29,032,570
- Non-related - Other parties		518,526,729	446,277,235
		2,007,003,066	696,220,842
14.1 Trade creditors - Related parties	Relationship		
Associated Motorways (Pvt) Limited	Parent	1,344,093,346	580,738
		1,344,093,346	580,738
14.2 Other payables - Related parties	Relationship	Nature of Transactions	
Other payable - Associated Motorways (Pvt) Ltd.	Parent	Rent and shared overhead expenses	22,467,997
Insurance payable - Orient Insurance Limited	Other related party	Customers insurance premiums payments	23,027,641
Al-Futtaim Private Co. LLC	Other related party	Shared overhead expenses	28,589,597
			74,085,235
			184,747,034

15. TIME DEPOSITS

Balance as at 01 January	1,791,526,614	1,280,877,416
Fixed deposits during the year	1,686,117,103	1,221,148,149
Interest capitalized for renewals	30,748,972	32,440,627
Top ups (additions by customer to original deposit)	7,026,438	4,882,543
Withdrawals during the year	(917,712,394)	(747,322,121)
Balance as at 31 December	2,597,706,733	1,791,526,614
Interest payable	140,502,868	89,685,068
Balance as at 31 December	2,738,209,601	1,881,211,682



16. INTEREST BEARING BORROWINGS

		2025 Within One Year Rs.	2025 After One Year Rs.	2025 Total Rs.	2024 Total Rs.
Securitization Loan (16.1)		793,065,533	2,283,381,783	3,076,447,316	419,682,138
Short Term Loan (16.2)		300,071,836	-	300,071,836	-
		1,093,137,368	2,283,381,783	3,376,519,151	419,682,138

	As at 01.01.2025 Rs.	Loans obtained Rs.	Accrued interest Rs.	Repayment Rs.	As at 31.12.2025 Rs.	Term of the loan	Interest rate	Security offered
16.1 Securitization loan								
Securitization (NDB) 1,500 M	125,000,000	-	2,454,966	(127,454,966)	(0)	36 Months	12.15%	Auto Loan Portfolio - Note 33
Securitization (DFCC) 900 M	294,682,137	600,000,000	66,867,040	(268,233,254)	693,315,923	48 Months	AWPLR + 1.25%	Auto Loan Portfolio - Note 33
Hatton National Bank 1,500 M	-	1,500,000,000	39,239,031	(138,438,688)	1,400,800,342	60 months	10.25%	Auto Loan Portfolio - Note 33
BOC 1,000 M	-	1,000,000,000	7,486,119	(25,155,068)	982,331,050	48 Months	10.50%	Auto Loan Portfolio - Note 33
	419,682,137	3,100,000,000	116,047,155	(559,281,977)	3,076,447,316			

	As at 01.01.2024 Rs.	Loans obtained Rs.	Accrued interest Rs.	Repayment Rs.	As at 31.12.2024 Rs.	Term of the loan	Interest rate	Security offered
16.2 Short term loan								
Hatton National Bank	-	550,000,000	6,572,936	(256,501,100)	300,071,836	12 Months	Market rate (AWPLR-0.2% Monthly reviewed)	Auto Loan Portfolio
	-	550,000,000	6,572,936	(256,501,100)	300,071,836			

16.3 Unutilized funding facilities

	Type of facility	Interest rate	Rs.	Security offered	Conditions
Commercial Bank	Overdraft/STL	AWPLR + 2%	200,000,000	Auto loan portfolio - Note 36	Combined outstanding of overdraft and STL should be within the limit.
Hatton National Bank	Short Term Loan	Market Rate	200,000,000	Auto loan portfolio - Note 36	Average utilization should not be less than 50% of the sanctioned limit.
Pan Asia Bank	LTL/STL	AWPLR + 3.25% with a rebate of 2%	500,000,000	Auto loan portfolio - Note 36	Combined outstanding of LTL and STL should be within the limit and rebate is applicable only for payments without delay.
			900,000,000		

Notes to the Financial Statements

17. INCOME TAX PAYABLE

	2025 Rs.	2024 Rs.
Balance as at 01 January	35,222,027	75,298,713
Provision for the year	95,858,600	-
	131,080,627	75,298,713
Payments made during the year	(46,182,281)	(40,076,687)
Balance as at 31 December	84,898,346	35,222,026

18. EMPLOYEE BENEFIT OBLIGATION

Balance as at 01 January	47,613,081	31,489,810
Current service cost	6,218,661	4,203,396
Interest for the year	4,784,726	3,886,086
Benefits paid	(4,166,391)	(5,527,623)
Actuarial loss	14,519,450	13,561,413
Balance as at 31 December	68,969,527	47,613,081

Employee benefit plan of the Company is not externally funded.

The employee benefit obligations is based on the actuarial valuation carried out as at 31 December 2025 by Milliman Limited. The principal assumptions used in determining the cost of employee benefits were:

	2025	2024
a) Discount rate (the rate of interest used to discount the future cash flows in order to determine the present value)	10.10%	10.90%
b) Future salary increase	8%	8%
c) Staff turnover	20%	20%
d) Retirement age	60	60
e) Company will continue as a going concern		

In addition to the above, demographic assumptions such as mortality, withdrawal and disability and retirement age were considered for the actuarial valuation. "A67/07 Mortality Table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of the Company.

	2025		2024	
A sensitivity of the defined benefit obligation to changes in the principal assumptions is as follows.				
Effect on the present value of defined benefit obligation	+1%	-1%	+1%	-1%
One percentage point change in the discount rate	(2,932,548)	3,228,001	(2,094,620)	2,296,265
One percentage point change in the salary escalation rate	3,276,631	(3,026,367)	2,348,682	(2,176,821)

Information about maturity profile of the defined benefit obligations

	2025 Rs.	2024 Rs.
Future working lifetime		
Within the next 12 months	17,077,444	6,756,208
Between 1-5 years	21,809,690	19,934,848
Between 5-10 years	19,906,849	14,761,587
Beyond 10 years	10,175,544	6,160,438
	68,969,527	47,613,081

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected until credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The employee defined benefit comprises the gratuity provided under the payment of Gratuity Act No.12 of 1983.

19. STATED CAPITAL

	2025 Rs.	2024 Rs.
Number of ordinary shares issued and fully paid	20,000,000	20,000,000
Balance as at 01 January	20,000,000	20,000,000
Balance as at 31 December	200,000,000	200,000,000

The holders of the ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. STATUTORY RESERVE FUND

	2025 Rs.	2024 Rs.
Balance as at 01 January	184,470,115	181,044,568
Transfers during the year	10,576,341	3,425,547
Balance as at 31 December	195,046,456	184,470,115

The Company's statutory reserve fund is maintained in accordance with Direction No. 9 of 1991 as amended by Direction No. 1 of 2003 issued by the Central Bank of Sri Lanka.

21. INTEREST INCOME

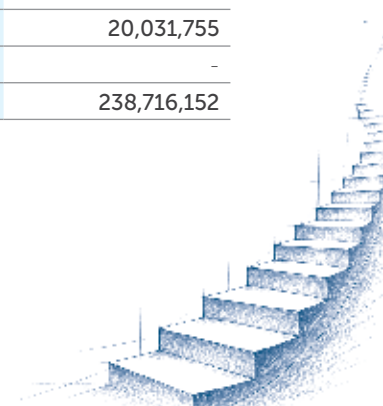
	2025 Rs.	2024 Rs.
Leases	77,479,078	80,093,606
Term loans	1,251,962,346	843,023,290
FD loan interest	4,695,848	3,944,825
Interest income on debt instruments at amortized cost	41,838,029	152,518,400
	1,375,975,301	1,079,580,121

22. INTEREST EXPENSES

Securitization loan	123,815,794	78,210,872
Interest on time deposits	278,998,640	249,783,022
Interest on lease liabilities	17,488,813	13,450,538
	420,303,247	341,444,432

23. OTHER OPERATING INCOME

Overdue interest income	46,824,139	33,624,626
Profit from pre-termination	145,747,050	126,537,506
Dividend income	291,200	268,900
Commission from insurance	38,673,848	26,416,849
Income from additional charges	44,755,992	30,923,381
Bank charges claimed on cheque returns	912,665	913,135
Recovery of bad debts written off	5,829,801	
Other income	13,775,859	20,031,755
Gain on disposal of property, plant and equipment	2,363,578	-
	299,174,132	238,716,152

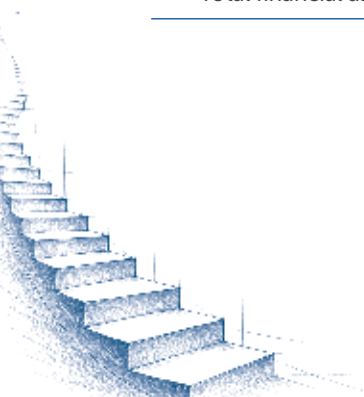


Notes to the Financial Statements

24. IMPAIRMENT (CHARGES) / REVERSAL

The table below shows the ECL charges on financial instruments for the year recorded in the income statement.

Total financial assets as at 31.12.2025	Stage 1	Stage 2	Stage 3	Total
Loans and advances				
Motorcar	7,051,677,908	1,006,144,408	383,362,306	8,441,184,622
Motorcycle	192,599,641	86,640,674	26,931,594	306,171,909
Motor tricycle	179,531,557	69,273,134	20,317,525	269,122,216
Dual purpose	1,281,392,848	347,902,615	138,182,320	1,767,477,783
Other	143,404,699	52,257,504	9,275,109	204,937,312
Lease and hire purchase				
Motorcar	4,834,095	2,642,604	5,595,762	13,072,461
Motorcycle	546,803,612	38,207,521	7,415,928	592,427,061
Motor tricycle	2,874,025	1,474,426	13,613,947	17,962,398
Dual purpose	26,656,189	13,439,999	56,991,208	97,087,396
Other	2,746,458	3,246,116	28,769,069	34,761,643
Cash at bank	496,707,978	-	-	496,707,978
Other financial assets	63,343,786	3,249,420	2,710,172	69,303,379
Loans against fixed deposits	51,387,131	-	-	51,387,131
Debt instruments at amortized cost	257,302,371	-	-	257,302,371
Total financial assets as at 31.12.2025	10,301,262,298	1,624,478,420	693,164,940	12,618,905,660
Total financial assets as at 31.12.2024				
Loans and advances				
Motorcar	3,502,047,476	699,243,530	509,399,432	4,710,690,438
Motorcycle	201,470,299	30,977,193	27,460,057	259,907,549
Motor tricycle	133,124,276	32,537,427	13,235,655	178,897,358
Dual purpose	834,324,967	220,641,955	189,958,412	1,244,925,334
Other	82,409,366	23,837,826	2,405,426	108,652,618
Lease and hire purchase				
Motorcar	23,370,288	13,404,603	9,930,551	46,705,442
Motorcycle	11,477,269	2,307,439	13,199,760	26,984,468
Motor tricycle	8,485,145	5,973,940	22,144,060	36,603,145
Dual purpose	68,683,964	57,471,250	79,709,520	205,864,734
Other	15,573,803	4,847,174	30,262,272	50,683,249
Cash at bank	107,484,574	-	-	107,484,574
Other financial assets	65,311,288	-	-	65,311,288
Loans against fixed deposits	27,667,928	-	-	27,667,928
Debt instruments at amortized cost	213,969,128	-	-	213,969,128
Total financial assets as at 31.12.2024	5,295,399,771	1,091,242,337	897,705,145	7,284,347,253



24. IMPAIRMENT (CHARGES) / REVERSAL (Contd...)

Impairment allowance and credit loss expense

	Stage 1	Stage 2	Stage 3	Total
Impairment allowance as at 31st December 2023	22,910,278	147,652,162	613,965,292	784,527,733
Loans and advances				
Motorcar	68,555,929	(53,514,691)	(60,434,539)	(45,393,301)
Motorcycle	2,761,495	563,992	7,407,305	10,732,792
Motor tricycle	3,487,321	4,028,890	5,518,183	13,034,394
Dual purpose	(2,087,734)	245,105	36,303,115	34,460,486
Other	(489,444)	60,507	9,937,577	9,508,640
Lease and hire purchase				
Motorcar	(894,285)	(915,897)	137,190	(1,672,992)
Motorcycle	(656,697)	(369,233)	(4,317,778)	(5,343,708)
Motor tricycle	(1,969,907)	(383,568)	(1,175,479)	(3,528,954)
Dual purpose	(7,312,760)	(5,360,047)	(3,942,474)	(16,615,281)
Other	(12,053,918)	(7,444,745)	(2,889,427)	(22,388,090)
Other Financial Assets	(1,060,685)	675,597	4,043,721	3,658,633
Total impairment loss for the year ended 31.12.2024	48,279,315	(62,414,090)	(9,412,606)	(23,547,381)
Write-off during the year	-	-	(11,391,485)	(11,391,485)
Impairment of interest income	-	-	-	(40,844,606)
Credit loss expense for the year ended 31.12.2024	48,279,315	(62,414,090)	(20,804,091)	(75,783,470)
Impairment allowance as at 31st December 2024	71,189,593	85,238,072	604,552,686	760,980,350
Impairment allowance as at 31st December 2024	71,189,593	85,238,072	604,552,686	760,980,350
Loans and advances				
Motorcar	45,676,385	26,164,431	(52,731,374)	19,109,442
Motorcycle	(2,742,916)	(706,118)	(11,728,735)	(15,177,769)
Motor tricycle	(4,809,999)	(2,650,245)	(2,945,009)	(10,405,253)
Dual purpose	5,094,115	8,127,068	(30,269,407)	(17,048,225)
Other	(785,253)	(2,515,800)	(4,680,861)	(7,981,914)
Lease and hire purchase				
Motorcar	7,476	(46,371)	(279,329)	(318,224)
Motorcycle	18,817,632	6,055,394	(4,163,984)	20,709,042
Motor tricycle	29,966	(74,472)	(3,394,437)	(3,438,943)
Dual purpose	(565,103)	(2,744,214)	(4,408,275)	(7,717,592)
Other	(1,372,813)	(2,942,848)	(2,258,028)	(6,573,689)
Other Financial Assets	6,878	(999,332)	4,048,087	3,055,634
Total impairment loss for the year ended 31.12.2025	59,356,368	27,667,493	(112,811,352)	(25,787,491)



Notes to the Financial Statements

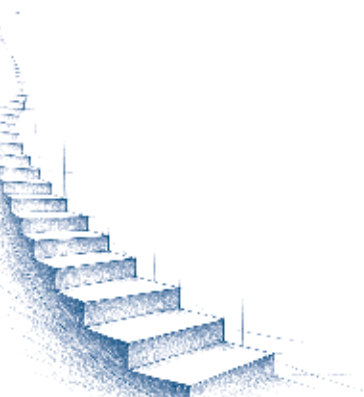
24. IMPAIRMENT (CHARGES) / REVERSAL (Contd...)

	Stage 1	Stage 2	Stage 3	Total
Write-off during the year charge / (recovery)	-	-	-	-
Impairment of interest income	-	-	-	(71,655,540)
Credit Loss Expense for the year ended 31.12.2025	59,356,368	27,667,493	(112,811,353)	(97,443,033)
Impairment Allowance as at 31st December 2025	130,545,961	112,905,565	491,741,333	735,192,859

24.1 Stage Transition

	Stage 1	Stage 2	Stage 3	Total
Impairment Allowance as at the beginning of the year	71,189,593	85,238,072	604,552,686	760,980,350
<i>Changes due to loans and receivables recognized in opening balance that have:</i>				
Transfers to Stage 2 and 3	(15,982,769)	13,409,935	2,572,834	-
Transfers to Stage 1 and 3	18,412,341	(30,368,732)	11,956,391	-
Transfers to Stage 1 and 2	56,141,752	26,996,740	(83,138,492)	-
New assets originated or purchased	102,029,425	56,017,292	6,201,492	164,248,209
Assets derecognized or repaid (excluding write offs)	(18,730,625)	(26,725,424)	(157,942,492)	(203,398,541)
Impact on year end ECL of exposures transferred between stages during the year	(82,513,756)	(11,662,321)	107,538,918	13,362,841
Net remeasurement of loss allowance	59,356,368	27,667,490	(112,811,349)	(25,787,491)
Impairment Allowance as at the end of the year	130,545,961	112,905,562	491,741,337	735,192,859

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses. There are no POCI assets as at the reporting date.



25. ADMINISTRATIVE EXPENSES

	2025 Rs.	2024 Rs.
Total vehicle running expenses	20,548,040	21,857,501
Entertainment	5,200	4,910
Travel	41,085,352	40,242,821
Rent and utilities	47,094,227	27,331,369
Repairs and maintenance	32,158,039	22,575,808
Insurance	6,565,184	9,914,548
Communication	25,721,776	24,379,444
Stationery	7,305,739	7,441,180
Computer charges	96,748,941	117,767,676
Professional fees	8,802,173	10,312,807
Depreciation & amortization	54,945,784	43,037,844
Bank charges and commission	6,072,756	5,721,602
Other expenses	50,478,752	30,985,123
Crop insurance levy	2,075,000	935,000
Disallowed VAT	28,161,043	32,892,251
	427,768,006	395,399,884

26. PERSONNEL EXPENSES

	2025 Rs.	2024 Rs.
Staff salaries	276,019,793	234,520,864
E.P.F	34,832,309	29,657,631
E.T.F	7,508,091	6,411,062
Bonus	38,032,664	29,668,977
Staff training	8,575,143	5,190,666
Medical allowances	15,842,862	13,062,559
Staff welfare	12,434,404	7,509,550
Employee benefits	11,003,387	8,089,481
	404,248,653	334,110,790



Notes to the Financial Statements

27. DISTRIBUTION EXPENSES

	2025 Rs.	2024 Rs.
Business promotion expenses	30,927,252	15,266,589
Sales tour expenses	49,761,975	44,281,490
	80,689,227	59,548,079

28. TAXES ON FINANCIAL SERVICES

	2025 Rs.	2024 Rs.
Value Added Tax (VAT)	123,672,651	80,629,000
Social Security Contribution Levy (SSCL)	20,552,664	12,869,337
	144,225,315	93,498,337

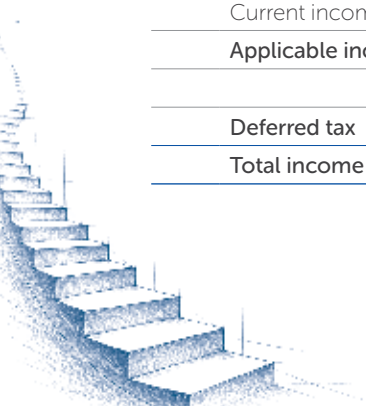
29. INCOME TAX

The major components of income tax expense for the years ended 31 December are as follows :

	2025 Rs.	2024 Rs.
Current income tax		
Current tax based on profit for the year (26.1)	95,858,600	-
Deferred tax expense		
Due to change in temporary differences (26.2)	(22,235,156)	92,022,404
Total income tax expense	73,623,444	92,022,404
Income tax expense recognized in other comprehensive income		
(Reversal) / charge on deferred tax	(4,311,697)	(4,016,536)
	(4,311,697)	(4,016,536)

29.1 Reconciliation of accounting loss to income tax expense

	2025 Rs.	2024 Rs.
Profit before taxation	295,358,018	170,078,221
Tax effect on		
Disallowable expenses	322,002,185	70,387,489
Tax deductible expenses	(188,995,480)	(300,293,112)
Current tax based on profit for the year	428,364,723	(59,827,402)
Taxable income / (loss)	428,364,723	(59,827,402)
Current income tax expense	95,858,600	-
Applicable income tax rate	30%	30%
Deferred tax	(22,235,156)	92,022,404
Total income tax expense	73,623,444	92,022,404



29. INCOME TAX (Contd...)**Tax losses carried forward**

	2025 Rs.	2024 Rs.
Brought forward	(59,827,402)	(59,827,402)
Reinstated tax loss 2024*	(49,008,655)	
Tax losses utilized	108,836,057	-
Tax losses carried forward	-	(59,827,402)

Reinstated tax loss 2024*

During the year, the Company identified that the tax loss relating to the Year of Assessment 2024 had been understated in the prior year financial statements. Accordingly, the tax loss brought forward balance has been reinstated to reflect the correct amount available for carry forward.

29.2 Deferred Tax Income Statement

	2025 Rs.	2024 Rs.
Deferred tax arising from		
Accelerated depreciation for tax purposes	(460,347)	874,010
Employee benefit obligation	(2,051,099)	(4,836,981)
Right-of-use assets and lease liabilities	2,366,911	165,208
Expected credit loss expenses	(26,107,158)	95,768,278
Adjustment	4,016,537	-
Fair value gain on equity instruments	-	51,889
	(22,235,156)	92,022,404
Other comprehensive income	(4,355,834)	(4,068,423)
Actuarial (loss) / gain on employee benefit obligations	44,136	51,886
Fair value gain on equity instruments	(4,311,697)	(4,016,537)
	(26,546,853)	88,005,867

Income tax has been computed according to the provisions of the Inland Revenue Act No. 24 of 2017. The Company is liable to income tax at 30%.



Notes to the Financial Statements

30. BASIC EARNINGS PER SHARE

30.1 Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

30.2 The following reflects the income and share capital data used in the basic earnings per share computation.

	2025 Rs.	2024 Rs.
Amounts used as the numerators:		
Net profit attributable to ordinary shareholders	221,734,574	78,055,817
Number of ordinary shares used as denominators for basic earnings per share		
Weighted average number of ordinary shares in issue	20,000,000	20,000,000
Applicable to basic earnings per share		
30.3 Basic /diluted earnings per share	11.09	3.90

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

31. CAPITAL COMMITMENTS AND CONTINGENCIES

31.1 Capital commitments

There were no material capital commitments, which require adjustment to or disclosure in the financial statements as at reporting date.

32. EVENTS AFTER THE REPORTING PERIOD

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

33. RELATED PARTY DISCLOSURES

33.1 Transaction with related entities

	2025 Rs.	2024 Rs.
Associated Motorways Private Limited - Parent		
Transactions during the period		
Rent cost	23,469,380	9,581,545
Fees paid for repair services	405,166	2,361,257
Expense reimbursements	66,151,425	73,977,724
	90,025,970	85,920,526
Amounts due to - Associated Motorways Private Limited		
Trade creditors	1,344,093,346	580,738
Other payable	22,467,997	158,253,682
	1,366,561,343	158,834,420
Amounts due from - Associated Motorways Private Limited		
Other receivable	3,002,607	3,002,607
	3,002,607	3,002,607

33. RELATED PARTY DISCLOSURES (Contd...)

	2025 Rs.	2024 Rs.
33.1 Transaction with related entities - (Contd.)		
Orient Insurance Limited - other related Company		
Transactions during the year		
Insurance commission income	23,822,559	26,416,849
Insurance premiums paid	2,272,206	2,272,206
	26,094,764	28,689,055
	2025 Rs.	2024 Rs.
Amounts due to Orient Insurance Limited		
Insurance premium payable	23,027,641	8,452,589
	23,027,641	8,452,589
Fixed deposit	350,000,000	350,000,000

33.2 Transactions with key management personnel and close family members of key personnel

Transactions with Key Management Personnel	2025 Rs.	2024 Rs.
Directors' emoluments and key management persons' remuneration	125,117,059	110,304,675
New fixed deposits made	21,123,046	24,500,825
Fixed deposits withdrawn / renewal	34,193,683	12,300,113
Amounts due to Key Management Personnel	2025 Rs.	2024 Rs.
Fixed deposits	55,381,655	54,367,444
Transactions with close family members of key personnel	2025 Rs.	2024 Rs.
New fixed deposits made	19,044,515	15,666,735
Fixed deposits withdrawn / renewal	28,516,318	20,163,920

33.3 Terms and conditions of transactions with related parties

Transactions with related parties have been conducted under mutually agreed commercial terms.



Notes to the Financial Statements

34. FINANCIAL REPORTING BY SEGMENT

For management purposes, the Company is organized into four operating segments as follows.

Finance Lease - Assets leased to customers, which transfer substantially all the risks and rewards associated with ownership other than legal title (absolute ownership).

Term Loans - Loans given to individual and institutional customers.

Unallocated - Operations that cannot be specifically identified into above classifications.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Income Taxes are managed on entity basis and are not allocated to operating segments.

	Finance Lease			Term Loans			Unallocated		Total	
	2025 Rs.	2024 Rs.		2025 Rs.	2024 Rs.		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Interest income	77,479,078	80,093,606		1,256,658,194	846,968,115		41,838,029	152,518,400	1,375,975,301	
Other operating income	12,233,223	18,022,937		180,273,341	142,139,195		106,667,568	78,554,020	299,174,132	
Total revenue	89,712,301	98,116,543		1,436,931,535	989,107,310		148,505,597	231,072,420	1,675,149,433	
Interest expenses	(23,766,416)	(13,779,579)		(396,536,831)	(327,664,853)		-	-	(420,303,247)	
Depreciation and amortization	-	-		-	-		(54,945,784)	(43,037,844)	(54,945,784)	
Unallocated expenses	-	-		-	-		(1,001,985,417)	(839,519,246)	(1,001,985,417)	
Credit loss expense	57,179,208	57,179,208		64,718,141	10,871,411		(3,055,634)	7,732,852	97,443,033	
Profit before tax									295,358,018	
Taxation									(73,623,445)	
Profit after tax									221,734,574	
Segment assets	627,329,465	248,893,692		10,466,838,303	5,918,447,431		-	-	11,094,167,768	
Unallocated assets	-	-		-	-		1,222,937,021	701,665,035	1,222,937,021	
Total assets	627,329,465	248,893,692		10,466,838,303	5,918,447,431		1,222,937,021	701,665,035	12,317,104,790	
Segment liabilities	459,250,462	120,953,734		7,662,481,356	2,876,160,928		-	-	8,121,731,818	
Unallocated liabilities	-	-		-	-		271,766,507	159,958,978	271,766,507	
Total liabilities	459,250,462	120,953,734		7,662,481,356	2,876,160,928		271,766,507	159,958,978	8,393,498,325	

35. MATURITY OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	2025			2024		
	Less than 12 months Rs.	Over 12 months Rs.	Total Rs.	Less than 12 months Rs.	Over 12 months Rs.	Total Rs.
Assets						
Cash and bank	582,546,077	-	582,546,077	198,265,641	-	198,265,641
Other financial assets	44,083,985	25,219,394	69,303,379	40,953,894	24,357,394	65,311,288
Other non-financial assets	46,866,975	-	46,866,975	48,114,125	-	48,114,125
Rentals receivable on lease and hire purchase assets	(135,379,772)	762,709,237	627,329,465	78,296,692	170,597,000	248,893,692
Loans and advances	(2,398,525,866)	12,865,364,170	10,466,838,303	784,228,431	5,134,219,000	5,918,447,431
Debt instruments at amortized cost	257,302,371	-	257,302,371	213,969,129	-	213,969,129
Equity instruments at fair value through other comprehensive income	-	2,505,126	2,505,126	-	2,358,001	2,358,001
Deferred tax assets	-	91,224,073	91,224,073	-	64,677,217	64,677,217
Property, plant & equipment	-	72,070,639	72,070,639	-	57,510,116	57,510,116
Intangible assets	-	22,116,005	22,116,005	-	6,527,970	6,527,970
Right-of-use assets	23,826,052	55,176,325	79,002,377	18,204,023	26,727,525	44,931,548
As at 31 December	(1,579,280,179)	13,896,384,967	12,317,104,789	1,382,031,934	5,486,974,223	6,869,006,158
Liabilities						
Bank overdraft	34,800,146	-	34,800,146	20,206,510	-	20,206,510
Trade & other payables	588,824,486	-	588,824,486	510,893,070	-	510,893,070
Time deposits	1,016,631,595	1,721,578,006	2,738,209,601	1,467,099,814	414,111,868	1,881,211,682
Amounts due to related parties	1,418,178,580	-	1,418,178,580	185,327,772	-	185,327,772
Interest bearing borrowings	1,093,137,368	2,283,381,783	3,376,519,151	194,682,138	225,000,000	419,682,138
Lease liabilities	22,921,890	60,176,598	83,098,488	19,807,130	37,110,231	56,917,361
Provision for income tax	84,898,346	-	84,898,346	35,222,026	-	35,222,026
Employee benefit obligations	17,077,444	51,892,083	68,969,527	6,756,208	40,856,873	47,613,081
As at 31 December	4,276,469,856	4,117,028,468	8,393,498,325	2,439,994,668	717,078,972	3,157,073,640



Notes to the Financial Statements

36. ASSETS PLEDGED

The following assets have been pledged as security for liabilities.

Nature of assets	Nature of Liability	Carrying Amount Pledged	
		2025 Rs.	2024 Included Under Rs.
Rentals receivables	Securitization Loan - BOC	-	- Rentals Receivable on Lease and Hire Purchase Assets
Rentals receivables	Bank Overdraft - Combank	78,811,641	184,632,492 Rentals Receivable on Lease Assets
Rentals receivables	Contingency Fund & Term Loan - HNB	2,066,484,062	417,451,261 Rentals Receivable on Auto Loan Assets
Rentals receivables	Securitization Loan - NDB 1.5Bn	-	107,162,876 Rentals Receivable on Lease Assets and Auto Loan Assets
Rentals receivables	Securitization Loan - DFCC	391,105,372	1,010,769,519 Rentals Receivable on Lease Assets and Auto Loan Assets
Rentals receivables	Securitization Loan - Pan Asia Bank	458,929,674	- Rentals Receivable on Lease Assets and Auto Loan Assets
Rentals receivables	Securitization Loan - BOC	1,182,392,255	- Rentals Receivable on Lease Assets and Auto Loan Assets

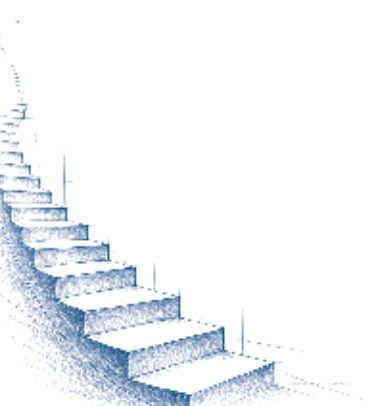
The lender has the rights to the future rentals and collaterals relating to the rental receivables in case of a default by the Company.

37. DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	31 December 2025		31 December 2024	
	Carrying Amount Rs.	Fair Value Rs.	Carrying Amount Rs.	Fair Value Rs.
Financial Assets				
Rentals receivable on lease and hire purchase assets	627,329,465	961,544,177	248,893,693	421,274,616
Loans and advances	10,466,838,303	14,332,263,152	5,918,447,431	8,574,879,415
Debt instruments at amortized cost	257,302,371	259,582,621	213,969,129	213,472,188
Total financial assets	11,351,470,139	15,553,389,950	6,381,310,252	9,209,626,219
Financial liabilities				
Time deposits	2,738,209,601	2,597,706,733	1,881,211,682	1,791,526,614
Interest bearing borrowings	3,376,519,151	3,370,363,583	419,682,138	418,750,001
Total financial liabilities	6,114,728,752	5,968,070,316	2,300,893,820	2,210,276,615

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.



37. DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY - (Contd.)

Fair value of financial assets and liabilities not carried at fair value

Assets for which fair value approximates carrying value

For financial assets and financial liabilities that have a short term maturity it is assumed that the carrying amounts approximate their fair value.

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities (other than assets and liabilities with maturities within 12 months) carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments.

37.1 Financial instruments not measured at fair value and fair value hierarchy

The following table set out the fair values of financial assets and liabilities not measured at fair value and related fair value hierarchy used :

	Carrying Value	Quoted price in active markets Level 1	Significant observable input Level 2	Significant unobservable input Level 2	Total
As at 31 December 2025					
Financial assets at amortized cost					
Rentals receivable on lease and hire purchase assets	627,329,465	-	627,329,465	-	627,329,465
Loans and advances	10,466,838,303	-	10,466,838,303	-	10,466,838,303
Debt instruments at amortized cost	257,302,371	-	257,302,371	-	257,302,371
Total financial assets	11,351,470,139	-	11,351,470,139	-	11,351,470,139
Financial liabilities at amortized cost					
Time deposits	2,738,209,601	-	2,738,209,601	-	2,738,209,601
Interest bearing borrowings	3,376,519,151	-	3,376,519,151	-	3,376,519,151
	6,114,728,752	-	6,114,728,752	-	6,114,728,752

38. RISK MANAGEMENT OBJECTIVES AND POLICIES

38.1 Risk Management

Risk-taking is an inherent aspect of the finance business, and profits serve as the reward for successful risk-taking. The primary objective of risk management in the Company is to ensure that risk-taking activities align with the Company's strategies and risk appetite while maintaining an appropriate balance between risk and reward to maximize shareholder wealth. The Company is primarily exposed to credit risk, interest rate risk, liquidity risk, operational risk, and compliance risk in its business activities, while also facing business and strategic risks in the formulation and execution of its strategic direction.

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Impact of economic uncertainty

In 2025, Sri Lanka's economy continued its gradual recovery following the stabilization achieved in 2024, supported by the continued implementation of disciplined fiscal and monetary policies under the International Monetary Fund (IMF) Extended Fund Facility (EFF) program. The government remained committed to the reform agenda initiated in prior years, with ongoing fiscal consolidation measures and structural reforms aimed at strengthening macroeconomic stability and sustainability.



Notes to the Financial Statements

38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)

38.1 Risk Management - (Contd.)

Key policy measures introduced under the IMF program, including formula-based fuel and electricity pricing, revenue-enhancing tax measures, reforms to state-owned enterprises (SOEs), and legislative initiatives to strengthen the autonomy and governance of the Central Bank of Sri Lanka, continued to be implemented during the year. In addition, the tourism sector demonstrated strong momentum during 2025, contributing positively to economic activity, foreign exchange inflows, and overall business confidence.

Following the successful completion of domestic and external debt restructuring in 2024, Sri Lanka's debt position remained broadly stable in 2025, supporting a more predictable macroeconomic environment. Key indicators such as inflation, interest rates, foreign exchange reserves, and exchange rate movements remained relatively stable compared to previous years. However, during the year, the country was affected by the Ditwah cyclone, which resulted in significant loss of human lives and damage to assets and infrastructure. Despite these challenges, policy continuity and adherence to the IMF-supported reform program helped sustain economic confidence and support the ongoing recovery process during 2025.

Credit risk management

AMWCL faces significant credit risk as it serves as the primary business function of the Company. The ongoing economic challenges have substantially affected the income levels and repayment capabilities of both existing and potential customers of AMWCL. In compliance with the SLFRS 9 framework, the Company is required to provision for loan customers, necessitating the estimation of Expected Credit Loss (ECL) based on prevailing and projected economic conditions. To gauge ECL amidst forecasted economic scenarios, AMWCL employs a spectrum of scenarios reflecting varying degrees of severity, each weighted appropriately to encompass a broad spectrum of potential economic outcomes.

In response to the prevailing uncertainties, AMWCL has rigorously evaluated the potential impacts on input variables and assumptions for SLFRS 9 ECL measurement, utilizing available information. The Company conducts regular assessments of its financial assets across diverse customer segments with similar loss patterns, adjusts scenario weightings for each product category based on forward-looking projections, and continuously monitors historical default rates. These ongoing reviews ensure a nuanced and accurate depiction of the Company's ECL assessment concerning its financial assets.

Loan Portfolio has grown to nearly LKR 11.8bn in 2025 cf. LKR 6.9bn it stood at the end of 2024. The Company implemented various risk mitigation strategies to alleviate credit risk, including restructuring credit facilities to minimize the impact on customers while effectively managing risk exposure.

Liquidity risk management

The Company has implemented several measures to manage liquidity risk effectively. Regular cash flow monitoring and forecasting ensure sufficient liquidity by tracking inflows and outflows. Asset-Liability Management (ALM) is conducted through the Asset-Liability Committee (ALCO), which reviews the maturity profiles of assets and liabilities to maintain a balanced liquidity position. Additionally, the Company relies on diversified funding sources, including customer deposits, bank borrowings, and internal cash generation, to reduce dependency on a single source and enhance financial stability.

As a consequence, AMWCL has maintained a healthy liquidity position during the year and a positive net current asset position as at the date of the consolidated interim statement of financial position.

Operational risk management

During 2025, AMWCL continued to implement proactive risk mitigation measures aimed at minimizing operational risk and safeguarding employee safety. The Company maintained comprehensive insurance coverage to protect both personnel and assets, and regularly tested its Business Continuity Plan (BCP) to ensure operational resilience and continuity in the event of potential disruptions.

As part of strengthening its operational risk management framework, the Company successfully completed the Risk and Control Self-Assessment (RCSA) for 2025, enabling the systematic identification and assessment of key operational risks and control gaps across the organization. In addition, an Operational Loss Risk Management (OLRM) system was launched during the year to capture, record, and analyse operational loss events on a Company-wide basis, thereby enhancing loss visibility and data-driven risk management.

AMWCL remains committed to maintaining strong procedural discipline and strict adherence to internal policies and guidelines across all areas of operation. Any identified deviations or risk events are promptly escalated and addressed through appropriate remedial actions. Oversight of operational risk management continues to be provided by the Operational Risk Management Committee (ORMC), which is responsible for reviewing operational risk exposures, monitoring updated Key Risk Indicators (KRIs), and ensuring the effective implementation of risk management tools.



38.1.1 Board Integrated Risk Management Committee

The Company has set up a Board Integrated Risk Management Committee (BIRMC), appointed by the Board of Directors as per the CBSL Direction No.5 of 2021 on Corporate Governance with the broad objective of assessing all risks, including credit risks to the Company. The BIRMC has the following key objectives;

- ⦿ Assess the impact of risks, including credit, market, liquidity, operational, strategic, compliance, and technology through appropriate risk indicators and management information, and make recommendations on the risk strategies and the risk appetite to the Board.
- ⦿ Develop risk appetite through a Risk Appetite Statement (RAS), which articulates the individual and aggregate level, and types of risk that AMWCL accepts or avoids to achieve strategic business objectives.
- ⦿ Review the adequacy and effectiveness of senior management level committees (such as credit, ALCO, ITSC, and operational) to address specific risks and manage those within quantitative and qualitative risk limits as specified by the Committee.
- ⦿ Review the AMWCL's risk policies, including RAS, at least annually.
- ⦿ Assess all aspects of risk management, including updated business continuity and disaster recovery plans.
- ⦿ Establish an independent risk management function responsible for managing risk-taking activities across the AMWCL.

The BIRMC comprises Independent Directors, and the Committee has the authority to invite any officer of the Company to the BIRMC meeting. The BIRMC acts as the second line of defense of the Company.

The Risk Management Division is responsible for implementing and maintaining risk-related policies and procedures to promote and embed a risk-aware culture across the Company. The Division works closely with the BIRMC to ensure that all risk management practices and procedures remain aligned with and compliant with the Company's overall risk management framework.

38.1.2 Assets and Liability Committee (ALCO)

The Chief Executive Officer chaired the ALCO. GM-Finance, GM-Credit & Operation, GM-Marketing, Head of Risk & Compliance, and Head of Deposits are the other members of the Committee that meet at least twice a month to monitor and manage assets and liabilities of the Company and also the overall liquidity position. Decisions taken by ALCO are referred to BIRMC for ratification.

38.1.3 Credit Policy Committee

The Credit Policy Committee (CPC) is responsible for managing the credit risk of the Company. The GM-Credit and Operations chaired the Committee. The Chief Executive Officer, GM-Finance, GM-Marketing, Head of Risk & Compliance, Head of Operation, and Head of Recovery are the other members of the CPC. The Committee meets at least twice a month to monitor and manage credit risk, and decisions taken at CPC are referred to BIRMC for ratification.

38.1.4 Operational Risk Management Committee (ORMC)

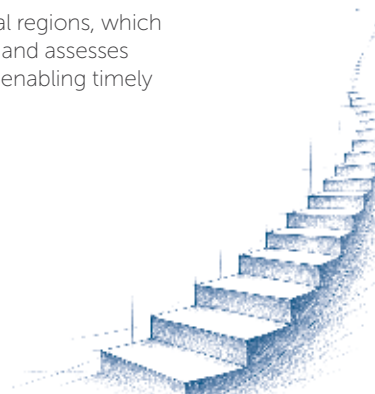
The Operational Risk Management Committee (ORMC) is responsible for assessing operational risks, including people, systems, internal controls, fraud, and external risks of AMWCL at Branch, Region and Service divisions. The Chief Executive Officer, GM-Credit and Operations, GM-Finance, GM-Marketing, Head of Risk Management, Head of Operation, Head of IT, Head of Compliance, HRBP, and Head of Internal Audit are the other members of the ORMC. The Committee meets quarterly to monitor and manage credit risk, and decisions taken at CPC are referred to BIRMC for ratification.

38.2 Credit Risk

38.2.1 Overview

Credit risk is the likelihood that a customer or counterparty is unwilling or unable to pay interest or repay the principal according to the terms specified in a credit agreement resulting in a loss to the Company. Credit risk is managed through a properly defined credit policy manual which considers target market norms, specific credit selection criteria (both financial and non-financial), concentration limits, delegation of approval authority, credit pricing, segregation of marketing and credit approval and administration and active portfolio monitoring.

Concentration risk arises from excessive exposure to individual borrowers, products, sectors, or geographical regions, which may increase the Company's overall credit risk profile. To mitigate this risk, the Company regularly monitors and assesses concentration levels and reports its findings to the Board Integrated Risk Management Committee (BIRMC), enabling timely management actions to address potential concentration-related vulnerabilities.



Notes to the Financial Statements

38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)

38.2.2 Portfolio analysis: Product-wise

The lending portfolio primarily consists of auto loans, accounting for 93.57% of the total exposure, while finance leasing and hire purchase make up 6.42% and 0.01%, respectively, as of 31 December 2025.

38.2.2.1 Exposure based on product class

Product	As at 31 Dec 2025		As at 31 Dec 2024	
	Exposure Rs.Mn	%	Exposure Rs.Mn	%
Finance Leasing	755	6.42%	370	5.39%
Hire Purchase	0.7	0.01%	0.7	0.01%
Auto Loans	10,989	93.57%	6,499	94.60%
Total	11,744	100%	6,870	100%

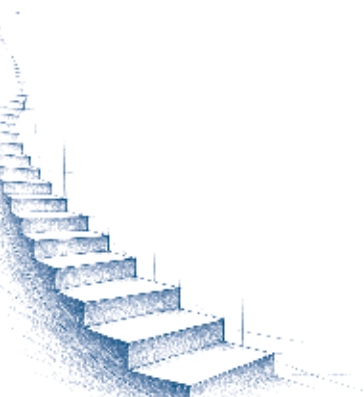
38.2.2.2 Portfolio analysis: Exposure based on asset type

The Company regularly monitors its risk profile by asset class to identify trends in the types of assets financed and to assess their impact on the overall lending portfolio. Certain asset classes are more sensitive to macroeconomic conditions and business cycles, in addition to the underlying borrower risk profile. Accordingly, these asset classes are subject to enhanced monitoring to assess potential changes in the risk profile and to anticipate possible stress on portfolio quality.

Product	As at 31 Dec 2025		As at 31 Dec 2024	
	Exposure Rs.Mn	%	Exposure Rs.Mn	%
Motorcars	8,486	72.15%	4,758	72.35%
Two Wheeler	899	7.64%	285	2.83%
Three Wheeler	288	2.45%	216	1.72%
Dual Purpose Vehicles	1,376	11.70%	1,081	15.30%
Commercial Vehicles	713	6.06%	507	7.20%
Equipment	-	0.00%	1	0.01%
Agricultural Tractors	-	0.00%	22	0.59%
Total	11,762	100%	6,870	100%

38.2.2.3 Non-Performing Portfolio

As at 31 Dec	Rs. Mn	
	2025	2024
Non-Performing Portfolio	868	992
Total Advances	11,813	6,897
Non-Performing %	7.33%	14.39%
Loan Loss Provisions	701.42	730.27



38.2.2.4 Impairment assessment

For accounting purposes, the Company uses collective and individual impairment method and Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and Economic Factor Adjustment (EFA) are taken in to consideration. Allowances are assessed collectively for losses on leases, auto loans and hire purchase facilities with similar characteristics. Individually significant leases, auto loans and hire purchase accommodations are assessed on individual basis.

Impairment made at the end of reporting period, 31 December 2025 amounts to Rs 701.42 Mn (2024 - Rs.730.28 Mn).

38.2.2.5 Fair value of collateral and credit enhancements held

The Company endeavors to obtain adequate collateral to secure its credit facilities. The Company continuously monitor the quality of such collateral to mitigate credit losses. A reasonable margin of safety is maintained in collateral values to absorb fall in value of collateral. In general, Company has obtained cash deposits, machinery, equipment and vehicles as collateral.

The Company uses collateral to mitigate its risks on financial assets. The collateral comes in various forms such vehicles, letters of guarantees and fixed deposit certificates. The fair value of collateral is generally assessed at the inception based on the guidelines issued by the Central Bank of Sri Lanka. To the extent possible, the Company uses active market data for valuing financial assets, held as collateral.

Repossession of collateral is undertaken only in exceptional circumstances where such action is necessary to recover outstanding dues. Repossessed assets are disposed of in an orderly and transparent manner through a public tender process, and the proceeds are applied towards the settlement of outstanding claims. Any surplus recovered in excess of the amounts due is refunded to the customer.

The following table shows the fair value of collateral and credit enhancements held by the Company as at 31 December 2025.

	Maximum Exposure to Credit Risk (Rs.)	Net Exposure to Credit Risk (Rs.)
Cash and cash equivalents (excluding cash in hand)	496,707,978	496,707,978
Other financial assets	69,303,379	69,303,379
Loans and receivables	11,094,167,768	11,039,132,637
Debt instruments at amortized cost	257,302,371	257,302,371
	11,917,481,496	11,862,446,365

	2025 Rs.	2024 Rs.
Carrying value of financial assets as at 31 December		
Other financial assets	69,303,379	65,311,288
Cash and cash equivalents (excluding cash in hand)	496,707,978	107,484,574
Rentals receivable on lease and hire purchase assets	627,329,465	248,893,692
Loans and advances	10,466,838,303	5,918,447,431
Equity instruments at fair value through other comprehensive income	2,505,126	2,358,001
Debt instruments at amortized cost	257,302,371	213,969,129
	11,919,986,622	6,556,464,115
Fair value of collateral held and net exposure of credit impaired assets as at 31.12.2025		
	Fair Value of Collateral (Rs.)	Net Exposure to Credit Risk (Rs.)
Credit impaired assets	9,830,000	15,350,000

The collateral held as security on financial assets that are credit-impaired at the reporting date amounts to Rs. 9,830,000 and therefore, net exposure of those credit impaired assets as at 31.12.2025 is Rs. 13,359,264.02/- Collateral amount disclosed only for the repossessed vehicles.



Notes to the Financial Statements

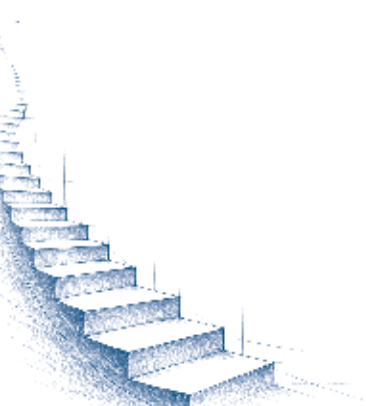
Collateral details;

38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)

Nature of the collateral	Quality of the collateral	Loss allowance
Moveable property (repossessed vehicles)	Good in condition	Impairment allowance made based on the CBSL direction for collateral.

There are no changes to Company's policy on collaterals.

There are no significant changes in the quality of that collateral or credit enhancements as a result of deterioration or changes in the collateral policies of the entity during the reporting period;



38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)**38.2.3 Collections and recovery**

The tables below shows the age analysis of the installments in arrears for all Financial Assets exposed to credit risk. The amounts presented are gross receivable amounts.

38.2.3.1 Age analysis of past due based on product class (Rs. '000)

As at 31 December 2025		Leases		Hire Purchase		Auto Loans		Total	
Arrears Bucket		Arrears	Capital Outstanding	Arrears	Capital Outstanding	Arrears	Capital Outstanding	Arrears	Capital Outstanding
1 - 29 days		21,477	95,395	0.19	0.19	75,261	2,332,495	96,739	2,427,890
30 - 59 days		2,694	35,773	-	-	54,231	980,304	56,926	1,016,077
60 - 89 days		3,561	21,759	-	-	49,052	540,444	52,613	562,203
90 - 179 days		3,844	7,968	-	-	36,615	180,729	40,459	188,697
180 - 365 days		5,422	10,937	-	-	31,557	83,209	36,980	94,146
Over 365 days		62,866	42,481	358.65	476.62	183,215	156,154	246,439	199,112

As at 31 December 2024		Leases		Hire Purchase		Auto Loans		Total	
Arrears Bucket		Arrears	Capital Outstanding	Arrears	Capital Outstanding	Arrears	Capital Outstanding	Arrears	Capital Outstanding
1 - 29 days		18,261	48,384	0.19	-	63,432	1,230,571	81,694	1,278,955
30 - 59 days		4,940	47,800	-	-	35,634	610,401	40,574	658,201
60 - 89 days		5,126	32,132	-	-	32,967	325,098	38,093	357,230
90 - 179 days		6,816	26,230	-	-	34,440	191,751	41,256	217,981
180 - 365 days		10,427	21,130	-	-	48,571	130,410	58,998	151,540
Over 365 days		68,332	20,895	477	-	140,146	77,287	208,955	98,182



Notes to the Financial Statements

38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)

38.2.3.2 Age analysis of past due based on Financial Assets (Rs. '000)

As at 31 December 2025	Past due							Total
	Not past due	1-29 days	30-59 days	60-89 days	90-179 days	180-365 days	Over 365 days	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS								
Cash and Bank (Excluding Cash in Hand)	496,708	-	-	-	-	-	-	496,708
Other Financial Assets	69,303	-	-	-	-	-	-	69,303
Rentals Receivable on Lease and Hire Purchase Assets	440,297	116,873	38,467	25,320	11,812	16,360	106,183	755,311
Less : Credit Loss Expenses	-	-	-	-	-	-	-	(127,981)
Loans and Advances	6,337,015	2,407,756	1,034,535	589,496	217,344	114,766	339,368	11,040,281
Less : Credit Loss Expenses	-	-	-	-	-	-	-	(573,443)
Debt Instruments at Amortized Cost	257,302	-	-	-	-	-	-	257,302
	7,600,625	2,524,629	1,073,002	614,815	229,156	131,125	445,550	11,917,481
As at 31 December 2024	Past due							Total
	Not past due	1-29 days	30-59 days	60-89 days	90-179 days	180-365 days	Over 365 days	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS								
Cash and Bank (Excluding Cash in Hand)	107,485	-	-	-	-	-	-	107,485
Other Financial Assets	65,311	-	-	-	-	-	-	65,311
Rentals Receivable on Lease and Hire Purchase Assets	60,152	66,645	52,740	37,258	33,046	31,557	89,704	371,102
Less : Credit Loss Expenses	-	-	-	-	-	-	-	(122,208)
Loans and Advances	3,605,799	1,294,003	646,035	358,065	226,191	178,981	217,433	6,526,507
Less : Credit Loss Expenses	-	-	-	-	-	-	-	(608,059)
Debt Instruments at Amortized Cost	213,969	-	-	-	-	-	-	213,969
	4,052,715	1,360,648	698,775	395,323	259,237	210,538	307,137	6,554,106

38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)

38.3 Liquidity Risk

38.3.1 Overview

Liquidity Risk arises when a financial institution is unable to maintain or generate sufficient cash resources to meet its payment obligations as they fall due. It arises in the functions of lending, trading and investment activities. It includes both the risk of unexpected increases in the cost of funding assets due to unanticipated funding requirements and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Company diversified funding sources and manage maturity mismatch to manage Liquidity Risk. Additionally future cash flows, funding requirement and liquidity is monitored regularly. The Company has a sound Contingency Funding Plan. There are committed lines of credit from Banks which could be drawn upon at short notice.

38.3.1.1 Contractual Maturities of undiscounted cash flows of financial assets and liabilities (Rs.'000)

As at 31 December 2025	Less than 1 Month Rs.	1 to 3 Months Rs.	3 to 12 Months Rs.	1 to 3 Years Rs.	3 to 5 Years Rs.	Over 5 Years Rs.	Total Rs.
Financial assets							
Cash and bank	582,546	-	-	-	-	-	582,546
Other financial assets	69,303	-	-	-	-	-	69,303
Rentals receivable on lease and hire purchase assets	4,123	2,505	91,814	487,270	275,439	-	861,151
Loans and advances	47,429	154,488	835,061	3,043,228	9,413,789	408,347	13,902,343
Total undiscounted financial assets	703,402	156,992	926,876	3,530,498	9,689,228	408,347	15,415,344
Financial liabilities							
Bank overdraft	34,800	-	-	-	-	-	34,800
Trade and other payables	2,007,003	-	-	-	-	-	2,007,003
Time deposits	120,641	271,405	1,329,532	965,839	50,793	-	2,738,209
Interest bearing borrowings	71,738	431,164	590,236	1,554,215	729,167	-	3,376,520
Lease liabilities	1,752	3,962	17,208	38,500	19,800	1,877	83,098
Total undiscounted financial liabilities	2,235,934	706,530	1,936,976	2,558,553	799,760	1,877	8,239,630
GAP	(1,532,531)	(549,538)	(1,010,100)	971,943	8,889,469	406,470	7,175,713
Cumulative GAP	(1,532,531)	(2,082,069)	(3,092,170)	(2,120,226)	6,769,242	7,175,713	



Notes to the Financial Statements

38. RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD.)

38.4 Interest Rate Risk

38.4.1 Overview

Interest rate risk is the risk that changes in market interest rates adversely affect the Company's financial condition. It is the risk of potential volatility in earnings and capital value resulting from changes in market interest rates.

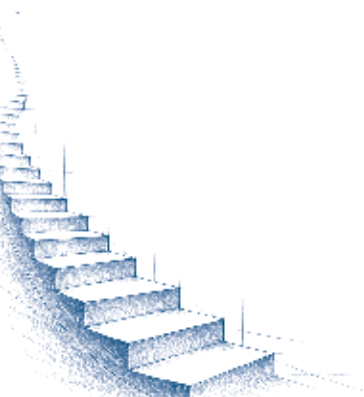
- ◉ Repricing Risk
- ◉ Basis Risk
- ◉ Yield curve risk

The Company continuously monitors the behavior of interest rates to manage interest rate risk. The Company also manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company also prepares static gap analysis and dynamic interest rate gap analysis on monthly basis to measure the risk.

The table below analyses the Company's interest rate risk exposure on its non-traded assets and liabilities. The assets and liabilities are included at carrying amount and categorized by the earlier of contractual re-pricing or residual maturity dates.

38.4.1.1 Interest rate sensitivity gaps (Rs. '000)

As at 31 December 2025	Less than 7 days Rs.	8 - 30 days Rs.	1 - 3 months Rs.	3 - 6 months Rs.	6 - 12 months Rs.	Over 1 year Rs.	Total Rs.
Sensitive assets							
Rentals receivable on lease, hire purchase and auto loan assets	117,705	390,647	429,258	768,369	1,702,641	7,685,547	11,094,168
Debt instruments at amortized cost	257,302	-	-	-	-	-	257,302
Cash at Bank	496,708						496,708
Total sensitive assets	871,716	390,647	429,258	768,369	1,702,641	7,685,547	11,848,178
Sensitive liabilities							
Bank overdraft	34,800	-	-	-	-	-	34,800
Time deposits	41,077	79,564	271,405	1,023,880	305,652	1,016,632	2,738,210
Interest bearing borrowings	-	71,738	431,164	196,745	393,491	2,283,382	3,376,520
Lease liabilities	-	1,752	3,962	5,548	11,660	60,177	83,099
Total sensitive liabilities	75,878	153,055	706,530	1,226,174	710,803	3,360,190	6,232,629
Gap	795,838	237,591	(277,273)	(457,806)	991,838	4,325,357	5,615,549
Cumulative Gap	795,838	1,033,429	756,157	298,351	1,290,189	5,615,549	



38. Risk management objectives and policies - (Contd.)

38.4.1.1 Interest rate sensitivity gaps (Rs. '000) (Contd...)

As at 31 December 2024	Less than 7 days Rs.	8 - 30 days Rs.	1 - 3 months Rs.	3 - 6 months Rs.	6 - 12 months Rs.	Over 1 year Rs.	Total Rs.
Sensitive assets							
Rentals receivable on lease, hire purchase and auto loan assets	1,693	243,540	399,743	510,499	866,318	4,145,548	6,167,341
Debt instruments at amortized cost	213,969	-	-	-	-	-	213,969
Cash at bank	107,485						107,485
Total sensitive assets	323,147	243,540	399,743	510,499	866,318	4,145,548	6,488,795
Sensitive liabilities							
Bank overdraft	20,207	-	-	-	-	-	20,207
Time deposits	17,159	58,138	161,604	1,035,543	153,941	454,827	1,881,212
Interest bearing borrowings	-	7,182	137,500	18,750	37,500	218,750	419,683
Lease liabilities	-	1,814	3,682	5,629	8,683	37,110	56,918
Total sensitive liabilities	37,366	67,134	302,786	1,059,922	200,124	710,687	2,378,019
Gap	285,780	176,405	96,957	(549,424)	666,194	3,434,861	4,110,776
Cumulative Gap	285,780	462,184	559,142	9,718	675,912	4,110,775	

Note : Fixed interest bearing assets and liabilities have also been taken into consideration in arriving at the interest rate sensitivity gaps.

38.4.1.2 Income impact from change in interest rates within one month

(Rs.'000)	Increase in interest rate 2025		Increase in interest rate 2024	
	100 bps	200 bps	100 bps	200 bps
P&L impact (Monthly)	10,334	20,669	4,622	9,244

Assumptions and method

- ⦿ All other variables are remain constant at the time of preparing sensitivity analysis.
- ⦿ The analysis is based on the carrying value of the financial assets and financial liabilities as at the reporting date.

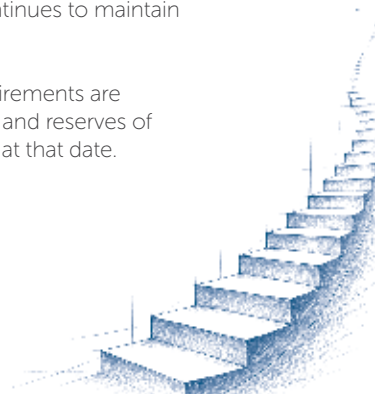
The Company has used same method and assumptions in preparing sensitivity analysis for both current and comparative period.

The Company expose no market risk other than the interest change.

38.5 Capital Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through optimization of the debt and equity balance. Furthermore, the Company continues to maintain higher level of capital adequacy than the regulatory minimum required which is 24.96%.

External capital requirements are enforced and regulated by the Central Bank of Sri Lanka. These requirements are established to ensure sufficient capital and reserves are maintained. The Company maintained capital and reserves of Rs. 3,923,606,463/- as at 31 December 2025 which is above the minimum regulatory requirement as at that date.



Notes to the Financial Statements

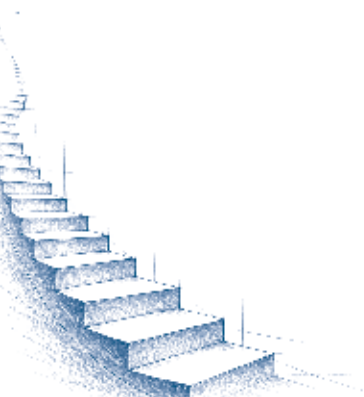
39. ECONOMIC CONDITIONS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

The prevailing macroeconomic environment in Sri Lanka continued to be closely monitored by management during 2025, with strategic decisions focused on the effective utilization of resources and prudent risk management to achieve sustainable financial performance. Against this backdrop, the Company adopted a disciplined operating approach, which contributed to a stable performance during the year.

Building on the economic stabilization achieved in 2024, macroeconomic conditions in 2025 reflected relative stability, supported by continued fiscal and monetary policy discipline. Improved confidence within the financial sector enabled Licensed Finance Companies (LFCs) to operate in a more predictable environment. In response, the Company continued its lending activities with a cautious and selective approach, guided by a robust underwriting framework to preserve credit quality.

With the easing of vehicle import restrictions during the year, the Company was well-positioned to leverage emerging business opportunities, supported by anticipated activity within the automotive sector and the continued growth of its parent Company, AMW.

Management remains confident that the measures implemented during the year, together with ongoing monitoring of economic conditions, the Company's financial strength, and the continued support of the Group, provide a sound basis for maintaining sustainable growth over the medium term.



Five Year Summary

FIVE YEARS AT A GLANCE - FINANCIAL PERFORMANCE

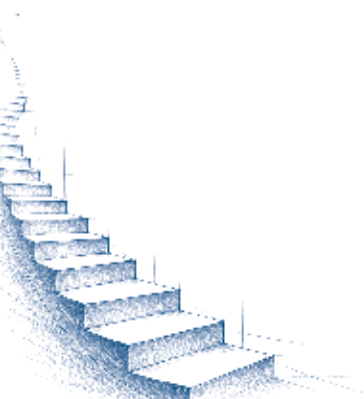
For the Year ended 31 Dec	2021 Rs	2022 Rs	2023 Rs	2024 Rs	2025 Rs
Interest Income	1,378,303	1,580,463	1,233,674	1,079,580	1,375,975
Less : Interest Expenses	(511,430)	(798,400)	(545,211)	(341,444)	(420,303)
Net Interest Income	866,874	782,063	688,463	738,136	955,672
Other Operating Income	358,636	208,439	181,193	238,716	299,174
Total Operating Income	1,225,509	990,502	869,655	976,852	1,254,846
Credit Loss Expense	(173,415)	(16,897)	(115,342)	75,783	97,443
Net Operating Income	1,052,094	973,605	754,314	1,052,635	1,352,289
Less: Operating Expenses					
Administration Cost	(227,262)	(315,860)	(341,973)	(395,400)	(427,768)
Personnel Cost	(245,845)	(206,728)	(264,525)	(334,111)	(404,249)
Distribution Cost	(31,129)	(34,785)	(34,811)	(59,548)	(80,689)
Operating Profit	547,858	416,232	113,004	263,576	439,583
Less: Value Added Tax on Financial Services	(115,073)	(101,739)	(62,159)	(93,498)	(144,225)
					-
Profit Before Taxation	432,786	314,494	50,845	170,078	295,358
Taxation	(69,780)	(75,022)	29,863	(92,022)	(73,623)
					-
Profit for the year	363,005	239,472	80,708	78,056	221,735



Five Year Summary

FIVE YEARS AT A GLANCE - FINANCIAL POSITION

For the Year ended 31 Dec	2021	2022	2023	2024	2025
	Rs	Rs	Rs	Rs	Rs
ASSETS					
Cash and bank	288,455	337,097	351,427	198,266	582,546
Other financial assets	80,332	80,238	57,451	65,311	69,303
Other non-financial assets	43,406	49,098	44,286	48,114	46,867
Deferred tax assets	39,338	86,151	152,683	64,677	91,224
Rentals receivable on lease and hire purchase assets	1,954,076	1,118,908	573,046	248,894	627,329
Loans and advances	6,575,354	6,279,257	4,043,318	5,918,447	10,466,838
Equity instruments at fair value through other comprehensive income	2,101	2,120	2,185	2,358	2,505
Debt instruments at amortized cost	470,753	1,177,978	2,115,153	213,969	257,302
Property, plant and equipment	26,713	40,559	38,252	57,510	72,071
Intangible assets	262	-	-	6,528	22,116
Right-of-use assets	92,265	60,423	60,768	44,932	79,002
Total Assets	9,573,055	9,231,829	7,438,569	6,869,006	12,317,105
EQUITY AND LIABILITIES					
Liabilities					
Bank overdraft	44,566	67,066	10,036	20,207	34,800
Trade and other payables	433,701	438,335	610,925	696,221	2,007,003
Time deposits	2,175,068	1,770,849	1,370,792	1,881,212	2,738,210
Interest bearing borrowings	3,240,439	3,125,862	1,623,474	419,682	3,376,519
Lease liabilities	97,341	73,061	73,305	56,917	83,098
Income tax payable	227,817	159,747	75,299	35,222	84,898
Deferred tax liabilities	-	-	-	-	-
Employee benefit obligation	29,860	29,094	31,490	47,613	68,970
Total Liabilities	6,248,791	5,664,014	3,795,320	3,157,074	8,393,498
Equity					
Stated capital	200,000	200,000	200,000	200,000	200,000
Retained profit	2,957,693	3,189,378	3,260,711	3,325,797	3,526,747
Fair value through OCI reserve	1,536	1,428	1,493	1,666	1,813
Statutory reserve fund	165,036	177,009	181,045	184,470	195,046
Total Equity	3,324,264	3,567,815	3,643,249	3,711,933	3,923,606
Total Equity & Liabilities	9,573,055	9,231,829	7,438,569	6,869,006	12,317,105



FINANCIAL INDICATORS

	2021	2022	2023	2024	2025
Return on Assets % (Profit Before Tax)	4.62%	2.55%	0.97%	3.51%	3.08%
Return on Equity % (Profit After Tax)	11.56%	6.95%	2.24%	2.23%	5.81%
Net Interest Margin %	9.88%	8.92%	8.65%	11.26%	11.07%
Total Capital Ratio %	30.62%	36.53%	47.34%	40.20%	24.96%
Loans & Advances %	89.10%	80.14%	62.05%	89.79%	90.07%
Investments %	4.94%	12.78%	28.46%	3.15%	2.11%
Other Assets %	5.96%	7.08%	9.49%	7.07%	7.82%
Gross NPA Ratio %	7.57%	16.23%	24.36%	14.39%	7.33%
EPS	18.15	11.97	4.04	3.90	11.09



Share Information

Stock Exchange

The Ordinary Shares of the Company are listed on the Diri Savi Board of the Colombo Stock Exchange.

Ordinary Shares as at 31 December 2025: 20,000,000

(Stated Capital of the Company solely represents voting ordinary shares.)

Distribution of Shareholders

There were 3 registered shareholders as at 31 December 2025, distributed as follows.

Distribution of shareholders	As at 31st December 2025				As at 31st December 2024			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Shares								
1 – 1,000	1	0.01	1	0.01	1	0.01	1	0.01
Over 1,000,000	2	99.99	19,999,999	99.99	2	99.99	19,999,999	99.99
Total	3	100	20,000,000	100	3	100	20,000,000	100

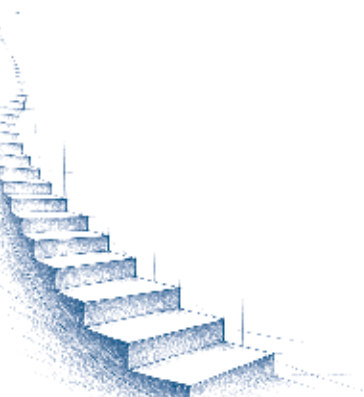
Analysis of Shareholders

Resident/Non-Resident

Category	As at 31st December 2025				As at 31st December 2024			
	No. of Shareholders	%	No. of Shares	%	No. of Shareholders	%	No. of Shares	%
Resident	2	90	18,000,001	90	2	90	18,000,001	90
Non-Resident	1	10	1,999,999	10	1	10	1,999,999	10
Total	3	100	20,000,000	100	3	100	20,000,000	100

Shareholders	As at 31 December 2025		As at 31 December 2024	
	No. of Shares	%	No. of Shares	%
Associated Motorways (Private) Limited	18,000,000	90.00	18,000,000	90.00
Trading Enterprises Company LLC	1,999,999	9.99	1,999,999	9.99
A A De Silva	1	0.01	1	0.01

Shareholders	As at 31 December 2025		As at 31 December 2024	
	No. of Shares	%	No. of Shares	%
Public	2,000,000	10	2,000,000	10
Controlled Companies	18,000,000	90	18,000,000	90
Total	20,000,000	100	20,000,000	100



DIRECTORS' AND CEO'S SHARE HOLDINGS

Name	Position	No. of shares as at 31 December 2025	No. of shares as at 31 December 2024
Mr. T S A Fernandopulle (retired w.e.f: 26.10.25)	Chairman	-	-
Mr. I Boyagoda (appointed w.e.f: 27.10.25)	Chairman	-	-
Mr. R C J De Silva Munasinghe	Director/CEO	-	-
Mr. J D N Kekulawala (retired w.e.f: 08.12.25)	Director	-	-
Mr. B V Selvanayagam (Appointed w.e.f: 20.03.25)	Director	-	-
Mr. J G T Roche (Appointed w.e.f: 17.07.25)	Director	-	-
Mr. V H R Boehme (Appointed w.e.f: 19.03.25 & Resigned w.e.f: 07.07.25)	Director	-	-
Mr. A P J Bonthuys (Appointed w.e.f: 25.09.24 & Resigned w.e.f: 14.10.25)	Director	-	-
Mr. E I Shehadeh (Appointed w.e.f: 25.09.25)	Director	-	-
Mr. J S J Ganesh (Appointed w.e.f: 25.09.25)	Director	-	-
Ms. K R M Fernando (Appointed w.e.f: 06.11.25)	Director	-	-

SHARE PRICES FOR THE YEAR

31.12.2025

Rs.

Market price per share

Highest

Rs.22.40 *Not Traded

Lowest

Rs.22.40 *Not Traded

As at end

Rs.22.40 *Not Traded

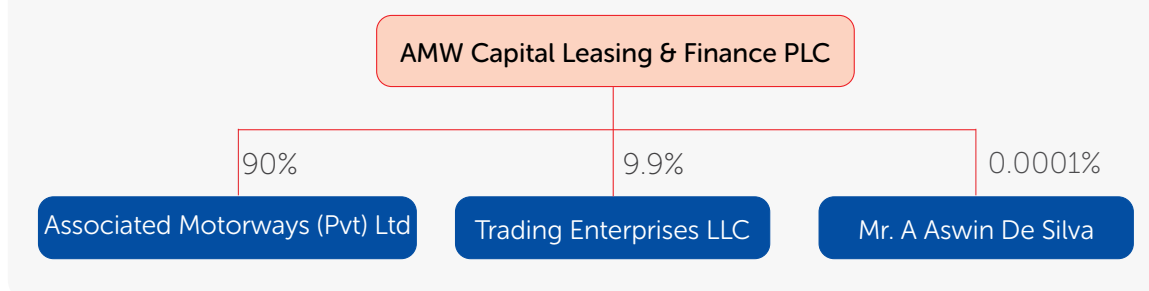
Float adjusted market capitalization – Rs.44,800,000/-

Number of Public Shareholders – Two (2) Shareholders

Steps to be adopted by the entity to comply with the Minimum Public Holding Requirement will be notified in due course.

KEY RATIOS	31.12.2025	31.12.2024
Dividend Per Share (Rs.)	0.00	0.00
Dividend Payout Ratio	0.00	0.00
Net Asset Value Per Share (Rs.)	196.18	186.04

AMWCL Group Structure



Corporate Information

Date of Incorporation : 23 February 2006

Date of Re-registration : 27 June 2007

Company Registration No : PB14PQ

Important Dates :

- Formed as a Leasing Establishment in July 2006
- Obtained Finance Company Licence in November 2008
- Listed on the Diri Savi Board of the Colombo Stock Exchange w.e.f: 08 June 2011

Principal Activity : Leasing
Auto Loans
Acceptance of Deposits

Stated Capital : Rs. 200,000,000/- (20,000,000 shares)

Legal Form : Quoted on the Diri Savi Board of the CSE with Limited Liability

Board of Directors :

- Mr. T. S. A. Fernandopulle - Chairman (appointed w.e.f: 26.10.16; retired w.e.f: 26.10.25)
- Mr. I. Boyagoda - Chairman (appointed w.e.f: 27.10.25)
- Mr. R. C. J. De Silva Munasinghe - Director / Chief Executive Officer
- Mr. J. D. N. Kekulawala - Director (appointed w.e.f: 27.10.17; retired w.e.f: 08.12.25)
- Mr. A. P. J. Bonthuys - Director (appointed w.e.f: 25.09.24; resigned w.e.f: 14.10.25)
- Mr. V. H. R. Boehme - Director (appointed w.e.f: 19.03.25; resigned w.e.f: 07.07.25)
- Mr. B V Selvanayagam - Director (appointed w.e.f: 20.03.25)
- Mr. J G T Roche - Director (appointed w.e.f: 17.07.25)
- Mr. E I Shehadeh - Director (appointed w.e.f: 25.09.25)
- Mr. J S J Ganesh - Director (appointed w.e.f: 25.09.25)
- Ms. K R M Fernando - Director (appointed w.e.f: 06.11.25)

Company Secretary : M/s. Chandima Nanayakkara

Auditors : M/s. Deloitte Partners, Chartered Accountants

Bankers :

- Bank of Ceylon
- Commercial Bank of Ceylon PLC
- Hongkong & Shanghai Banking Corporation PLC
- People's Bank
- Sampath Bank PLC
- DFCC Bank PLC
- Pan Asia Banking Corporation PLC
- National Development Bank PLC
- Hatton National Bank PLC
- Cargills Bank Limited

Board Audit Committee :

- Mr. B V Selvanayagam - Chairman (appointed as a Member w.e.f: 21.04.25 and as Chairman w.e.f: 23.09.25)
- Mr. J D N Kekulawala - (Chairman up to 23.09.25 & retired w.e.f: 08.12.25)
- Mr. T S A Fernandopulle - Member (retired w.e.f: 26.10.25)
- Mr. I Boyagoda - Member (appointed w.e.f: 21.08.24)
- Mr. J G T Roche - Member (appointed w.e.f: 23.09.25)
- Ms. K R M Fernando - Member (appointed w.e.f: 27.11.25)
- Mr. A P J Bonthuys - Member (appointed w.e.f: 18.10.24; resigned w.e.f: 20.02.25)

Board Integrated Risk Management

Committee :

- Mr. I Boyagoda - Chairman (appointed w.e.f: 23.11.24)
- Mr. T S A Fernandopulle - Member (retired w.e.f: 26.10.25)
- Mr. J D N Kekulawala - Member (retired w.e.f: 08.12.25)
- Mr. B V Selvanayagam - Member (appointed w.e.f: 21.04.25)
- Mr. J G T Roche - Member (appointed w.e.f: 23.09.25)
- Ms. K R M Fernando - Member (appointed w.e.f: 27.11.25)
- Mr. A P J Bonthuys - Member (appointed w.e.f: 18.10.24; resigned w.e.f: 14.10.25)

Remuneration

Committee :

- Mr. B V Selvanayagam - Chairman (appointed as a Member w.e.f: 21.04.25 and as Chairman w.e.f: 23.09.25)
- Mr. J D N Kekulawala - Chairman (served up to 23.09.25; retired w.e.f: 08.12.25)
- Mr. T S A Fernandopulle - Member (retired w.e.f: 26.10.25)
- Mr. I Boyagoda - Member (appointed w.e.f: 21.08.24)
- Mr. J G T Roche - Member (appointed w.e.f: 23.09.25)
- Ms. K R M Fernando - Member (appointed w.e.f: 27.11.25)
- Mr. E I Shehadeh - Member (appointed w.e.f: 16.12.25)
- Mr. A P J Bonthuys - Member (appointed w.e.f: 18.10.24; resigned w.e.f: 14.10.25)

Related Party Transactions

Review Committee :

- Mr. J G T Roche - Chairman (appointed as Chairman w.e.f: 23.09.25)
- Mr. J D N Kekulawala - Chairman (served up to 23.09.25; retired w.e.f: 08.12.25)
- Mr. T S A Fernandopulle - Member (retired w.e.f: 26.10.25)
- Mr. I Boyagoda - Member (appointed w.e.f: 21.08.24)
- Mr. B V Selvanayagam - Member (appointed w.e.f: 21.04.25)
- Ms. K R M Fernando - Member (appointed w.e.f: 27.11.25)
- Mr. A P J Bonthuys - Member (appointed w.e.f: 18.10.24; resigned w.e.f: 14.10.25)

Nominations & Governance

Committee :

- Mr. J G T Roche - Chairman (appointed w.e.f: 23.09.25)
- Mr. I Boyagoda - Chairman (appointed as Chairman w.e.f: 21.08.24 served up to 23.09.25; continued as Member thereafter)
- Mr. T S A Fernandopulle - Member (appointed w.e.f: 20.02.24; retired w.e.f: 26.10.25)
- Mr. J D N Kekulawala - Member (appointed w.e.f: 20.02.24; retired w.e.f: 08.12.25)
- Mr. B V Selvanayagam - Member (appointed w.e.f: 21.04.25)
- Ms. K R M Fernando - Member (appointed w.e.f: 27.11.25)
- Mr. A P J Bonthuys - Member (appointed w.e.f: 18.10.24; resigned w.e.f: 14.10.25)

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