STRENGTH YOU CAN TRUST

JANASHAKTHI FINANCE

JANASHAKTHI FINANCE PLC | ANNUAL REPORT 2025 / 2026

STRENGTH YOU CAN TRUST

Strength, on its own, creates stability but strength, when amplified, creates momentum.

At Janashakthi Finance PLC, our 44-year legacy forms the core force of our business. Built on resilience, financial discipline, and relationships that have stood the test of time. Our foundation has earned the trust of generations and anchored our journey through changing economic cycles.

Our innate strength is being multiplied by the 30-year legacy of the Janashakthi Group as a part of a broader ecosystem of stability, expertise, and strategic vision. This synergy enhances our ability to scale, innovate, and deliver value with greater impact.

The Group's listing marks a powerful acceleration of our journey, reinforcing our foundation with enhanced market confidence. It elevates our inherent strength shaped over time into one that is not only enduring but also affirmed and validated.

Together, these forces do more than sustain performance, they multiply it. They enable us to grow stronger, act with greater purpose, and create lasting value for all our stakeholders.

JANASHAKTHI FINANCE

CONTENTS

FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

Page **20**

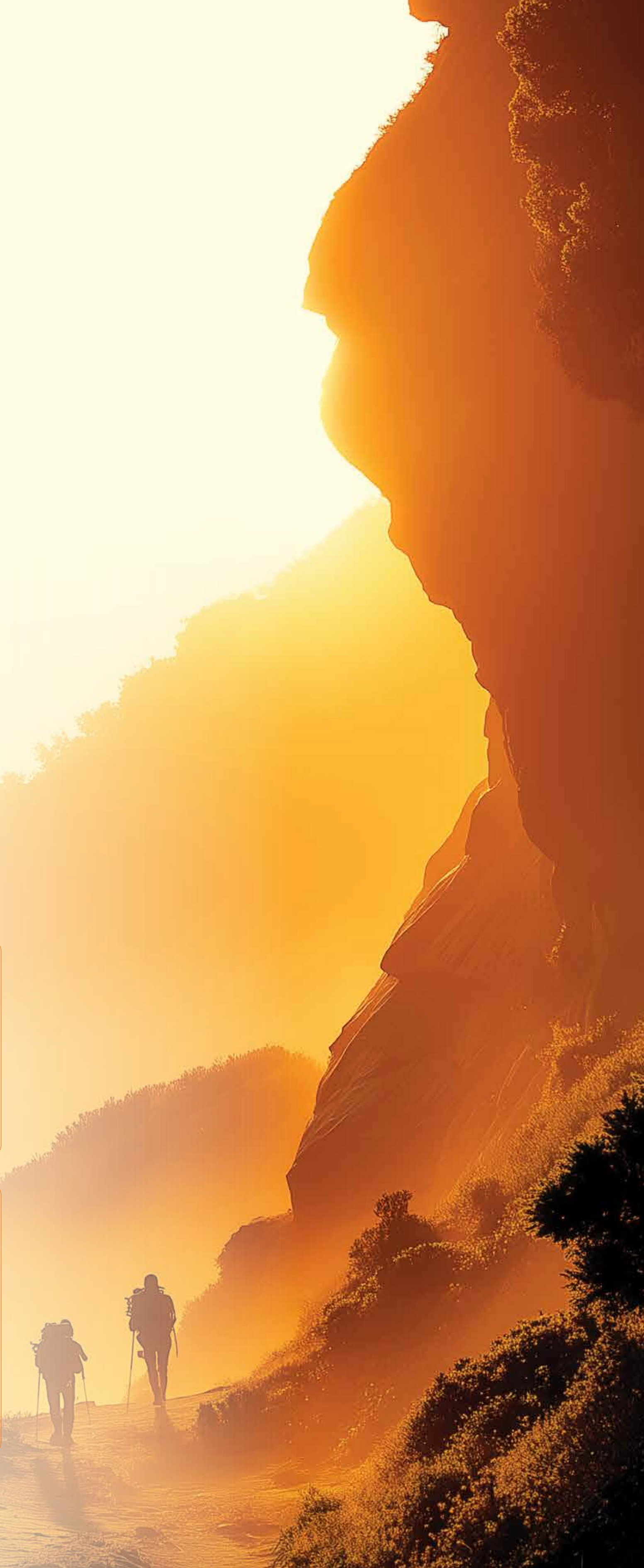
Chairman's Message

"Our governance philosophy is anchored in being best-in-class, viewed not as compliance, but as a strategic enabler of trust, transparency, and long-term value creation."

Page **23**

Chief Executive Officer's Message

"A key highlight of the year was the rebranding of Orient Finance PLC as Janashakthi Finance PLC. This was more than a name change, it signalled our evolution into a stronger, more integrated brand, reinforcing trust, improving market visibility, and bringing us closer to a shared vision for the future."



Corporate Overview

We are pleased to present to you the Integrated Annual Report of Janashakthi Finance PLC (“the Company”) for the year ended 31 March 2026.

In a concise, transparent and comprehensive manner, we have endeavored to provide our valued shareholders with a balanced review of the financial, environmental and social impacts of our operations. This review reflects our commitment to creating value for our communities and contributing positively to the national economy through a strong governance framework.

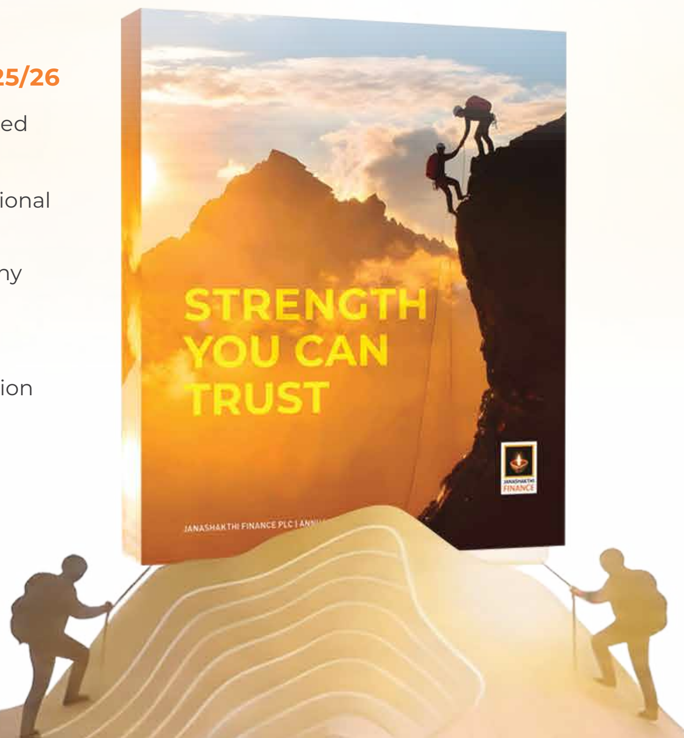
SCOPE AND BOUNDARY

The Report encompasses the operations of Janashakthi Finance PLC and covers both the financial and non-financial aspects of the Company’s performance for the financial year 2025/26. Its primary purpose is to present the information required by shareholders and comply with regulatory requirements, while providing all stakeholders with an account of the many facets of our operations.

REPORTING IMPROVEMENTS IN THE FY 2025/26

The following enhancements have been incorporated into the report for FY 2025/2026:

- Integrated Reporting Framework of the International Integrated Reporting Council (<IR > Framework)
- Disclosing the future way forward of the Company and strategic direction.
- A comprehensive value creation model.
- Utilization of enhanced graphical data presentation formats like dashboards to present financial and non-financial information.



REPORTING FRAMEWORK

Financial Reporting

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Finance Companies (Corporate Governance) Direction No. 05 of 2021 issued by the Central Bank of Sri Lanka.
- The Companies Act No. 7 of 2007
- Listing Rules of the Colombo Stock Exchange
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021, including directives and circulars
- Finance Business Act No 42 of 2011 and Directions issued thereunder
- Integrated Reporting Framework of the International Integrated Reporting Council

Non-Financial Reporting

- Global Reporting Initiative (GRI) Standards
- Guidance on Environmental, Social and Governance (ESG) Reporting issued by Colombo Stock Exchange
- Gender Parity Reporting Framework published by CA Sri Lanka
- Code of Best Practice on Corporate Governance (2023) jointly advocated by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainability Development Goals (SDGs)

Regulatory

- Companies Act No.7 of 2007
- Sri Lanka Financial Reporting Standards/ Sri Lanka Accounting Standards
- Listing rules of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka

Voluntary

- Integrated Reporting Framework of the International Integrated Reporting Council (<IR > Framework GRI Standards (2021))
- United Nations Sustainability Development Goals (SDGs)

GUIDING PRINCIPLES

The following principles were applied in preparing the Report to provide a credible review of our performance and operations.

- **Reliability –**
The Company's internal controls and processes are designed to support the reliability of financial and non-financial information.
- **Conciseness –**
We have covered all critical matters in a complete but a concise manner.
- **Authentic presentation –**
Both positive and negative outcomes are presented in a balanced and faithful manner.
- **Materiality –**
Material matters are identified and reported in a responsible manner.
- **Ensuring Integrated Reporting –**
Icons are used across the Report to connect related topics and enhance the connectivity of information.

Corporate Overview

RESTATEMENT OF INFORMATION

Following a detailed review and reconciliation exercise, certain comparative information presented in the financial statements has been restated, where considered necessary, to reflect the appropriate accounting treatment.

The restatement does not affect the underlying operations of the Company but relates to the correction and presentation of accounting information identified through the reconciliation process. The nature and financial effect of the restatements are disclosed in the relevant notes to the financial statements.

FORWARD LOOKING STATEMENTS

Forward-looking statements contained in this Report relate to the Company's anticipated future financial position, performance and operating environment. Such statements are subject to risks and uncertainties arising from internal and external factors, and actual outcomes may differ from those anticipated. The Company does not undertake to publicly update or revise such statements except where required by applicable law or regulation.

AUDIT AND ASSURANCE

The Company adopts a combined assurance approach involving management oversight, internal assurance functions and independent external assurance to enhance the reliability of financial and non-financial information presented in this Integrated Annual Report. KPMG, Chartered Accountants, has expressed an independent audit opinion on the Financial Statements , as set out in the respective assurance reports.

THE BOARD RESPONSIBILITY

The Board of Directors is responsible for ensuring the integrity and the accuracy of this Integrated Report. The Board hereby confirms that in their opinion this Report addresses all material issues and presents the Company's performance in a fair manner and is prepared in accordance with the Framework.

FEEDBACK AND ENQUIRIES

We value your feedback which will help us improve the comprehensiveness of our report for the new financial year. Please contact the following people for enquiries regarding the Annual Report. :

Ivon Brohier*

Chief Financial Officer,

Janashakthi Finance PLC

Telephone : +94 117 577 577

E-mail : ivon@jfplc.lk

* Appointed w.e.f. 18 August 2026

NAVIGATING OUR REPORT

Capitals

Financial Capital

Human Capital

Intellectual Capital

Manufactured Capital

Social and Relationship Capital

Natural Capital

Stakeholders

Customers

Employees

Regulators

Shareholders

Business partners/ Suppliers

Community

OVERVIEW

STRENGTH THAT DEFINES THE ASCENT

Strength built on trust, shaping the journey ahead

Every ascent begins with what is already within. Our foundation is shaped by inherent strength, resilience refined over time, disciplined execution, and the ability to adapt and advance with confidence. From this base, ambition finds clarity and direction.

About Us

Vision

To be a leading provider of unique Financial Solutions.

Mission

- Striving to maintain the highest service excellence to our customers
- Creating wealth for our shareholders
- Engaging in best business practices
- Assuring the well-being of our employees

With a legacy spanning over four decades, Janashakthi Finance PLC has evolved into a dynamic and purpose-driven financial institution, playing a vital role in Sri Lanka's non-banking financial services sector. Established in 1981, the Company has built its foundation on trust, customer-centricity, and resilience serving individuals, entrepreneurs, and businesses across the island with tailored financial solutions. The Company was rebranded as Janashakthi Finance PLC in 2025. This transformation marked a significant repositioning aligning the Company more closely with the strength, credibility, and integrated financial ecosystem of the Janashakthi Group. The rebranding aligns with the fundamental enhancement of operational capabilities, customer engagement, and long-term growth ambitions, combining a 40+ year legacy with the scale and stability of a diversified financial conglomerate.

Core Values

INTEGRITY

Uphold the highest ethical standards, honesty and transparency while balancing the interests of all our stakeholders in a fair and equitable manner.

PERFORMANCE DRIVEN

Maintain a consistently high level of quality across all of your work and deliver results on all your commitments.

RESPECT

Treat others with dignity and fairness. Respect everyone's time, space, and opinions, even if they differ. Foster a safe, inclusive environment that empowers growth.

INNOVATION

Embrace curiosity, challenge the ordinary, and create extraordinary solutions. Together, let us drive progress in a changing world.

COLLABORATION

Always work as one team across all functions to deliver the best possible experience to our stakeholders.

About Us

PRODUCT SUITE

Janashakthi Finance PLC offers a comprehensive suite of financial services tailored to meet the specific needs of customers, including mobilization of Fixed Deposits, Savings Accounts, Leasing, Gold Loans, Alternative Finance Solutions, Corporate Financing and many more. These products are thoughtfully structured to empower individuals, uplift micro and small enterprises, and support business expansion across sectors.

Mobilization of Fixed Deposits	**Savings Accounts**	**Leasing**
Gold Loans	**Alternative Finance Solutions**	**Corporate Financing Solutions**

Janashakthi Finance's impact is deeply rooted in its commitment to financial inclusion and accessibility. With a growing islandwide branch network reaching approximately 39 locations, the Company continues to expand its physical presence to underserved and emerging regions, ensuring that financial services are within reach of communities across Sri Lanka. This expansion is complemented by increasing digital capabilities, enabling seamless, convenient, and efficient access to financial solutions.

Beyond products and reach, the Company plays a meaningful role in enabling livelihoods and driving economic participation. Through targeted offerings such as microfinance, SME lending, and sector-specific solutions including support for informal and grassroots industries, it contributes to entrepreneurship, income generation, and community development. Its initiatives reflect a broader purpose to bridge financial gaps, empower individuals, and create pathways for sustainable economic progress.

As a licensed finance company regulated by the Central Bank of Sri Lanka and supported by strong governance and a seasoned leadership team, the Company maintains a disciplined approach to risk management and value creation. Its integration within the Janashakthi Group further enhances its ability to leverage cross-sector expertise spanning finance, insurance, and investment strengthening its ability to deliver holistic financial solutions.

As Janashakthi Finance PLC moves forward with a renewed brand identity the Company remains focused on accelerating its growth aspirations whilst deepening its impact as a trusted financial partner.

Financial Highlights

Category and Metric	Unit	FY2025/26	FY2024/25	YoY %
Income				
Income	Rs. Mn	**6,410.50**	4,725.59	35.7%
Interest Income	Rs. Mn	**6,134.76**	4,463.85	37.4%
Interest Expenses	Rs. Mn	**(2,987.45)**	(2,327.35)	(28.4%)
Net Interest Income	Rs. Mn	**3,147.31**	2,136.50	47.3%
Profit/(Loss) Before Tax	Rs. Mn	**326.03**	318.38	2.4%
Profit/(Loss) After Tax	Rs. Mn	**64.70**	232.14	(72.1%)
Position at the Year end				
Shareholders' Funds	Rs. Mn	**3,607.22**	3,570.91	1.0%
Customer Deposits	Rs. Mn	**18,194.65**	15,903.81	14.4%
Loans and Advances to Customers	Rs. Mn	**32,805.60**	22,250.76	47.4%
Total Assets	Rs. Mn	**38,345.87**	27,362.28	40.1%
Per Share				
Earnings/(Loss) per Share	Rs.	**0.31**	1.10	(72.1%)
Market Price Per Share	Rs.	**39.80**	19.20	107.3%
Net Assets Per Share (Year-end)	Rs.	**17.09**	16.92	1.0%
Ratios				
Cost to Income	%	**74.27**	75.60	-1.8%
Interest Margin	%	**10.78**	10.43	3.4%
Return on Equity	%	**1.80**	6.72	(73.2%)
Return on Assets (Before Tax)	%	**0.99**	1.33	(25.6%)
Statutory Ratios				
Core Capital to Risk Weighted Assets Ratio (Minimum Requirement 2026 - 8.5%,2025 - 8.5%)	%	**8.83**	12.09	(27.0%)
Statutory Ratios				
Total Capital to Risk Weighted Assets Ratio (Minimum Requirement 2026 - 12.5%,2025 - 12.5%)	%	**11.86**	14.19	(16.4%)
Liquidity Ratio	%	**13.28**	11.76	13.0%

The FY2024/25 comparative figures presented in the Financial Highlights have been restated to reflect the impact of prior-period adjustments recognized in the FY2025/26 financial statements. Accordingly, these figures may differ from those previously published in the FY2024/25 Annual Report. Comparative ratios have also been recalculated using the restated figures, where applicable.

Non-Financial Highlights

Macro Dimension and Indicator	Unit	FY2025/26	FY2024/25	YoY %
Economic well-being				
Economic value creation	Rs. Mn	4,262	3,679	15.8%
Economic value distribution to:				
Depositors and lenders	Rs. Mn	2,987	2,327	28.4%
Employees	Rs. Mn	962	810	18.8%
Government	Rs. Mn	247	181	36.7%
Shareholders	Rs. Mn	65	232	(72.1%)
Business sophistication				
Product and business solutions	No.	7	10	(30.0%)
Branch network	No.	38	37	2.7%
New branches	No.	1	2	(50.0%)
Total workforce	No.	616	650	(5.2%)
Employees recruited	No.	251	320	(21.6%)
Employee well-being				
Total training hours	No.	8,005.5	6,314	26.8%

Our Contribution to the Economy

Section		FY2025/26 Rs. Mn	FY2024/25 Restated Rs. Mn	YoY %
Sources of income				
Interest income		6,134.76	4,463.85	37.4%
Fee & commission income		166.50	161.22	3.4%
Other income		109.23	100.51	6.1%
Economic value generated		6,410.50	4,725.59	35.6%
Utilisation of income	**Mechanism**			
Payments to lenders	Interest expenses	2,987.45	2,327.35	28.4%
Payments to employees	Employee salaries and benefits	962.13	809.98	18.8%
Cost of services	Operational cost	1,295.36	611.81	111.7%
Depreciation	Operational cost	267.91	210.83	27.1%
Provision for impairment losses	Operational cost	309.73	90.74	241.43%
Government taxes - including deferred tax	Tax payments	247.49	181.00	36.7%
Profit after tax	Value retained	64.70	232.14	(72.1%)
Economic value distribution		6,134.76	4,463.85	37.1%

VALUE ALLOCATED TO LENDERS

	FY2025/26 Rs. Mn	FY2024/25 Rs. Mn	YoY %
Interest paid to fixed deposit holders	1,809	1,790	1.1%
Interest paid to savings deposit holders	5	3	56.1%
Interest paid to banks on borrowings	1,040	469	121.8%

GOVERNMENT TAXES - INCLUDING DEFERRED TAXES

	FY2025/26 Rs. Mn	FY2024/25 Rs. Mn	YoY %
Value added tax on financial services	214	152	41.1%
Social Security Contribution Levy	30	24	26.9%
Crop insurance levy	1	3	(77.4%)
Stamp Duty	2	2	(4.2%)
Total	247	181	36.7%
Collected and paid			
Stamp Duty collected	144	100	44.0%
Withholding Tax	154	102	51.0%
Total	298	202	47.5%
Total tax payment to government	545	383	42.4%

Awards and Accolades

Janashakthi Finance PLC was recognised at the **SLIM DIGIS 2.5 Awards 2025** with two Silver Awards for its outstanding digital marketing excellence. These accolades, awarded for Digital/Social Platform Integration and Best Use of Digital in a Marketing Campaign for Banking, Finance and Insurance Brands, were presented in recognition of the Company's impactful "Tuk Sagaya" campaign.

At the **11th CMA Excellence in Integrated Reporting Awards**, Janashakthi Finance PLC earned two key honours: Joint First Runner-Up for Best Integrated Report in the Finance & Leasing Sector and the Merit Award for Overall Excellence in Integrated Reporting.

Awards that reflect our commitment to excellence and continuous improvement

The recognition received from leading industry platforms underscores our unwavering focus on delivering superior value, embracing innovation, and upholding the highest standards of governance and accountability.

At the **CA Sri Lanka TAGS Awards 2025**, Janashakthi Finance PLC received a Certificate of Recognition for Corporate Governance Disclosure in the Financial Services Special Award Category, a Certificate of Recognition for Integrated Reporting, and a Bronze Award in the Finance Companies & Leasing Companies Sector Category (Group Assets: LKR 25 - 75 billion).

The Company also earned a Bronze Award at the **Effie Awards Sri Lanka 2025** in the Finance category for its impactful campaign, "Uplifting the Sri Lankan Three-Wheel Community." This recognition reflects the Company's ability to blend compelling storytelling with measurable results while advancing financial inclusion and empowering everyday entrepreneurs.

Janashakthi Finance PLC secured a Merit Award at the **10th International Islamic Finance Forum South Asia (IFFSA) Awards 2025** in the highly competitive category of 'Islamic NBFI Window/Unit of the Year 2024/2025'.

Key Milestones in Our Journey

1981

ESTABLISHMENT OF THE COMPANY

Incorporated as Bartleet Finance PLC, commencing operations in Sri Lanka's financial services sector.

2015

LANDMARK MERGER AND REBRANDING

Completed the merger between Orient Finance PLC and Bartleet Finance PLC, creating a stronger consolidated financial institution under the name Orient Finance PLC.

2016

EMERGED AMONG THE LARGEST FINANCE COMPANIES

Following the merger, the company became one of the top fifteen finance companies in Sri Lanka, with a significant increase in assets, deposits, and lending portfolio.

2020

STRENGTHENING CAPITAL BASE

Successfully strengthened its financial position through a rights issue and conversion of preference shares, improving long-term financial stability and operational resilience.

2021

CELEBRATED 40 YEARS OF OPERATIONS

Marked its 40th anniversary while maintaining operational growth and customer confidence during a challenging economic environment.

2023

DEMONSTRATED RESILIENCE AMID ECONOMIC CHALLENGES

Expanded its deposit base to LKR 10.8 billion and maintained strong stakeholder relationships during Sri Lanka's economic crisis.

2024

SURPASSED LKR 20 BILLION ASSET BASE

Achieved a major growth milestone by exceeding LKR 20 billion in assets while expanding branch operations and accelerating digital transformation through AI and BI technologies.

2025

TRANSITION TO JANASHAKTHI FINANCE PLC

Repositioned as Janashakthi Finance PLC with renewed strategic direction, product diversification, technological advancement, and strengthened backing from the Janashakthi Group (JXG).

LEADERSHIP

LEADERSHIP THAT STRENGTHENS TRUST

Strength built on trust, shaping the journey ahead

Every ascent begins with what is already within. Our foundation is shaped by inherent strength, resilience refined over time, disciplined execution, and the ability to adapt and advance with confidence. From this base, ambition finds clarity and direction.

Chairman's Message

Our governance philosophy is anchored in being best-in-class, viewed not as compliance, but as a strategic enabler of trust, transparency, and long-term value creation.

Rajendra Theagarajah
Chairman

It gives me great pleasure to present the Integrated Annual Report of Janashakthi Finance PLC for the financial year 2025/26. The year under review marked a defining phase in our journey, as we were rebranded under the unified Janashakthi Group. This transition, driven by clear strategic intent, harnesses Group-wide synergies, strengthens our collective identity, and embeds the enduring Janashakthi spirit across our operations. This was supported by organisational enhancements, including the relocation of our Head Office to Bishop's Gate at T. B. Jayah Mawatha.

This state-of-the-art facility, housed within a heritage building, seamlessly blends modern workspaces with architectural legacy, reflecting our own journey towards progress while remaining firmly anchored in a strong and enduring heritage.

NAVIGATING A WORLD IN TRANSITION

The year under review unfolded against a backdrop of sustained global uncertainty. Geopolitical fragmentation, rising protectionist tendencies, and the gradual reconfiguration of global alliances continued to affect the predictability of trade and investment flows. At the same time, vulnerabilities in critical global infrastructure, including digital networks, energy corridors and maritime routes, introduced new dimensions of systemic risk.

Against this complex global setting, Sri Lanka's economy demonstrated a steady return to stability. Supported by the reform agenda under the International Monetary Fund programme, disciplined monetary and fiscal measures helped ease inflation, stabilise the currency and restore confidence, contributing to a more predictable macroeconomic environment.

A notable development during the year was the gradual lifting of import restrictions, which improved access to vehicles and supported a recovery in credit demand, particularly within asset-backed financing. These conditions translated into renewed momentum in our leasing business, supported by improving sentiment and the resurgence of vehicle imports.

STRATEGIC PERFORMANCE AND FINANCIAL STEWARDSHIP

FY2025/26 was a year of strong business expansion and meaningful progress in the Company's underlying operating performance. The balance sheet and lending portfolio grew substantially, core income strengthened and customer deposits continued to expand. These outcomes demonstrate the resilience of the franchise and the benefits of a more integrated approach under the Janashakthi Group.

The year-end reconciliation exercise, however, resulted in adjustments that affected reported profitability and regulatory capital. The Board considered the matter carefully and supported a prudent response, including full provisioning of the identified unreconciled debit balance. While this moderated reported earnings and reduced the year-end Total Capital Ratio below the regulatory minimum, it did not, in itself, represent a cash outflow or impair the Company's ability to meet its obligations in the normal course of business.

Importantly, the Company remained above the applicable capital adequacy requirements prior to the recognition of these year-end adjustments. The Board has overseen a clear programme to complete the reconciliation, strengthen financial reporting and control processes, and restore appropriate capital buffers. These actions are being pursued while maintaining sound liquidity, protecting depositor confidence and supporting prudent, sustainable lending.

Asset quality also remained resilient, supported by disciplined underwriting, recoveries and close portfolio oversight. Taken together, the strength of the underlying business, sound liquidity and the remedial actions underway provide the Board with confidence in the Company's capacity to move forward on a stable and sustainable footing.

BALANCING GROWTH WITH STRENGTH AND DISCIPLINE

Our strategic priority is to ensure that future growth is matched by appropriate capital, funding resilience and risk discipline. The Board will therefore continue to focus on capital stewardship, funding diversification, asset quality and the strengthening of governance and control frameworks as the Company advances to its next stage of development.

We also remain focused on strengthening the Company's credit profile and financial flexibility. Greater diversification of funding, deeper customer relationships and the rebuilding of capital buffers will support long-term competitiveness and provide a stronger platform for sustainable growth.

Chairman's Message

GOVERNANCE AS A STRATEGIC ANCHOR

Our governance philosophy is anchored in being best-in-class, viewed not merely as compliance, but as a strategic enabler of trust, transparency and long-term value creation. While aligned with the frameworks of the Central Bank of Sri Lanka, the Colombo Stock Exchange and the Institute of Chartered Accountants of Sri Lanka, our focus remains on anticipating emerging standards and embedding governance as an organisational culture.

During the year, the Board strengthened its governance architecture, including enhanced oversight of related party transactions and continued emphasis on structured Board evaluations. Board composition has been further strengthened with diverse expertise across finance, legal, digital and risk domains, while leadership depth remains a priority.

ESG – FROM PRINCIPLE TO PRACTICE

A significant shift in our governance journey has been the elevation of Environmental, Social and Governance considerations from a peripheral function to a core strategic priority. The Board has consciously embedded ESG within its deliberations and appointed a dedicated ESG Champion at Board level to strengthen the interface between strategy and execution.

Recognising the specific context of the non-bank financial sector, we are prioritising areas where measurable and meaningful impact can be delivered over the medium to long term. ESG is a long-term journey that requires continuity beyond individual leadership cycles, and our approach is designed to embed this responsibility sustainably within the organisation's governance fabric.

WAY FORWARD

Looking ahead, the operating environment will remain dynamic, shaped by geopolitical shifts, economic fragmentation, evolving trade structures and regulatory developments. Our response will remain centred on resilience, adaptability and disciplined execution.

From the Board's perspective, the immediate priorities are clear: provide effective oversight of the reconciliation and control-remediation programme, ensure timely restoration of the Company's capital position, and maintain the confidence of depositors, customers, regulators and funding partners. Alongside this, we will continue to support management in strengthening profitability, operational efficiency, digital capability and organisational resilience.

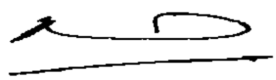
The successful Initial Public Offering of our holding company has strengthened the broader Group's financial flexibility and reinforced market confidence. Within Janashakthi Finance, our medium-term ambition remains to build a more resilient, competitive and future-ready institution through balanced growth and continued investment in capability and governance.

APPRECIATION

As we reflect on the year, I wish to recognise the wise counsel and guidance of my fellow Board members in shaping our strategic direction. I also acknowledge the support of the Group Chair and Group Managing Director in helping us realise collaborative opportunities as a unified Group.

I acknowledge the leadership of the CEO and Key Management Personnel, and place on record our appreciation for the guidance and support extended by the Governor of the Central Bank of Sri Lanka and officials of the Department of Supervision of Non-Bank Financial Institutions.

I extend my sincere appreciation to our employees for their dedication and resilience, and to our depositors, customers, business partners and other stakeholders for their continued trust and confidence. We move forward with clarity and confidence, committed to building a stronger, more resilient and sustainable Janashakthi Finance PLC.



Rajendra Theagarajah
Chairman
Janashakthi Finance PLC

07 September 2026

Chief Executive Officer's Message

A key highlight of the year was the rebranding of Orient Finance PLC as Janashakthi Finance PLC. This was more than a name change, it signalled our evolution into a stronger, more integrated brand, reinforcing trust, improving market visibility, and bringing us closer to a shared vision for the future.

Sithambaram Sri Ganendran
Chief Executive Officer

Chief Executive Officer's Message

Dear Stakeholders,

A UNIFIED GROUP IDENTITY

The financial year 2025/26 marked an exciting new chapter for Janashakthi Finance PLC, as we moved forward with greater clarity and momentum under a unified Group identity. Guided by JXG's philosophy of "Breaking Barriers, Forging Futures", we strengthened alignment across the Group, unlocking synergies and enhancing the way we deliver value to our stakeholders.

The relocation of our Head Office to Bishop's Gate in Colombo 10 created a more collaborative operating environment and strengthened accessibility for customers. Together with the rebranding, these changes have helped sharpen our execution focus and strengthen alignment across the organisation.

FINANCIAL PERFORMANCE

The financial year 2025/26 was characterised by strong balance sheet expansion and a significant improvement in core revenue generation. Total income increased by 35.7% to LKR 6.41 billion, while Net Interest Income increased by 47.3% to LKR 3.15 billion from LKR 2.14 billion in the previous year. Total operating income increased by 42.7% to LKR 3.42 billion, reflecting stronger portfolio productivity and revenue-generating capacity.

Net loans and receivables increased by 47.3% to LKR 32.81 billion and total assets increased by 40.1% to LKR 38.34 billion. Customer deposits grew by 14.4% to LKR 18.19 billion. This growth was supported by a diversified funding strategy and continued customer confidence, while asset quality remained within our risk appetite.

During the finalisation of the financial statements, a reconciliation of certain General Ledger balances against the corresponding front-end transaction modules identified an unreconciled debit balance. In response, and pending completion of the detailed reconciliation, management adopted a prudent approach and recognised a full provision of LKR 270.5 million through Other Operating Expenses. This accounting provision materially moderated the reported profit for the year despite the strong improvement in core operating income. Reported profit before income tax was therefore LKR 326.0 million, compared with LKR 318.4 million in the previous year, while profit after tax was LKR 64.7 million, also reflecting the higher income tax charge for the year.

The provision does not, in itself, represent a cash outflow. The Company continued to maintain adequate liquidity and meet its obligations to depositors and other stakeholders in the normal course of business. Available liquid assets stood at approximately LKR 2.42 billion at 31 March 2026, supported by daily liquidity monitoring, deposit mobilisation and access to diversified funding lines.

Prior to the recognition of the year-end reconciliation adjustments, our Tier 1 Capital Ratio and Total Capital Ratio stood at 10.00% and 13.01%, respectively, above the applicable regulatory minimums of 8.50% and 12.50%. Following the adjustments, the reported Tier 1 Capital Ratio stood at 8.83%, remaining above the regulatory minimum, while the Total Capital Ratio stood at 11.86%. The resulting shortfall in Total Capital is being addressed through a focused capital restoration plan, without compromising liquidity or the disciplined continuation of our lending business.

RECONCILIATION, CONTROLS AND CAPITAL ACTIONS

Management's response to the reconciliation matter is focused on execution. A detailed review of the underlying financial records is underway, covering historical system mapping, transaction interfaces and manual journal entries. At the same time, we are strengthening reconciliation ownership, review protocols, exception management and financial reporting controls so that identified issues are resolved systematically and the risk of recurrence is reduced.

The capital restoration plan is being progressed in parallel through optimisation of risk-weighted assets, improved internal capital generation and qualifying capital options, including shareholder capital and/or subordinated debt eligible for Tier 2 recognition. We continue to engage constructively with all stakeholders on the position and the remedial measures being undertaken.

Our operating approach during this period is equally clear: lending will continue selectively and responsibly, with the pace of growth calibrated to capital availability, liquidity, asset quality and risk-adjusted profitability. This allows us to continue serving viable customer demand while strengthening the balance sheet in a disciplined manner.

DIVERSIFIED GROWTH WITH STRONG MOMENTUM

The year required disciplined execution through an evolving competitive and organisational environment. Our strategic approach remained anchored on three core imperatives: protecting portfolio quality, strengthening balance sheet resilience and selectively pursuing growth opportunities in high-performing segments.

We reinforced prudent credit underwriting standards and portfolio monitoring mechanisms. The vehicle finance and leasing portfolio remained a key growth driver as easing import restrictions created renewed demand, while our gold loan portfolio continued to provide a strong combination of customer utility, collateral protection, rapid turnover and liquidity efficiency.

Beyond these segments, we continued to manage our deposit base and funding structure carefully, ensuring alignment between asset growth and liability stability. Going forward, the pace of lending growth will remain calibrated to capital availability, liquidity, asset quality and profitability so that growth continues on a sound and sustainable foundation.

DIGITAL TRANSFORMATION

Digital transformation continued to be a central strategic pillar during the year, moving beyond customer-facing enhancements to structural transformation of internal operations. We advanced our mobile and internet banking ecosystem, workflow automation, paperless approvals and digitised credit processes to improve turnaround time, control and service responsiveness.

We also began leveraging artificial intelligence, advanced analytics and business intelligence capabilities to improve decision-making in credit assessment, recovery management and operational monitoring. Cybersecurity, information security and data protection remained integral to this transformation.

PRODUCT INNOVATION AND CUSTOMER-CENTRIC GROWTH

In parallel with digital development, we initiated a more structured approach to product innovation, particularly in the savings and liability space. A pipeline of new savings products is being developed to meet diverse customer needs across life stages and financial goals, with increasing integration into our digital platforms to enhance engagement and retention.

NETWORK EXPANSION

During the year, we pursued a measured approach to branch expansion, focusing on consolidation, optimisation and selective growth. Looking ahead, physical expansion will be aligned with our digital strategy and, importantly, with our capital and funding capacity. This will enable us to deepen customer reach while maintaining the balance between growth, service accessibility and financial resilience.

GROUP SYNERGIES IN EXECUTION

The benefits of operating within the Janashakthi Group are increasingly visible at execution level. Cross-selling opportunities, referral partnerships, shared operational capabilities and knowledge-sharing are contributing to business development and efficiency, and we will continue to convert these linkages into practical customer and operational outcomes.

PEOPLE AND CULTURE: BUILDING CAPABILITY FOR THE FUTURE

Our people remain the foundation of our transformation journey. During the year, we intensified our focus on employee engagement, leadership development and capability building across the organisation, while strengthening a culture of openness, cross-functional collaboration and performance accountability.

RECOGNITION AND INSTITUTIONAL STRENGTHENING

The organisation was recognised across multiple national and industry platforms during the year, reflecting excellence in integrated reporting, governance, marketing effectiveness and financial services. These recognitions reinforce our commitment to transparency, accountability, innovation and responsible value creation.

OUTLOOK

Looking ahead, our management agenda is focused on delivery. We will complete the reconciliation and control-remediation programme, restore the Total Capital Ratio above the regulatory minimum, improve profitability and retained earnings, strengthen collections and recoveries, optimise the funding mix and continue the digital and service initiatives already underway.

Chief Executive Officer's Message

We will remain selective in deploying capital, directing growth toward businesses and customer segments that offer sustainable risk-adjusted returns. Our objective is to convert the strong operating momentum built during FY2025/26 into a more resilient earnings profile, stronger capital generation and an increasingly efficient operating model.

APPRECIATION

I extend my sincere appreciation to our Chairman and the Board of Directors for their continued guidance and strategic oversight, and to the leadership of Janashakthi PLC for their support. I also thank our depositors and customers for the trust they continue to place in Janashakthi Finance PLC.

I recognise the guidance and support of the Governor of the Central Bank of Sri Lanka and the officials of the Department of Supervision of Non-Bank Financial Institutions for their continued cooperation. Most importantly, I wish to recognise every member of our team whose dedication, adaptability and performance have been central to our progress.

It is this collective commitment, supported by disciplined execution and strengthened financial foundations, that will continue to drive our journey forward as we build a stronger, more resilient and future-ready institution.

Sithambaram Sri Ganendran

Chief Executive Officer

Janashakthi Finance PLC

07 September 2026

CAPITALS & VALUE CREATION

STRENGTH THAT BUILDS TRUST

Trusted strength that scales sustainable value

Enduring ascent is built on strength that compounds into trust. Through disciplined capital stewardship and focused value creation, we build the capacity to rise higher and go further. Each layer of performance reinforces stability and confidence transforming strength into sustained value and ambition into measurable progress.

Value Creation Model

CAPITALS → INPUTS → PROCESSES

FINANCIAL CAPITAL

Our financial strength in the form of equity and debt. It enables us to conduct sustainable operations and helps us to meet client expectations.

- Equity of **LKR 3,607 Mn**
- Debt **LKR 14,358 Mn**
- Deposits of **LKR 18,195 Mn**

INTELLECTUAL CAPITAL

Relates to assets of an intangible nature including, but not limited to, our brand reputation, innovations, knowledge and 4 decades of industry expertise.

- Brand strength
- Expertise in SME and MSME financing

HUMAN CAPITAL

The heart and soul of our operations. Our team of skilled, committed individuals execute their roles in a highly professional manner creating value for all stakeholders.

- A diverse and talented team of **616** employees
- Remuneration and performance-based rewards
- Learning and development opportunities

MANUFACTURED AND DIGITAL CAPITAL

Our physical and digital assets that provide the framework to carry out our core business functions.

- **39** Branches
- IT capabilities and digital channels

SOCIAL AND RELATIONSHIP CAPITAL

Our relationships with key stakeholders, such as the communities in which we operate, that enable us to create value.

- Improved accessibility
- Suppliers
- Social sustainability initiatives

NATURAL CAPITAL

Consciously conducting our business activities to sustain and protect the natural resources available to us.

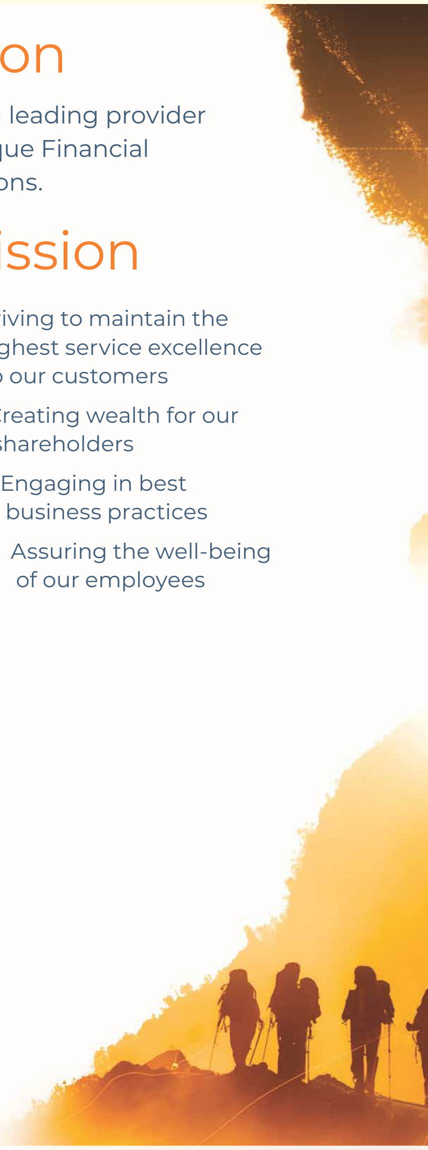
- Environmental and Social Management System
- Responsible Lending
- Environmental conservation efforts

Vision

To be a leading provider of unique Financial Solutions.

Mission

- Striving to maintain the highest service excellence to our customers
- Creating wealth for our shareholders
- Engaging in best business practices
- Assuring the well-being of our employees



ENABLED BY

- Human resource management
- Risk management
- Financial accounting
- Marketing and sales

PROCESSES

PRIMARY ACTIVITIES

- MOBILIZATION OF FIXED DEPOSITS
- GOLD LOANS
- SAVINGS ACCOUNTS
- ALTERNATIVE FINANCE SOLUTIONS
- LEASING
- CORPORATE FINANCING SOLUTIONS

- Product management
- Relationship management
- Other ancillary services
- Technology development

OUTPUTS AND OUTCOMES

FINANCIAL CAPITAL

- PAT : **LKR 65 Mn**
- ROE : **1.80%**
- EPS : **LKR 0.31**

INTELLECTUAL CAPITAL

Brand Value : **LKR 236 Mn**
Awards won
during the year : **9**

HUMAN CAPITAL

Benefits paid : **LKR 13 Mn**
Training hours : **8,005.5**
Staff promotions : **37**

MANUFACTURED AND DIGITAL CAPITAL

39 Branches

Digital media channels

SOCIAL AND RELATIONSHIP CAPITAL

Total Customer Base : **30,940**

Leasing : **8,849**

Loans and Gold Loans : **17,821**

Fixed and
Savings Deposits : **4,270**

SHAREHOLDERS

- Sustainable growth
- NAV per share
- Gross dividends

CUSTOMERS

- Operational efficiency
- Customer satisfaction
- Financial security

EMPLOYEES

- Diverse and inclusive organizational culture
- Safe working environment
- Career progression Empowerment
- Equal opportunity
- Structured and targeted employer training

REGULATORS

- Taxes paid **LKR 515 Mn**
- Compliance with regulatory requirements

BUSINESS PARTNERS AND SUPPLIERS

- Building Long term relationships
- Transparency

FUNDING AND NETWORK PARTNERS

- Nurturing Long term relationships

COMMUNITIES AND ENVIRONMENT

- Building sustainable livelihoods
- Greater community reach and inclusive financing
- Contribution to Sustainability Development Goals
- Resource stewardship
- Mitigating global warming

Stakeholder Engagement

In our journey through the years, Janashakthi Finance PLC has established a strong and consistent presence within Sri Lanka's financial services sector, steadily strengthening its footprint and market relevance. Underpinning this progress is the strength and stability derived from being part of the Janashakthi Group, whose legacy of trust, resilience and diversified expertise continues to reinforce our strategic direction. At the heart of our operations lies a deep commitment to nurturing meaningful relationships with stakeholders and proactively identifying and managing matters that are material to them.

Our stakeholder engagement approach is guided by a structured and well-defined mapping process, enabling us to identify diverse stakeholder groups and assess the issues that most significantly impact them. This ensures that our engagement methodologies are appropriately tailored to meet varying expectations. Anchored by the credibility of our brand and the strength of our parent group, our engagement framework is aligned with our broader strategic priorities and long-term vision. We adopt a disciplined, multi-faceted approach to stakeholder engagement, designed to foster transparency, responsiveness and sustainable value creation for all stakeholders.

Stakeholder Identification	Identifying and listing all potential stakeholders relevant to the company, including internal and external parties.
Stakeholder Prioritization	Assessing and ranking stakeholders based on their influence, impact, and importance to the organization's goals and operations.
Stakeholder Engagement	Actively involving them through various communication channels, such as meetings, surveys, or forums, to gather their perspectives and input.
Identification of Needs and Concerns	Understanding the specific needs, concerns, and expectations of each stakeholder group through ongoing dialogue and feedback mechanisms.
Addressing identified needs/concerns through strategy	Integrating stakeholder feedback into strategic decision-making to address evolving interests and enhance shared value creation.

Regulators

To be compliant with rules and regulations that govern our business.

Shareholders and Customers

Manage closely to identify any needs/ concerns and address them speedily.

Community and Business Partners/ Suppliers

Monitor closely to identify risk gaps and brand protection.

Employees

Motivate, train, incentivise and keep informed

ENGAGEMENT STRATEGY

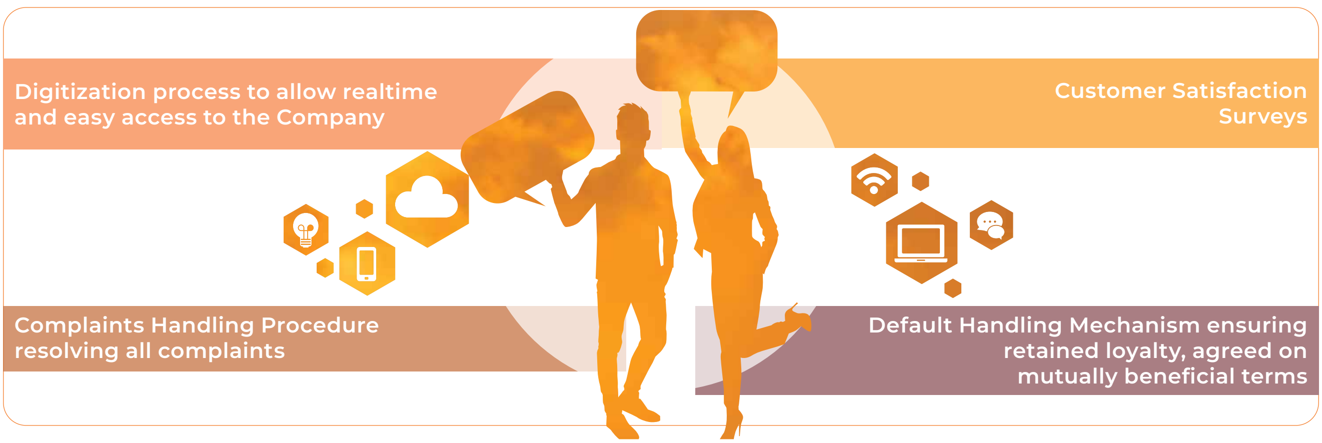
Stakeholder	Engagement channels	Frequency	Key Concerns	Our Response
Employees	Intranet, emails, memos, new policies, grievance mechanism, performance appraisals, annual surveys, staff meetings, virtual meetings and staff engagement activities.	Ongoing and periodic	Work-life balance, health and safety, remuneration, career development, communication.	We implemented engagement initiatives, enhanced health and safety measures, offered attractive remuneration and benefits, flexible working conditions, opportunities for skill development and career progression. We encouraged an environment of open communication to escalate any grievances. For details, please refer to Human Capital section on page 50.
Shareholders	Announcements to Colombo Stock Exchange, Investor Relations page on the website, Annual General Meeting, publications, investor forums, informal and formal meetings.	Periodic and event-based	Sustained growth, relevance of strategy, leadership strength, corporate governance, risk management, transparency, financial stability.	We have crafted a clear vision and a well-defined Strategy for sustainable value delivery, high standards of corporate governance, prudent risk management, sound financial management and transparency in business dealings. These are set out throughout the Report.
Business Partners/ Suppliers	Tender notices, site visits, desk reviews, periodic meetings, written communication.	Periodic and project-based	Ease of transacting, mutually beneficial relationships, fair pricing, opportunities for growth, transparent procurement processes.	We implemented Supplier development initiatives, fair pricing practices, transparent procurement processes, and onboard screening to ensure supplies are sources ethically and without endangering the environment.
Customers	Interactions at branch network, timely information, satisfaction surveys, call center, digital platforms, online and social media interactions.	Ongoing and transaction based	Professional customer service, innovative solutions, convenience, omnichannel solutions, customer inclusivity and digital engagement.	We have implemented a strong customer-centric culture with a top-down grievance handling process. We encouraged the use of digital channels, increased social media presence. Company website is accessible in all three languages. Single point of contact to address customer grievances.

Stakeholder Engagement

Stakeholder	Engagement channels	Frequency	Key Concerns	Our Response
Community	Specific engagement activities, press releases, social media engagement	Ongoing on several fronts.	Responsible business conduct, community empowerment, financial inclusion, reducing our carbon footprint, ensuring our business does not endanger the sustainability of the environment, and taking climate action to circumvent adverse climatic impacts.	We conducted specific CSR initiatives, optimized resource usage, and carried out community development projects, being aware of our responsibility for the well-being of the community and biodiversity of the environment.
Regulators	Circulars, guidelines, compliance reports, financial disclosures	Ongoing and event-based	Compliance with all tax and other regulations, socio-economic impact, customer due diligence	Compliance, socio economic contribution environmental stewardship, timely payment of taxes and timely submission of reports

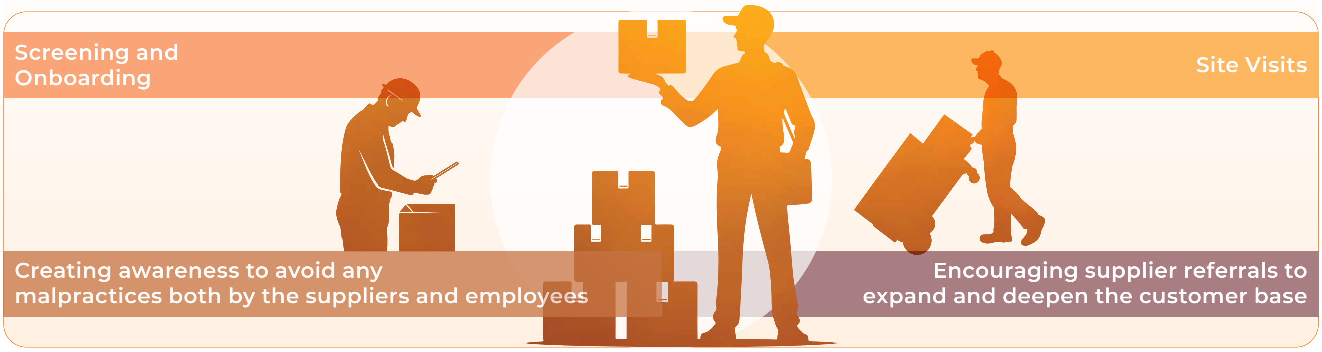
CUSTOMER INTERACTIONS

Among other factors, the success of the Company depends largely in the way we onboard and nurture our valued customers. We strive to deliver a customer- centric experience to our customers whilst maintaining long term relationships with our customers.



SUPPLIER INTERACTIONS

As a finance company, leasing and hire purchase are a large part of our business, among other asset and liability products. As such, we have a large base of vehicle dealers, both personal usage vehicles and agri-related vehicles such as tractors. Our engagement process, therefore, is multi-faceted.



REGULATORY INTERACTIONS

Adherence to regulatory requirements is a non-negotiable aspect of our business. We comply with all current rules and regulations, best practices issued by regulatory bodies.

COMMUNITY INTERACTIONS

Our community interactions are recorded under Social and Relationship Capital and CSR, at page 69.

In addition, we remain fully compliant with the rules and regulations of the country, while aligning our practices with recognised global and international standards governing Environmental, Social and Governance (ESG) principles that support sustainable development. These frameworks guide our approach to responsible business conduct and ensure that our operations are conducted with integrity, accountability and long-term value creation in mind.

While we do not maintain active or ongoing engagement with these regulatory or standard-setting bodies, we are committed to consistently embedding their prescribed principles into our day-to-day operations. This disciplined approach enables us to uphold best practices, strengthen governance structures and ensure that sustainability considerations remain integral to our decision-making processes.

Materiality

At Janashakthi Finance PLC, materiality forms an integral part of our approach to sustainable value creation, responsible governance and long-term business resilience. As a progressive financial institution operating within a dynamic business environment, we continuously engage with stakeholders to identify and assess the economic, social, environmental and governance matters that are most significant to our operations and long-term strategy.

Our materiality assessment process is closely aligned with our stakeholder engagement framework and strategic priorities. Through ongoing dialogue with employees, shareholders, customers, suppliers, community and regulators, we gain valuable insights into evolving expectations, emerging risks and areas of strategic importance. We assess areas that significantly impact our stakeholders and their decisions. Key areas include credit risk management, data security, customer protection and regulatory compliance. Materiality was assessed to determine the significance of misstatements and disclosures in the financial statements.

These insights support informed decision-making, strengthen accountability and enable us to respond proactively to changing business and sustainability priorities.

The assessment process incorporates stakeholder consultations, management reviews, industry developments, regulatory considerations and sustainability trends. Material matters are prioritised based on their significance to stakeholders and their impact on the Company's ability to create sustainable value over the short, medium and long term.

MATERIALITY DETERMINATION PROCESS

STAKEHOLDER GROUPS CONSIDERED

Employees	Shareholders	Customers
Suppliers	Community	Regulators

MATERIAL MATTERS AND STAKEHOLDER RELEVANCE

Material Matters	Employees	Shareholders	Customers	Suppliers	Community	Regulators	Impact on Business	Importance to Stakeholders
Financial Stability and Sustainable Growth	✓	✓	✓	✓	✓	✓	High	High
Regulatory Compliance and Governance	✓	✓	✓			✓	High	High
Customer Experience and Digital Transformation	✓	✓	✓			✓	High	High
Risk Management, Cybersecurity and Data Privacy	✓	✓	✓			✓	High	High
Employee Engagement and Talent Development	✓						High	High
Responsible Business Conduct and Ethical Practices	✓	✓	✓	✓	✓	✓	High	High
Community Empowerment and Environmental Stewardship	✓			✓	✓	✓	Moderate	High
Brand Reputation and Stakeholder Trust	✓	✓	✓	✓	✓	✓	High	High

Materiality

MATERIALITY PRIORITISATION FRAMEWORK

Importance to Stakeholders	Impact on Business	Priority Classification
High	High	Critical Material Matter
High	Moderate	Strategic Material Matter
Moderate	High	Operational Material Matter
Moderate	Moderate	Emerging Material Matter

The material matters identified through this process continue to guide Janashakthi Finance's strategic direction, governance priorities and sustainability journey. By maintaining strong stakeholder relationships and embedding material considerations into our decision-making processes, we remain committed to building a resilient, responsible and future-ready organisation that creates sustainable value for all stakeholders.

Operating Environment

5.0%	2.2%	USD 7.0 Bn	4.0 months
Real GDP growth 2025	CCPI headline inflation Mar-26	Gross official reserves Mar-26	Import cover Mar-26

GLOBAL ECONOMIC OVERVIEW

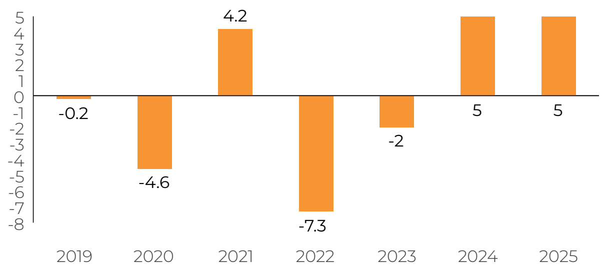
The global economy entered 2025/26 with cautious resilience. Inflation eased from prior peaks and monetary conditions became less restrictive, but the environment remained shaped by geopolitical fragmentation, supply-chain realignment and uneven growth across major economies.

For Sri Lanka, global conditions were broadly supportive but not risk-free. Lower inflation and improving external financing sentiment created space for domestic recovery, while commodity prices, trade volatility and financial-market risk sentiment remained key external sensitivities.

Strategic Implication for JFPLC

Recovery creates lending opportunity, but execution must remain anchored to risk-adjusted pricing, funding discipline and customer cash-flow resilience.

Real GDP growth: recovery consolidated at 5.0%



Demand Channel

Recovery in output and employment strengthens demand formation across mobility and household finance.

Funding Channel

Improved external stability supports confidence; active liquidity and tenor management remain essential.

Risk Channel

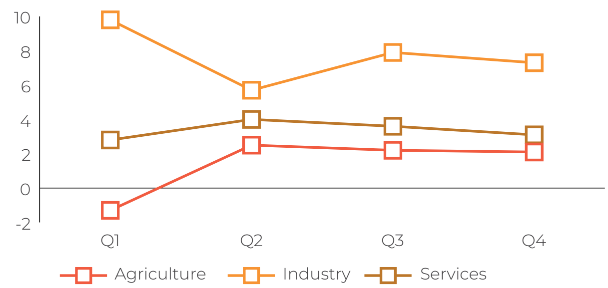
Growth should be filtered through recoverability, customer cash-flow and security quality.

SRI LANKAN ECONOMY

Sri Lanka moved beyond stabilisation into a more constructive recovery phase during FY2025/26. Real GDP expanded by 5.0% in 2025, supported by stronger industry and services activity, a normalised inflation environment, improved external buffers and better business sentiment. The recovery also created a more favourable backdrop for Licensed Finance Companies, particularly through improving credit demand and customer affordability.

Economic Growth and Output

2025 sectoral output: industry led the rebound



Broad-Based Recovery

Industry remained the strongest growth contributor in 2025, while services delivered positive growth across all quarters.

Credit Demand Signal

Lower inflation, improving employment and stronger output support mobility, SME-linked activity and household finance.

Risk Discipline

Affordability and recovery analytics should remain central as growth after a crisis can mask cash-flow capacity.

Market Read-Across

A broader output recovery improves the operating base for branch-led origination and customer engagement.

Portfolio Filter

Disbursement growth should be prioritised where repayment capacity and security quality are demonstrable.

Operating Environment

Spread Management

Recovery in demand should be converted into risk-adjusted spread, not volume-led margin dilution.

Productivity

Digital controls, clean data and focused recoveries should support operating leverage as business volumes recover.

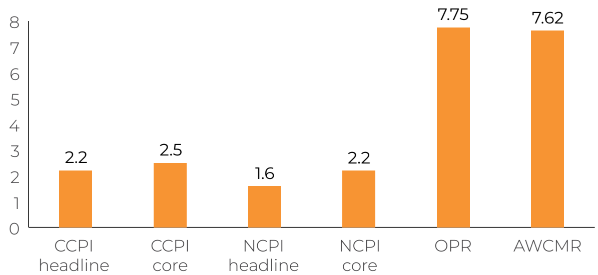
Source: CBSL Chart Pack as at end-March 2026; DCS GDP estimates released on 17 March 2026; IMF WEO April 2026.

MONETARY CONDITIONS, EXTERNAL STABILITY AND OUTLOOK

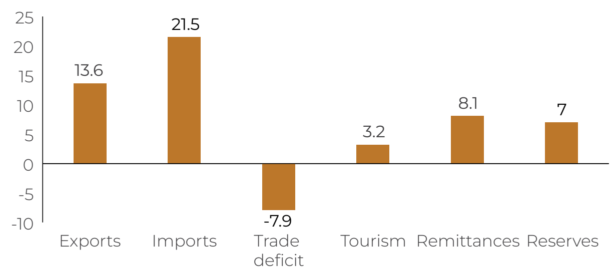
MONETARY POLICY AND INFLATION

The monetary environment remained supportive. The Overnight Policy Rate stood at 7.75% in March 2026 and the AWCMR remained at 7.62%, while CCPI headline and core inflation were contained at 2.2% and 2.5%. The lower inflation and stable policy-rate environment supported affordability, credit recovery and pricing visibility.

Inflation normalised; policy stable



External buffers strengthened



Pricing Discipline

Stable policy rates improve affordability; pricing should still reflect funding tenor, liquidity cost, recovery history and target return on capital.

External Stability

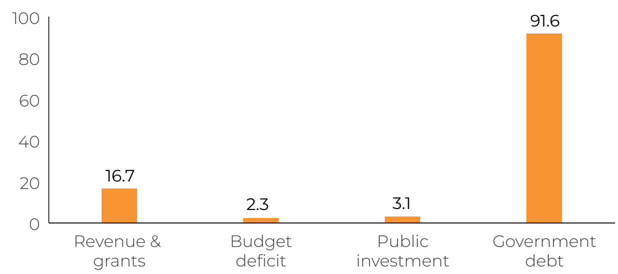
Exports reached USD 13.6 Bn and imports USD 21.5 Bn in 2025; remittances and tourism strengthened while reserves reached USD 7.0 Bn by end-March 2026.

INVESTOR CONFIDENCE AND SOVEREIGN RATING IMPROVEMENTS

The balance of payments recorded an overall surplus of USD 1.8 Bn in 2025 and the current account remained in surplus at USD 1.7 Bn. These developments supported currency confidence, funding stability and the broader recovery in domestic financial intermediation.

Fiscal consolidation reinforced confidence: revenue and grants improved to 16.7% of GDP, the budget deficit narrowed to 2.3% of GDP and central government debt declined to 91.6% of GDP in 2025.

Fiscal consolidation indicators



USD 1.8 Bn	USD 1.7 Bn	16.7%	2.3%
BOP surplus	Current account surplus	Revenue & grants / GDP	Budget deficit / GDP
2025	2025	2025	2025

OUTLOOK

Base Case

Growth momentum, contained inflation, stronger reserves and recovering credit demand provide a more supportive platform for finance companies.

Watch Points

External shocks, energy prices, funding repricing, exchange-rate pressure and customer affordability remain key sensitivities.

JFPLC Priority

Convert recovery into disciplined, risk-adjusted growth through strong recoveries, risk-based pricing, liquidity discipline and productivity-led efficiency.

Credit Outlook

Improving rates and demand conditions support portfolio expansion; underwriting controls should remain ahead of disbursement growth.

Funding View

A stable macro backdrop can reduce funding pressure, but tenor mismatch and liquidity buffers require active monitoring.

Board-Level Focus

Management actions should link growth, asset quality, liquidity, capital and efficiency into one operating dashboard.

Rate Transmission

Use lower inflation and stable rates to support affordability while preserving lending-rate discipline.

Liquidity Buffer

Maintain adequate liquid asset buffers against funding repricing and short-term liability concentration.

Confidence Channel

Sovereign and external-sector improvements support depositor and investor confidence.

Execution Test

Translate macro recovery into clean growth, strong collections and operating leverage.

Source: CBSL Chart Pack as at end-March 2026. NCPI data reflects latest available February 2026 observations within the pack.

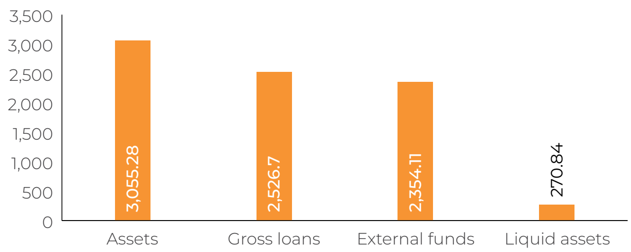
Operating Environment

NON-BANK FINANCIAL INSTITUTIONS (NBFIS) SECTOR

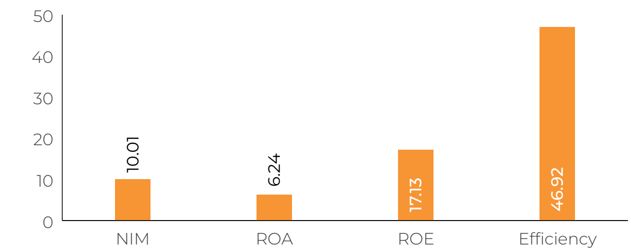
The FC and SLC sector expanded with the broader recovery in credit demand and financial intermediation. As at March 2026, sector assets reached LKR 3,055.28 Bn, gross loans and advances stood at LKR 2,526.70 Bn, external funds stood at LKR 2,354.11 Bn and liquid assets amounted to LKR 270.84 Bn. The March 2026 KFI dashboard confirms stronger profitability, improving asset quality and adequate capital buffers across the sector.

LKR 3.06 Tn	LKR 2.53 Tn	LKR 2.35 Tn	4.42%	10.01%	17.13%
Assets	Gross loans	External funds	Gross NPL	NIM	ROE
Mar-26	Mar-26	Mar-26	Mar-26	Mar-26	Mar-26

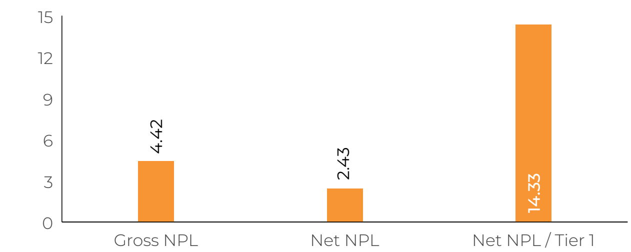
NBFI sector scale as at March 2026



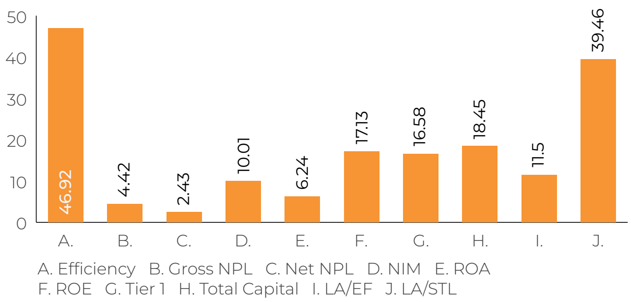
Profitability and efficiency, March 2026



Asset quality and capital absorption, March 2026



KFI dashboard: finance company averages, March 2026



Assets

Sector assets reached LKR 3,055.28 Bn as at March 2026, reflecting renewed intermediation capacity and a materially stronger operating base.

Non-Performing Loans

Asset quality strengthened as at March 2026, with sector gross and net NPL ratios at 4.42% and 2.43%, respectively; net NPL to Tier 1 capital stood at 14.33%.

Funding and External Funds

External funds, comprising deposits and borrowings, stood at LKR 2,354.11 Bn as at March 2026, reinforcing the need for tenor discipline and funding diversification.

Loans and Advances

Gross loans and advances stood at LKR 2,526.70 Bn as at March 2026. Growth opportunity is stronger, but affordability, collateral quality and underwriting discipline must lead origination.

Liquidity

Liquid assets amounted to LKR 270.84 Bn. March KFI ratios show liquid assets to total assets of 8.86%, external funds of 11.50% and short-term liabilities of 39.46%.

PAT / ROE & ROA

Profitability remained resilient. March 2026 KFI averages show NIM of 10.01%, ROA of 6.24%, ROE of 17.13% and efficiency ratio of 46.92%.

OPERATING ENVIRONMENT CONCLUSION

FY2025/26 strengthened the platform for disciplined expansion. The economy has recovered, inflation has normalised and external buffers have improved; sustainable value creation will depend on JFPLC's ability to translate market recovery into risk-adjusted growth, resilient asset quality, efficient funding and stronger returns on capital.

Source: CBSL KFI Dashboard for finance companies as at March 2026; CBSL Chart Pack as at end-March 2026 for macroeconomic indicators.

Financial Capital

Financial capital provides the foundation for Janashakthi Finance PLC to support customers, expand its lending activities and invest in the capabilities required for sustainable growth. Our approach to managing financial capital is centred on maintaining a sound balance between growth, profitability, liquidity, asset quality and capital strength, while ensuring that resources are deployed within an appropriate risk and governance framework.

Key Indicators

Indicator	FY2025/26 LKR Mn	FY 2024/25 Restated LKR Mn	Change
Total Income	6,410.5	4,725.5	+35.7%
Interest Income	6,134.8	4,463.8	+37.4%
Net Interest Income	3,147.3	2,136.5	+47.3%
Total Operating Income	3,423.0	2,398.2	+42.7%
Total Assets	38,345.8	27,362.2	+40.1%
Gross Loans and Receivables	34,096.4	23,362.5	+47.5%
Customer Deposits	18,194.6	15,903.8	+14.4%

Link to SDGs

Financial Capital

PROFITABILITY

The year ended 31 March 2026 was characterised by strong expansion in the Company's balance sheet and lending portfolio. Total assets increased by 40.1% to LKR 38.34 billion, while gross loans and receivables expanded by 47.5% to LKR 34.09 billion. This growth reflects the Company's increased business activity and its continued role in providing financing solutions across customer segments. The expansion of the lending portfolio translated into a significant improvement in core income generation. Total income increased by 35.7% to LKR 6.41 billion, supported by a 37.4% increase in interest income to LKR 6.13 billion. Although interest expenses increased by 28.4% to LKR 2.99 billion in line with the expansion of the funding base, interest income grew at a faster rate. Consequently, net interest income increased by 47.3% to LKR 3.15 billion, compared with LKR 2.14 billion in the previous year. Fee and commission income amounted to LKR 166.5 million, while other operating income reached LKR 109.2 million. Overall, total operating income increased by 42.7% to LKR 3.42 billion, demonstrating the stronger revenue-generating capacity of the business.

The strong increase in operating income was partly offset by higher impairment charges and operating costs during the year. Impairment charges on loans and receivables increased to LKR 309.7 million, compared with LKR 90.7 million in the previous year, reflecting the larger portfolio as well as the Company's emphasis on provisioning.

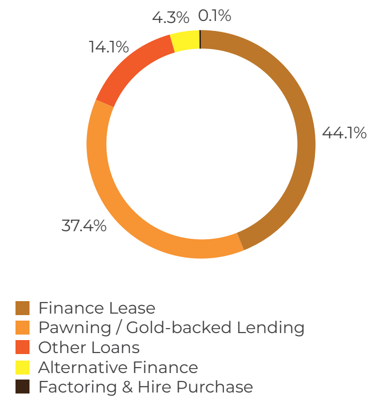
Personnel expenses increased to LKR 962.1 million, while depreciation and amortisation amounted to LKR 267.9 million. Other operating expenses increased to approximately LKR 1.31 billion. This included a full provision of LKR 270,542,779 against an unreconciled debit balance arising from system-related reconciliation differences, for which the Company has commenced a detailed reconciliation process. Despite these pressures, operating profit before tax on financial services increased by 15.5% to LKR 570.9 million based on the restated Financial figures for 2025. Profit before income tax remained resilient at LKR 326.0 million, compared with LKR 318.4 million in the previous year.

However, a substantially higher income tax expense of LKR 261.3 million which arose due to higher Taxable Profit for the year, resulted in profit after tax of LKR 64.7 million, compared with LKR 232.1 million in FY2024/25. Earnings per share consequently declined to LKR 0.31 from LKR 1.10. The underlying performance therefore reflects a year in which core revenue and operating capacity strengthened considerably, while exceptional adjustments, increased credit provisioning and taxation constrained the conversion of this growth into bottom-line earnings.

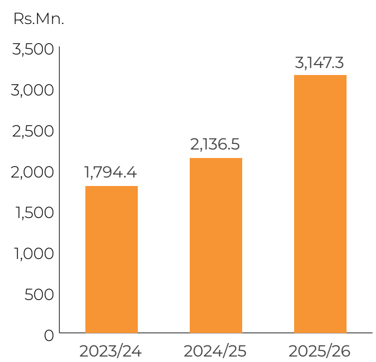
LENDING PORTFOLIO EXPANSION

Loans and receivables remained the principal deployment of the Company's financial capital. Net loans and receivables increased by 47.3% to LKR 32.81 billion, accounting for approximately 86% of total assets at year end. The portfolio expanded across several product categories, with particularly strong contributions from finance leasing, gold-backed lending and other loan products. Importantly, portfolio growth was accompanied by an improvement in the composition of credit risk. Based on the IFRS 9 staging of gross receivables, Stage 3 exposures represented approximately 4.8% of the gross portfolio at 31 March 2026, compared with approximately 7.0% a year earlier. The Company will continue to maintain close oversight of portfolio quality, collections, recoveries and expected credit loss provisioning as the lending book expands.

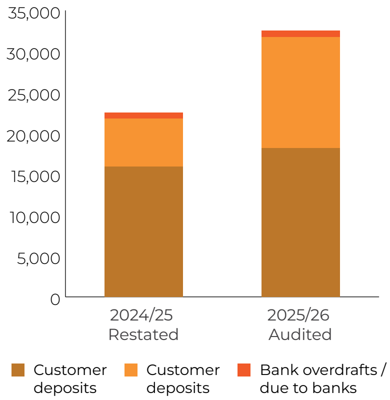
Gross portfolio composition 31 March 2026



Net Interest Income



Principal Funding Mix



FUNDING

The expansion of the asset base was supported through both customer deposits and institutional funding. Customer deposits increased by 14.4% to LKR 18.19 billion, compared with LKR 15.90 billion at the previous year end, continuing to represent an important and relatively stable source of funding. At the same time, interest-bearing borrowings increased significantly from LKR 5.90 billion to LKR 13.51 billion, supporting the rapid expansion of the loan portfolio. As the scale of the balance sheet increases, the Company will continue to focus on diversifying its funding sources, managing funding costs, aligning asset and liability maturities and strengthening the contribution of customer deposits to the overall funding mix.

MAINTAINING LIQUIDITY

Liquidity remained an important priority during a year of strong business expansion. At 31 March 2026, available liquid assets amounted to approximately LKR 2.42 billion, An increase of 15.7% compared with the previous year.

Liquidity is managed through daily monitoring of cash flows and funding requirements, stress testing, deposit mobilisation, maintenance of marketable liquid assets and access to committed and unutilised credit lines.

CAPITAL STRENGTH AND REGULATORY THRESHOLDS

Total shareholders' equity increased to LKR 3.61 billion from LKR 3.57 billion, while net assets per share increased to LKR 17.08 from LKR 16.91. During the finalisation of the Financial Statements, adjustments arising from the reconciliation of certain General Ledger balances with the corresponding balances generated from the front-end transaction modules reduced the Company's regulatory capital base. Prior to the recognition of these adjustments, the Company's Tier 1 Capital Adequacy Ratio and Total Capital Adequacy Ratio stood at 10.00% and 13.01%, respectively, and were above the applicable regulatory minimum requirements of 8.50% and 12.50%.

Following the recognition of these adjustments, the Tier 1 Capital Adequacy Ratio stood at 8.83%, while the Total Capital Adequacy Ratio stood at 11.86%, resulting in a regulatory capital shortfall of approximately LKR 167.9 million as at 31 March 2026.

The Board and management have initiated measures to strengthen the capital position, including the optimisation of risk-weighted assets and consideration of additional shareholder capital and/or qualifying subordinated debt. Restoring and maintaining appropriate capital buffers will remain a key financial priority as the Company continues to grow.

WAY FORWARD

Looking ahead, Janashakthi Finance will focus on converting growth into stronger, more sustainable returns. The Company will focus on improving portfolio quality and profitability, strengthening collections and recoveries, optimising the funding mix and cost of funds, rebuilding capital buffers and maintaining adequate liquidity. Greater emphasis will also be placed on operating efficiency, disciplined capital allocation and directing resources towards opportunities that generate sustainable risk-adjusted returns. These priorities will support stronger earnings resilience, balance-sheet strength and long-term value creation.

Manufactured Capital

Manufactured Capital forms the core of Janashakthi Finance PLC enabling the company to deliver, efficient, and accessible financial solutions. It encompasses our robust physical and technological infrastructure, including our Head office, an expanding network of 39 branches, advanced IT systems, digital platforms, and sustainable support facilities. These assets are continuously enhanced and upgraded to improve operational efficiency, strengthen security, and elevate the overall customer experience.

Key Indicators

No. of branches	New branches opened in	Branches upgraded
39	Kalmunai - October 2025	Ampara - April 2025
		Kilinochchi - June 2025
		Nugegoda - February 2026

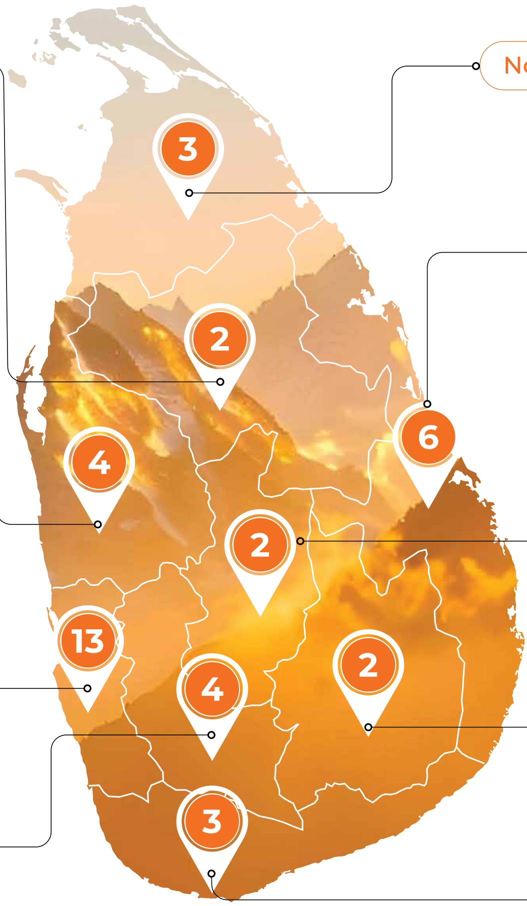
Link to SDGs

OUR MANAGEMENT APPROACH

Our approach to managing manufactured capital is focused on fostering a resilient and inclusive financial ecosystem. We oversee our physical and digital assets through a structured framework that prioritises strategic investment, stakeholder engagement, and environmental responsibility. This function is led by the Head of Channels and supported by a dedicated team responsible for managing branch operations and reporting functions.

OUR BRANCH FOOTPRINT

Provincial Breakdown of Island-wide branches



North Central Province

1. Anuradhapura
2. Polonnaruwa

North Western Province

1. Chilaw
2. Kochchikade
3. Kurunegala
4. Puttalam

Western Province

1. Head Office - Colombo 10
2. Dharmapala Mawatha
3. City Branch - Colombo 08
4. Avissawella
5. Gampaha
6. Horana
7. Kalutara
8. Kiribathgoda
9. Negombo
10. Nugegoda
11. Panadura
12. Piliyandala
13. Wattala

Sabaragamuwa Province

1. Ratnapura
2. Kegalle
3. Balangoda
4. Embilipitiya

Northern Province

1. Jaffna
2. Kilinochchi
3. Vavuniya

Eastern Province

1. Ampara
2. Batticaloa
3. Trincomalee
4. Kaluwanchikudy
5. Chenkalady
6. Kalmunai

Central Province

1. Kandy
2. Nuwara Eliya

Uva Province

1. Bandarawela
2. Monaragala

Southern Province

1. Galle
2. Matara
3. Hambantota

Manufactured Capital

OPENING OF NEW BRANCHES AND RELOCATIONS

The Company invested LKR 41.9 million in strengthening our branch network infrastructure and expansion initiatives, with a significant portion allocated to new branch openings, while the balance was utilised for rebranding, relocation, and enhancements of selected branches, namely Ampara and Nugegoda in order to align with our updated brand identity.

During the year under review, Janashakthi Finance PLC further strengthened its manufactured capital through targeted investments in its branch network, aimed at improving regional accessibility, operational efficiency, and customer experience.

Branch	Period of Opening/ Relocation	Investment made
Kalmunai - New Branch	October 2025	LKR 12 million
Ampara - Relocation	April 2025	LKR 6.7 million
Kilinochchi - Relocation	June 2025	LKR 13.5 million
Nugegoda - Relocation	February 2026	LKR 9.7 million

Expansion into Kalmunai

As part of its strategic expansion drive, Janashakthi Finance PLC established a new branch in Kalmunai, recognizing the area as a high-potential market with increasing demand for financial services, particularly in gold loan financing, lending facilities, and deposit mobilization. This expansion strengthens the Company's footprint in the Eastern Province while enhancing accessibility to its diverse portfolio of financial solutions.

The Kalmunai branch plays a pivotal role in advancing the Company's financial inclusion agenda by extending services to individuals and small and medium-sized enterprises (SMEs) within the region. In particular, the initiative is aligned with the Company's strategic focus on supporting underserved and financially excluded segments of the community, who often lack access to formal financial channels.

Relocations of existing branches for greater visibility and convenience

Relocation of Ampara Branch

The Ampara Branch was relocated to a strategically advantageous location to improve customer access, enhance service delivery, and optimize operational effectiveness. The new location offers enhanced space utilization, improved customer service areas, and better infrastructure to support business growth while strengthening the overall brand presence in the region.

Relocation of Nugegoda Branch

The Nugegoda Branch was relocated to a more accessible and customer-friendly location at No. 136/5, S. De S. Jayasinghe Mawatha, Nugegoda, further strengthening its commitment to convenience and service excellence.

Located in the heart of one of Colombo's most vibrant commercial hubs, the new premises provide enhanced accessibility and modernized facilities, creating a more convenient, comfortable, and efficient environment for customers to access the Company's services.

The branch continues to offer a comprehensive suite of financial solutions, including deposits, savings accounts, leasing facilities, gold loans, alternative finance products, corporate and SME financing, and other customized financial services tailored to meet the diverse needs of both individuals and businesses.

As a vibrant and densely populated commercial centre, Nugegoda presents significant opportunities to better serve customers. The branch relocation strengthens our ability to enhance service delivery, improve customer convenience, and provide a superior banking experience. We remain committed to supporting the financial aspirations and growth ambitions of individuals, entrepreneurs, and businesses within the community

Relocation of Kilinochchi Branch

The Kilinochchi Branch was also relocated to a more strategic location to enhance customer accessibility, improve operational efficiency, and better align with the region's evolving economic and business landscape. The upgraded premises provide a modern and customer-friendly environment, facilitating improved service delivery, stronger customer engagement, and streamlined branch operations. The relocation further supports the Company's objective of strengthening its presence in key growth markets while ensuring greater convenience for customers.

These strategic investments in branch expansion and relocation reflect Janashakthi Finance PLC's continued commitment to optimising its physical infrastructure to support sustainable growth. By enhancing its branch footprint and ensuring that branch locations are aligned with market potential and customer needs, the Company continues to strengthen its ability to deliver accessible, efficient, and customer-centric financial solutions across the country.

Manufactured Capital

UPGRADING IT INFRASTRUCTURE

Process optimisation remained a key strategic priority throughout the year, with focused initiatives aimed at streamlining workflows and facilitating the seamless adoption of newly introduced automation solutions across the organisation. Strategic investments in digital technologies, including Microsoft Office 365, an enhanced workflow management platform, and a robust customer relationship management (CRM) system, significantly improved operational efficiency, strengthened collaboration, and enhanced customer engagement.

Further strengthening its digital capabilities, the Company is preparing to launch JF Connect, its new mobile application aimed at providing customers with a more seamless and convenient way to access financial services. The application represents an important milestone in the Company's digital transformation journey, with features designed to enhance accessibility, simplify customer interactions, and provide greater flexibility in managing financial needs. The launch reflects the Company's continued focus on leveraging technology to drive innovation and deliver an enhanced customer experience.

These initiatives collectively reinforced the Company's commitment to innovation, operational excellence, and customer-centric service delivery.

To complement the Company's digital transformation journey, handheld tablet devices were deployed across the relationship officers to enable real-time data capture, customer onboarding, and transaction processing. This initiative has significantly enhanced the mobility and responsiveness of frontline teams, improving operational efficiency and reducing turnaround times, particularly in remote and underserved regions.

The adoption of these devices has strengthened data accuracy and integrity by minimizing manual documentation and enabling seamless integration with core systems. It has also enhanced monitoring and control mechanisms, supporting more effective credit evaluations, faster decision-making, and an improved customer experience. Through greater connectivity and accessibility, relationship officers and frontline teams are now better equipped to deliver timely and efficient service while maintaining high operational standards.

These investments mark an important milestone in building a digitally empowered branch and field ecosystem, laying a strong foundation for scalable growth, enhanced service excellence, and long-term sustainable value creation. From an ESG perspective, the initiative contributes to the Company's sustainability agenda by reducing paper consumption and encouraging environmentally responsible operational practices. The transition towards digital workflows reflects a broader commitment to innovation, efficiency, and responsible business conduct.

In parallel, IT security was significantly reinforced through advanced cybersecurity measures and the strengthened maintenance of Disaster Recovery (DR) centres, ensuring data integrity, operational resilience, and compliance with evolving regulatory requirements.

Collectively, these initiatives represent a substantial advancement in the Company's digital infrastructure, aligning closely with its strategic growth ambitions while enhancing reliability, agility, and service excellence in an increasingly dynamic financial landscape.

Expected Outcomes:

- Integrated and meaningful systems
- Faster reporting for timely decision making
- Minimal service delays
- Enhanced customer experience and brand loyalty

WAY FORWARD

Key priorities include:

- Our strategic focus is on expanding the Branch network by setting up fully operational branches, targeting districts identified for their high business potential. The forthcoming year, we intend to place greater emphasis on the Southern, Central, and Western Provinces by identifying key locations to expand our footprint.
- The Company plans to leverage IT as a key enabler for growth and productivity.

Human Capital

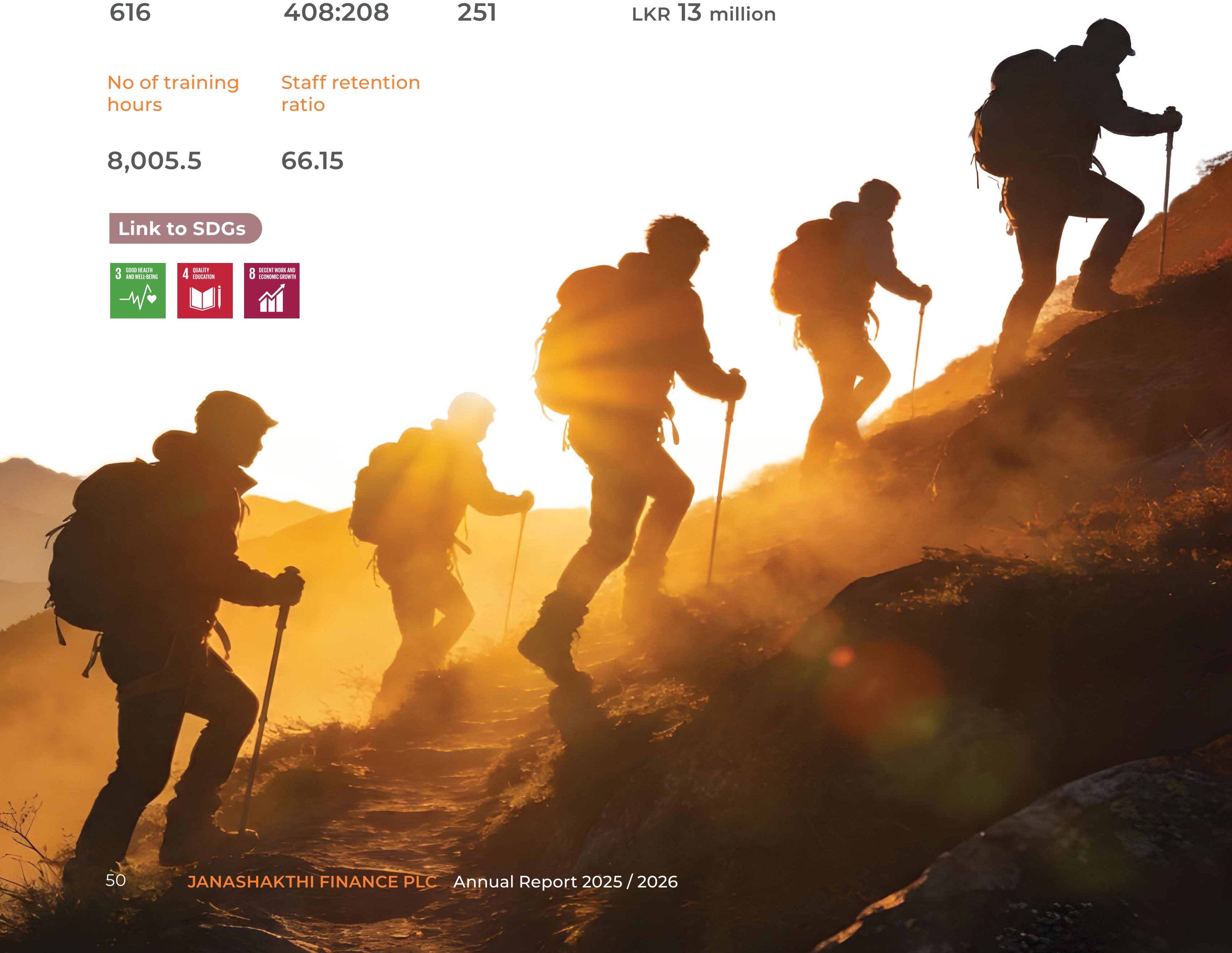
Leveraging the strength, stability and legacy of the Janashakthi Group, Janashakthi Finance PLC places its people at the heart of its transformation and growth journey. Guided by a robust human capital framework, we empower our people with the capabilities, opportunities and environment needed to excel by harnessing their collective strength to drive sustainable growth and operational excellence.

Key Indicators

No of employees	Male: Female Ratio	No of recruitments in 2025/26	Investment in training
616	408:208	251	LKR 13 million

No of training hours	Staff retention ratio
8,005.5	66.15

Link to SDGs



OUR MANAGEMENT APPROACH

Reinforced by the strength and legacy of the Janashakthi Group following its rebranding from Orient Finance, the Company adopts a people-centric management approach that underpins sustainable growth and operational excellence. We are committed to fostering an inclusive and equitable workplace, grounded in equal opportunity and a non-discriminatory ethos, where our human capital serves as a key driver of long-term value creation.

Aligned with our strategic priorities, our human resource framework is designed to empower employees with the capabilities, tools, and opportunities required to perform at their optimum level. During the year under review, we continued to strengthen our position as an employer of choice by enhancing employee engagement, advancing professional development initiatives, and cultivating a dynamic and supportive work environment. This commitment is further affirmed by our Great Place to Work Certification - February 2026 - February 2027, reflecting the trust, collaboration, and strong organizational culture we continue to build.

HR STRATEGIC PRIORITIES

Our people management strategy is guided by the governance standards and regulatory frameworks upheld by the Janashakthi Group, ensuring full alignment with the requirements of Sri Lankan labour laws, rules, regulations and applicable Labour Acts, as well as the requirements of the CBSL and CSE. Leveraging this foundation, the Company adopts a robust talent framework rooted in shared core values, driving a consistent culture of performance and accountability. Aligned with the Group's strategic priorities, targeted HR initiatives are executed to strengthen talent attraction, development, and retention, supporting the Company's growth ambitions and operational excellence.

Culture and engagement

Well-being

Training and development

Performance orientation

Total number of employees by employment contract (permanent and temporary), by gender

Employment Type	Male	Female	Total
Permanent	403	207	610
Contractual Employees	5	1	6
Total	408	208	616

Employment Type	Male	Female	Total
Full Time	408	208	616
Part Time	0	0	0
Total	408	208	616

TALENT FRAMEWORK

Ethical and honest

Innovation

Performance Driven

Collaboration

Respect

The Group maintains a robust suite of HR policies that comprehensively cover all key aspects of people management, ensuring consistency, transparency, and alignment with regulatory requirements. All policies are formalised within a structured framework, with new policies and revisions subject to a defined approval process first reviewed at Committee level and subsequently approved by the Board.

RECRUITMENT

During this year 251 were recruited to fill positions within the Head Office and branches across several provinces. The Company placed a strong emphasis on regional diversity and inclusion at all levels. Recruitments were carried out with the aid of several platforms with the view of attracting the right talent that would not only suit the level of expertise required but also align with our company's values. All new recruits commence their career at the Company after a comprehensive onboarding programme.

164 87

New recruits by Gender

Employment Type	Male	Female	Total
New Recruitments	164	87	251
Total	**164**	**87**	**251**

New recruits by Region

Province	Total
Central Province	27
Eastern Province	33
Western Province	106
Southern Province	19
Northern Province	30
Uva Province	14
North Western Province	22
Total	**251**

New recruits by Employment Category

Employee Category	Total
Chief Executive Officer	0
Deputy General Manager	1
Assistant General Manager	1
Senior Manager	4
Manager	9
Senior Assistant Manager	5
Assistant Manager	20
Senior Executive	28
Executive	56
Junior Executive	127
Minor	0
Total	**251**

New recruits by Age

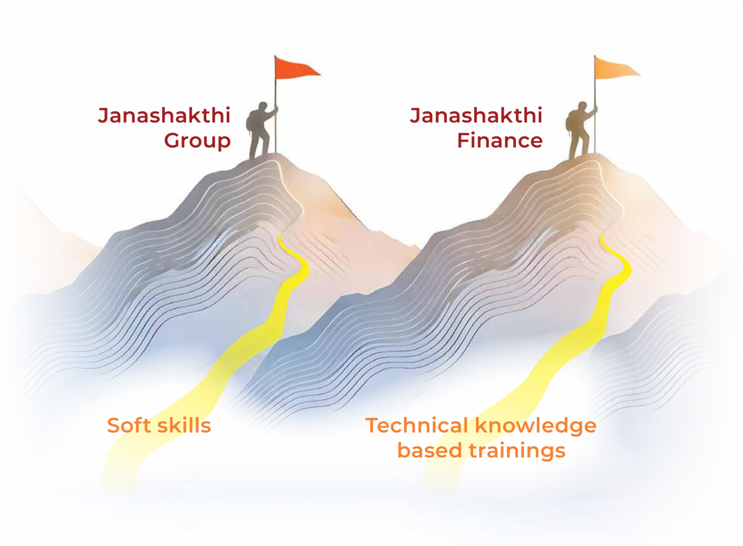
Age Category	Total
<20	7
20 - 25	95
26 - 30	76
31 - 35	37
36 - 40	12
41 - 45	12
46 - 50	8
50<	4
Total	**251**

BUILDING TALENT, ENHANCING PERFORMANCE AND FOSTERING GROWTH

During the year, the key focus was evaluating the Key Performance Indicators set out through the automated Human Resource Information System (HRIS) and other AI tools integrating quantitative as well as qualitative information for performance evaluation. The data gathered from the Bi- Annual and Year-end evaluations would then be shared with the Learning and Development Team to identify training needs and gaps.

Learning and Development

During the year, the Company adopted a dual approach to learning and development. Technical and role-specific training programmes were conducted in-house, enabling employees to build depth in their respective domains and respond effectively to evolving business demands. At the same time, training focused on soft skills, personal effectiveness, and leadership development was delivered by the Janashakthi Group Human Resources Division. These Group-led interventions ensured alignment with the broader strategic plan, while nurturing a culture of continuous learning, adaptability, and professional excellence across the organisation. Investing in our employee's continuous development is of key focus, which in turn has resulted in enhanced performance, improved morale, and less turnover.



No. of Employees Trained

620

Types of Trainings

Behavioral Training	Technical Training
77	64

Investment in T&D

LKR 13 million

AVERAGE HOURS OF TRAINING BY GENDER AND EMPLOYMENT CATEGORY

By Gender

5,291 Achieved Training Hrs

8,005.5 Total Achieved Training Hrs

2,714.5 Achieved Training Hrs

By Employment Category

Employment Category	Achieved Training Hrs
Manager	959
Assistant General Manager	236
Assistant Manager	818
Chief Executive Officer	53
Executive	1,523.5
Intern	32.5
Junior Executive	2,231.5
Non Executive	65
Senior Assistant Manager	513
Senior Executive	1,392
Senior Manager	182
Total	8,005.5

Staff turnover has been largely attributed to industry-wide competition and brain drain, with many employees opting to pursue employment opportunities overseas.

Human Capital

Turnover Ratio by Age

Age Category	Total	Starting Head Count	Ending Head Count	Turnover %
<20	0	650	616	0.0%
20 - 25	55	650	616	8.7%
26 - 30	46	650	616	7.3%
31 - 35	41	650	616	6.5%
36 - 40	28	650	616	4.4%
41 - 45	17	650	616	2.7%
46 - 50	7	650	616	1.1%
50<	4	650	616	0.6%
Total	**198**	**650**	**616**	**31.3%**

Turnover Ratio by Gender

Gender	Total	Starting Head Count	Ending Head Count	Turnover %
Male	127	650	616	20.1%
Female	71	650	616	11.2%
Total	**198**	**650**	**616**	**31.3%**

Turnover Ratio by Region

Province	Total	Starting Head Count	Ending Head Count	Turnover %
Central Province	25	650	616	3.9%
Eastern Province	15	650	616	2.4%
Western Province	97	650	616	15.3%
Southern Province	17	650	616	2.7%
Northern Province	23	650	616	3.6%
Uva Province	10	650	616	1.6%
North Western Province	11	650	616	1.7%
Total	**198**	**650**	**616**	**31.3%**

Turnover Ratio by Employee Category

Employee Category	Total	Starting Head Count	Ending Head Count	Turnover %
Chief Executive Officer	1	650	616	0.2%
Deputy General Manager	0	650	616	0.0%
Assistant General Manager	2	650	616	0.3%
Senior Manager	4	650	616	0.6%
Manager	7	650	616	1.1%
Senior Assistant Manager	5	650	616	0.8%
Assistant Manager	25	650	616	3.9%
Senior Executive	32	650	616	5.1%
Executive	40	650	616	6.3%
Junior Executive	81	650	616	12.8%
Minor	1	650	616	0.2%
Total	**198**	**650**	**616**	**31.3%**

REWARDS, AWARDS AND RECOGNITION

The Company acknowledges and celebrates employee achievements through its 'Value Awards' and 'Power of Praise' reward and recognition programmes, which honour outstanding performers with both monetary and non-monetary incentives for exceptional contributions.

Top performers are also recognised on a monthly, quarterly, and annual basis for their exemplary accomplishments, with awards extended across branches and regions to promote a culture of continuous motivation and excellence.

- Life insurance policy
- Medical insurance
- Personal Accident Cover
- Funeral Assistance

During the year under review, the Board approved a series of progressive policy initiatives aimed at enhancing employee well-being, improving workplace flexibility, and strengthening the organisation's ability to attract and retain high-quality talent.

Key policy implementations for FY 2025/26 include:

- **Flexible Working Hours Policy –** introduced to empower employees with greater control over their work schedules, supporting productivity while promoting work-life balance.
- **Work-from-Home Policy –** enabling role-based remote working arrangements, reflecting evolving workforce expectations and supporting operational continuity.
- **Special Leave for Prolonged Illness Policy –** designed to provide structured support for employees facing extended medical conditions, reinforcing the Company's commitment to employee care and inclusivity.

In addition, the Company implemented a minimum salary increase across employee categories. This decision was driven by the dual objective of enhancing employee financial well-being and positioning Janashakthi Finance PLC competitively within the talent market, thereby supporting the attraction and retention of skilled professionals.

Collectively, these initiatives reflect a continued commitment to building a resilient, people-centric organisation, aligned with evolving workforce dynamics and long-term strategic growth priorities.

Human Capital

GENDER EQUALITY AND WOMEN EMPOWERMENT

With the intention of assessing and aligning the Company's corporate social conscience in line with the Global Reporting Initiative (GRI), as a more sustainably run operation; we remain committed to ensure that irrespective of gender, all employees are given equal opportunity to progress in their career.

Janashakthi Finance PLC, through its non-discrimination policy, ensures the absence of gender bias across all stages of employment from recruitment and performance evaluation to promotions. While our Senior Management Team previously had only one female representative, female representation increased to five professionals in the financial year 2025/26 through appointments and promotions to leadership role.

PEOPLE ENGAGEMENT

During the year, Janashakthi Finance PLC advanced its people engagement agenda through a range of initiatives aimed at strengthening culture, connection, and performance. Key highlights included the launch of the "JF – Api Shakthiwanthayo" song and the opening of the new Corporate Office, both reinforcing a shared identity and future direction, supported by Smart Corporate training to ease cultural transition.

Employee-centric initiatives such as the Help Name Contest, Walk-in Interviews, Chill Fridays, Match Wednesdays, Secret Santa, and Out of Pixels fostered engagement and collaboration. Learning and development were enhanced through outbound training, while inclusivity and recognition were promoted via Shilpa Yathra and Women's Day celebrations.










தங்கக் கடன்


PATERNITY LEAVE

During the year, building upon the statutory paternity leave entitlement of three days, and recognizing the vital role of fathers in a child's development, the company has enhanced its paternity leave provision to two weeks. This progress reflects our strong commitment to advancing gender equality.

WAY FORWARD

Looking ahead, Janashakthi Finance PLC will continue to align its human capital strategy with its growth ambitions ensuring that organisational capabilities evolve in step with expanding business priorities. The focus will remain on strengthening a high-performing talent base through targeted investments in attracting, developing, and retaining skilled professionals, thereby building a resilient and future-ready workforce capable of sustaining long-term value creation.

Key priorities include:

- Strengthening leadership development to build a robust pipeline of future-ready leaders aligned with strategic objectives
- Evolving organisational practices to effectively engage, empower, and support emerging workforce generations
- Reinforcing succession planning frameworks to ensure leadership continuity, operational stability, and long-term organisational resilience

Intellectual Capital

Intellectual capital forms the cornerstone of sustainable value creation for Janashakthi Finance PLC. By harnessing the collective expertise, innovation, and commitment of its people, alongside robust systems and customer relationships, the Company continuously strengthens its competitive advantage, drives operational excellence, and delivers meaningful financial solutions aligned with evolving stakeholder needs and long-term strategic priorities.

Key Indicators

Rebranding of Orient Finance to Janashakthi Finance PLC

Launch of CRM software and Core Banking Software

Mobile platform expansion

Awards for Marketing Excellence

- SLIM DIGIS 2.5
- EFFIE AWARDS

Recognitions for excellence in corporate reporting

- TAGS Awards – First Runner Up (Non Bank Financial Institutions]
- Certificate of Recognition for Corporate Governance Disclosure (Financial Services Special Award Category)
- Certificate of Recognition for Integrated Reporting
- Bronze Award in the Finance Companies & Leasing Companies (Group Assets LKR 25–75 billion) Sector Category.

Link to SDGs

Intellectual Capital

OUR MANAGEMENT APPROACH

At Janashakthi Finance PLC, we've established a distinct presence in the financial services sector with our presence of over four decades. Further, drawing on the power of the JXG brand, a name with a rich 44-year heritage we have fostered strong relationships and deep connections by understanding the needs of the people, enabling us to uplift communities and enhance their financial well-being.

With an unwavering commitment to growth, we envision a future where we extend our reach to new horizons. We aim to broaden our services and solutions to a larger audience, tapping into untapped opportunities and driving innovation in the financial services sector.

To realise these ambitious goals, we acknowledge the critical importance of building our intellectual capital. By nurturing and developing our brand value, technical expertise, and process knowledge over the years, we've become a key competitive advantage within the industry. This commitment to intellectual capital has enabled us to build trust and instill confidence in our customers, ensuring they benefit from our robust financial profile and creditworthiness.

Our strategy for building our intellectual capital involves various strategic initiatives. We focus on understanding the needs of our customers, engaging with empathy, and providing flexible solutions during uncertain times. By adhering to ethical practices and upholding our core values of integrity, excellent customer service, and governance, we maintain the trust associated with the JXG brand while distinguishing ourselves as a unique entity.

BRAND EQUITY

The Company continues to strengthen its digital marketing footprint through an active and strategically managed presence across its social media platforms, leveraging these channels as powerful tools for engagement, brand building, and customer connectivity. Consistent growth in social media handles, supported by data-driven content strategies, has enabled the Company to expand its reach and deepen market penetration across diverse customer segments.

Innovative marketing campaigns have played a pivotal role in elevating visibility and relevance, combining creativity with insight-led execution to resonate strongly with target audiences. These efforts have not only enhanced brand recall but also driven meaningful interactions and conversions. Notably, award-winning campaigns have further amplified traction, reinforcing the Company's ability to connect with communities in impactful ways while strengthening its positioning as a dynamic and customer-focused financial services provider.

15.7K
Within 10 months

5,408
Within 10 months

20.1K
Within 10 months

REBRANDING UNDER THE UNIFIED JXG BRAND

As we celebrate over four decades of empowering Sri Lankans, Orient Finance PLC evolved into a trusted and respected leader within Sri Lanka's Non-Banking Financial Institution (NBFI) sector. Throughout this journey, we have remained committed to delivering innovative, inclusive, and customer-centric financial solutions that evolve with the needs of individuals and communities across the island.

The transition from Orient Finance PLC to Janashakthi Finance PLC, effective 9 May 2025, marks a defining milestone in our corporate journey. This rebranding is more than a change in the name, it elevates the brand positioning of the Company with the affinity to the holding company. It strengthens our brand promise by deepening customer centricity, enhancing digital capabilities, and expanding our portfolio of financial solutions, while reinforcing service excellence at every touchpoint.

This transformation is anchored in the strategic synergies of the Janashakthi Group (JXG), one of Sri Lanka's most respected and emerging financial conglomerates. By aligning with this stronger ecosystem, Janashakthi Finance PLC benefits from enhanced scale, credibility, and strategic direction blending a legacy of trust with a future-focused growth agenda.

While our identity has evolved, our philosophy remains unchanged. At Janashakthi Finance PLC, the customer continues to sit at the centre of everything we do. Janashakthi Finance PLC remains committed to delivering personalised, responsible, and innovative financial solutions, grounded in empathy, trust, and long-term relationships. Our commitment to customer service and operational efficiency has been further strengthened through our new state-of-the-art modern Head Office premises. Our new office reflects our modern forward-looking vision for a more agile and responsive organisation.

Looking ahead, with a clear five-year ambition to rank among the top five NBFIs in Sri Lanka, Janashakthi Finance PLC is well positioned to accelerate its next phase of growth. Through digital transformation, expanded financial inclusion, and disciplined value creation, we aim to deliver meaningful impact for all stakeholders.

Guided by the strength of the Janashakthi Group and driven by a renewed sense of purpose, Janashakthi Finance PLC moves forward with confidence shaping a future where inclusive finance, responsible innovation, and enduring trust remain at the heart of everything we do.

AWARDS AND ACCOLADES

The company secured two Silver Awards at this year's ceremony, the Silver Award for Digital/Social Platform Integration and the Silver Award for Best Use of Digital in a Marketing Campaign for Banking, Finance and Insurance Brands. These honours were in recognition of the company's "Tuk Sagaya" Campaign, an all-island initiative launched in October 2024 that stood out for its cultural relevance, creative storytelling, and digital-first execution. The Company also earned a Bronze at the Effie Awards Sri Lanka 2025 in the Finance category for its impactful campaign, "Uplifting the Sri Lankan Three-Wheel Community." This recognition reflects the Company's ability to blend compelling storytelling with measurable results, while advancing financial inclusion and empowering everyday entrepreneurs.

Janashakthi Finance PLC continued to strengthen its reputation for transparency, governance, and integrated thinking, earning multiple recognitions across leading industry platforms. At the 11th CMA Excellence in Integrated Reporting Awards, the Company was named First Runner-Up (Joint) for Best Integrated Report in the Finance & Leasing Sector and also received the Merit Award for Overall Excellence in Integrated Reporting, reaffirming the depth and quality of its reporting framework.

Further, the Company secured a Merit Award at the 10th International Islamic Finance Forum South Asia (IFFSA) Awards 2025 in the highly competitive category of 'Islamic NBFI Window/Unit of the Year 2024/2025', underscoring its growing capability and credibility in Islamic finance offerings.

Adding to this momentum, at the 2025 awards cycle, Janashakthi Finance PLC received a Certificate of Recognition for Corporate Governance Disclosure (Financial Services Special Award Category), a Certificate of Recognition for Integrated Reporting, and the Bronze Award in the Finance Companies & Leasing Companies (Group Assets LKR 25–75 billion) sector category collectively reflecting the Company's consistent commitment to governance excellence, integrated value creation, and sectoral leadership.

Together, these accolades underscore Janashakthi Finance's strength in delivering both purpose-driven marketing and high standards of corporate reporting, reinforcing its position as a trusted and forward-looking financial partner.

1 SLIM DIGIS 2.5 Awards 2025

- Silver – Digital/Social Platform Integration
- Silver – Best Use of Digital in a Marketing Campaign (Banking, Finance & Insurance)

2 11th CMA Excellence in Integrated Reporting Awards

- First Runner-Up (Joint) – Best Integrated Report (Finance & Leasing Sector)
- Merit Award – Overall Excellence in Integrated Reporting

3 10th IFFSA Awards 2025

- Merit Award – Islamic NBFI Window/Unit of the Year 2024/25

4 CA Sri Lanka TAGS Awards 2025

- Certificate of Recognition – Corporate Governance Disclosure
- Certificate of Recognition – Integrated Reporting
- Bronze Award – Finance Companies & Leasing Companies (Group Assets LKR 25–75 billion)

5 Effie Awards Sri Lanka 2025

- Bronze Award – Finance Category

TECHNOLOGY AND DIGITAL SOLUTIONS

Investing in technology remains central to enhancing operational efficiency and delivering superior customer experiences. We have continued to strengthen our digital infrastructure through advanced cybersecurity measures, core system upgrades, and the integration of artificial intelligence to optimise processes. These initiatives support seamless stakeholder interactions while reinforcing data security, compliance, and resilience, positioning the Company for sustainable growth in an increasingly digital landscape.

During the year, significant investments were directed towards strengthening technology platforms, automation capabilities, and analytical tools to enhance both operational efficiency and customer experience.

Core Banking Optimisation & Front-End Enablement

A key focus area has been the optimisation of the core banking system, particularly its front-end capabilities. The objective has been to fully leverage existing system functionalities to improve workflow efficiency and enhance customer responsiveness.

This has enabled:

- Faster credit approval cycles, improving customer convenience and turnaround time
- Enhanced productivity across branches and operational teams
- Improved utilisation of system capabilities already embedded within the core platform

This optimisation marks a foundational shift from system implementation to system intelligence utilisation.

Customer Intelligence through CRM 360° View

The implementation of a 360-degree Customer Relationship Management (CRM) system has significantly strengthened customer intelligence and engagement capability.

Key outcomes include:

- Unified customer view across products and interactions
- Improved customer segmentation and profiling
- Enhanced ability to identify cross-sell and repeat customer opportunities
- Data-led targeting for digital marketing and sales campaigns

This has enabled a more personalised and insight-driven customer engagement model, strengthening long-term customer relationships.

Data Analytics & Performance Intelligence (Power BI)

The organisation has expanded its use of Power BI dashboards to institutionalise real-time performance monitoring and analytical decision-making.

These dashboards now support:

- Staff productivity tracking linked to cost-to-income optimisation
- Portfolio quality monitoring across branches and business units
- Identification of repeat customers and behavioural trends
- Operational performance visibility at granular levels

This shift has strengthened management oversight and embedded a culture of data-backed decision-making.

Intellectual Capital

Digital Customer Channels & Mobile Platform Expansion

A major milestone in the year was the launch of the mobile application, enabling customers to interact digitally with the organisation.

This initiative lays the foundation for:

- Digital savings account management
- Future rollout of e-application and e-KYC processes
- End-to-end digital loan and fixed deposit onboarding

This represents a strategic transition towards a fully digital customer journey, reducing dependency on physical channels and enhancing accessibility.

Internal Process Automation & Operational Digitisation

The organisation has accelerated the automation of internal processes to reduce manual dependency and improve operational control.

Key platforms include:

- **Facility Management System**
  - Centralised digital platform for managing branch-level maintenance and repair requests
  - Real-time visibility of service requests and resolution timelines
  - Improved operational accountability and workforce productivity
- **Procurement & Inventory Automation**
  - Digital tracking of inventory consumption across branches and head office
  - Reduction of paper-based processes and manual approvals
  - Enhanced visibility of wastage and cost inefficiencies

These initiatives collectively strengthen operational discipline and governance.

Cost Optimisation & Savings Intelligence

A structured savings tracker has been introduced to quantify efficiency gains from procurement and contract optimisation.

Key elements include:

- Renegotiation of high-value supplier contracts
- Tracking of consumption-based savings across categories
- Quarterly reporting of quantified cost savings to management and the Board

This ensures that efficiency gains are measurable, transparent, and continuously monitored.

Transformation Governance & Execution Discipline

To institutionalise innovation, a cross-functional Transformation Team reporting directly to the CEO has been established.

Mandate of the team:

- Deliver at least two transformation initiatives per quarter
- Drive productivity improvement and customer convenience enhancements
- Ensure structured execution of digital and process innovation initiatives

This reinforces execution discipline and embeds transformation into the organisational operating rhythm.

INFORMATION SECURITY

The Company has strengthened its core infrastructure through the implementation of advanced information security solutions, reinforcing its overall cybersecurity resilience. A key enhancement includes the deployment of Endpoint Detection and Response (EDR) systems, which enable proactive threat detection, continuous monitoring, and rapid incident response capabilities.

These initiatives reflect the Company's ongoing commitment to safeguarding critical data, mitigating cyber risks, and maintaining a robust security posture aligned with industry best practices.

To further mitigate cyber threats, the Company has implemented a range of security measures, including:

- **Next-Generation Endpoint Detection and Response (EDR):**
  To protect against sophisticated and evolving cyber threats.
- **Mobile Device Management (MDM):**
  To secure company-issued mobile devices used by field staff.
- **Active Directory (AD) Enhancements:**
  To strengthen access controls and improve data security.
- **Secured Remote Access Solutions:**
  To ensure the protection of sensitive information and enable secure remote working environments.

NPL MANAGEMENT EXPERTISE

A key component of the Company's intellectual capital lies in its specialised expertise in managing Non-Performing Loans (NPLs). The Company adopts data-driven methodologies and structured recovery frameworks to identify, segment, and actively manage NPL portfolios.

Through advanced analytics, NPLs are categorised based on defined risk profiles, enabling tailored recovery strategies such as loan restructuring, renegotiation, and, where necessary, legal action. This targeted approach allows the Company to optimise resource allocation while maximising recovery outcomes.

In addition, the Company continuously monitors key performance indicators (KPIs), including NPL ratios, collection ratios, and impairment coverage, to evaluate performance and refine recovery strategies. This disciplined and analytical approach strengthens financial risk management, enhances portfolio quality, and supports long-term financial stability, reinforcing the Company's leadership position within the industry.

BUSINESS CONTINUITY MANAGEMENT

Business Continuity Management (BCM) is a fundamental element of the Company's intellectual capital, designed to ensure operational resilience and organisational agility in the face of unforeseen disruptions. Aligned with the Operational Risk Management Framework, the BCM framework integrates both the Business Continuity Plan (BCP) and the Disaster Recovery Plan (DRP), providing a comprehensive approach to safeguarding critical business functions.

The Company has further enhanced its Disaster Recovery processes and systems to improve resilience, efficiency, and reliability. These enhancements are aimed at minimising downtime, strengthening operational stability, and enabling a more effective response to potential disruptions.

Improvements include system optimisation, process refinements, and the adoption of industry best practices, ensuring alignment with evolving standards and reinforcing the Company's ability to maintain continuity under adverse conditions.

Intellectual Capital

CONTINUOUS IMPROVEMENT PROGRAMMES

The Company recognises intellectual capital as a key driver of sustainable growth. Its approach to knowledge management ensures that critical expertise is effectively retained, shared, and leveraged across the organisation.

Continuous training and development initiatives are conducted to equip employees with up-to-date industry knowledge, technical competencies, and best practices. A strong culture of continuous improvement is fostered through regular training sessions, workshops, and collaborative learning opportunities that promote operational excellence.

In addition, structured knowledge-sharing mechanisms have been established through dedicated platforms and forums, enabling employees to exchange insights, best practices, and innovative ideas. Systems are also in place to document and disseminate institutional knowledge, ensuring that valuable information remains accessible and contributes to organisational e-learning platform and performance enhancement.

Further, our e-learning portals enable our teams to enhance their knowledge and capacity through self-paced programmes.

OPERATIONAL EXCELLENCE

Guided by the Group's commitment to excellence and further strengthened by its enhanced market standing following the IPO, we continue to transform operational efficiency across the organisation through innovation, digitalisation, and sustainable business practices.

Strategic investments in process automation, workflow optimisation, and advanced analytics have enabled the transition towards an end-to-end paperless operating model across key processes, reducing manual intervention, turnaround times, and dependency on physical documentation. This shift has not only enhanced operational speed and accuracy but has also created a more environmentally responsible and cost-effective operating framework through lower paper consumption, reduced storage requirements, and improved resource utilisation.

Across the entire value chain, integrated workflow management systems now drive seamless coordination between front-end customer engagement, credit processing, operations, collections, finance, and support functions

These platforms are closely connected to Business Intelligence and Artificial Intelligence capabilities, enabling real-time data analysis, predictive insights, and agile decision-making across all levels of the organisation.

The integration of intelligent digital tools has significantly strengthened responsiveness, customer service delivery, and management oversight. Simultaneously, our robust IT governance framework ensures the effective management, resilience, and protection of digital assets, while continuous enhancements to cybersecurity capabilities safeguard systems against an evolving threat landscape.

ORGANISATIONAL EMPOWERMENT

Our human capital with deep understanding of our brand, customer service and customer orientations is an invaluable asset to the Company. Empathic leadership and mentoring, collaborative knowledge sharing and technical training, continuous learning, and development, maintaining an environment of open communication and valuing employee feedback are some of the ways in which we ensure, our human capital retains and grows with the Company. A detailed report on the HR initiatives is available in the Human Capital section set out on pages 50 to 58.

ETHICAL GOVERNANCE AND COMPLIANCE

The overarching concept in our dealing with all our stakeholders is ethical conduct and good governance.

We are committed to building and maintaining an ethics-based governance in all our operations, and gaining the trust and confidence of our customers, employees and the regulatory authorities. The tone for strong governance is set at the top by the board of directors of the Company and is implemented and monitored by independent Compliance Department. The framework is periodically reviewed and updated to ensure internal policies and procedures are aligned with relevant laws and regulations.

Code of Ethics Highlights

- Uphold honesty, objectivity, and diligence in all duties performed.
- Adhere to applicable laws and regulations while conducting business operations.
- Ensure the confidentiality of commercial and price-sensitive information is maintained.
- Rigorously avoid offering or accepting any form of bribery, whether directly or indirectly.

Janashakthi Finance PLC underscores its dedication to establishing and preserving customer trust through an all-encompassing compliance framework, supervised by a committed compliance officer. This framework involves the continual revision and updating of internal policies and procedures to ensure alignment with pertinent laws and regulations.

The enhanced credibility stemming from the Group's public listing has further elevated our commitment to governance and accountability. Ethics remain at the core of all stakeholder interactions, supported by a governance framework that is driven from the highest levels of the organisation.

Our compliance architecture is continuously reviewed to ensure alignment with evolving regulatory expectations.

We are pleased to report that there were no incidents of material non-compliance during the year under review, reaffirming the strength of our governance practices and our unwavering commitment to maintaining stakeholder trust.

WAY FORWARD

The organisation's forward-looking digital strategy roadmap includes:

- Expansion of e-KYC and digital onboarding processes.
- End-to-end digital loan origination for small-ticket lending.
- Strengthening of analytics-driven credit and branch performance systems.
- Continuous enhancement of mobile-first customer journeys.

These initiatives will progressively shift the organisation towards a fully integrated digital financial services ecosystem.

Social and Relationship Capital

Social and Relationship Capital reflects the strength and depth of the connections we cultivate with our customers, suppliers, business partners and the communities that we serve. It represents the enduring partnerships we nurture.

We view each relationship as a long-term commitment that requires listening, adapting, and delivering value with integrity. By combining local insight with innovative financial solutions, we build relationships that inspire confidence and loyalty, reinforcing our role as a trusted partner in Sri Lanka's evolving economic landscape.

Key Indicators

No of Customers	Net Promoter Score	CSAT
30,940	**58%**	**89%**

Link to SDGs

Social and Relationship Capital

OUR MANAGEMENT APPROACH

Our approach to managing our Social Capital extends beyond transactional interactions; it is expressed through our commitment to financial inclusion and community empowerment. Our role is not only limited as a financial service provider, but as a catalyst for social progress particularly among underserved and emerging segments across Sri Lanka. Our approach is anchored in expanding access to financial services for micro, small, and medium enterprises, as well as individuals who may remain outside the formal financial system. The company has also invested in community-focused initiatives that address education, environmental sustainability, and social well-being.

At Janashakthi Finance PLC, customers representing individuals, entrepreneurs, and communities place their trust in us to support their financial aspirations. Our approach to customer engagement is built on accessibility, relevance, and meaningful connection, enabling us to serve as a true financial partner.

During the year under review, Janashakthi Finance PLC successfully executed a comprehensive rebranding initiative, unifying its identity across all customer touchpoints. This transformation was anchored through a series of high-impact activities including a formal press conference, staff launch, inauguration of the new corporate office, and branch rebranding across the network.

The transition was further reinforced through an integrated Above-the-Line (ATL) campaign spanning radio, television, and print media, complemented by Out-of-Home (OOH) and hoarding-based Below-the-Line (BTL) initiatives. This multi-channel approach significantly strengthened brand visibility and reinforced customer trust during a period of strategic transformation.

CUSTOMERS

Our customers sit at the very core of a finance company's purpose, encompassing individuals, entrepreneurs, and institutions who place their trust in the organisation to safeguard, grow, and enable their financial aspirations. They are not merely recipients of financial products and services, but active partners in a shared journey towards stability, growth, and long-term prosperity.

In this context, Janashakthi Finance PLC recognises its customers as a fundamental pillar of its Social and Relationship Capital. Each customer relationship represents a bond of trust that is deliberately nurtured and strengthened over time through responsible lending practices, responsive and empathetic service, and a deep understanding of evolving financial needs.

Importantly, as part of the Janashakthi Group (JXG), the Company leverages the strength, governance standards, and diversified financial expertise of the Group to further reinforce customer confidence. This association enhances institutional credibility, deepens risk discipline, and strengthens operational resilience, thereby providing customers with an added layer of assurance and trust in every engagement.

The Company acknowledges that sustainable success is defined not only by financial performance, but equally by the depth, quality, and resilience of its relationships with customers. Accordingly, every interaction is carefully designed to reinforce confidence, enhance accessibility, and deliver meaningful value that extends beyond transactional engagement.

By placing customers firmly at the centre of its strategic direction, and drawing on the strength of its Group affiliation, Janashakthi Finance PLC continues to strengthen its long-term relationship capital, ensuring that growth remains inclusive, enduring, and firmly anchored in trust, reliability, and shared progress.

Leasing
FY 2025/26 - 8,849
FY 2024/25 - 8,309

Loans and Gold Loans
FY 2025/26 - 17,821
FY 2024/25 - 17,061

Fixed and Savings Deposits
FY 2025/26 - 4,270
FY 2024/25 - 4,154

NUMBER OF CUSTOMERS

	FY 2024/25	FY 2025/26
Leasing	8,309	8,849
Loans and Gold Loans	17,061	17,821
Fixed and Savings Deposits	4,154	4,270
Total	29,524	30,940

STRENGTHENING CUSTOMER RELATIONSHIPS THROUGH SEAMLESS ENGAGEMENT

Customer onboarding and engagement remained central to the Company's efforts in strengthening Social and Relationship Capital. Recognizing that customer experience is a key driver of trust and long-term loyalty, the Company undertook a series of initiatives aimed at creating a more seamless, transparent, and responsive onboarding journey.

The Company implemented targeted digital marketing campaigns across multiple platforms, including social media channels, Google Ads, and programmatic advertising networks. These campaigns were designed with clear, action-oriented messaging and were strategically localized in Sinhala, Tamil, and English, ensuring inclusivity and cultural relevance across diverse customer segments.

The Company also strengthened its digital infrastructure by enhancing its website with an intuitive user interface and a fully integrated online lead generation system. This development significantly reduced dependency on manual processes, improved turnaround times, and enabled customers to initiate service requests with greater ease and convenience.

At the grassroots level, branch-led outreach initiatives such as town-storming campaigns were deployed to enhance community awareness and deepen local engagement. These efforts played a key role in building trust, improving brand visibility, and strengthening the Company's presence within local communities.

Frontline capability building was also prioritised, with structured training programmes conducted to enhance customer service standards, improve product understanding, and ensure consistent service delivery across all customer touchpoints. In addition, the introduction of an enhanced customer support hotline further strengthened accessibility, enabling timely resolution of queries and reinforcing customer confidence in the Company's service reliability.

Collectively, these initiatives have significantly strengthened the Company's Social and Relationship Capital by fostering deeper engagement, improving service responsiveness, and enhancing overall customer experience across multiple channels.

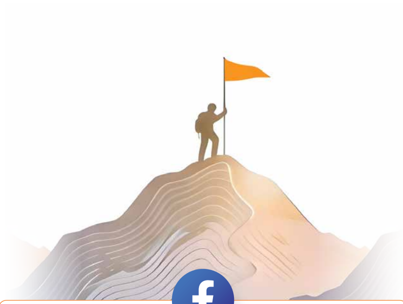
DEEPENING CUSTOMER ENGAGEMENT THROUGH MULTI-CHANNEL MARKETING

Our marketing strategy extended beyond traditional advertising to foster continuous engagement through dynamic digital and on-ground activations. Social media campaigns focused on key financial products such as Fixed Deposits and Savings, Leasing, and Micro Leasing, driving both awareness and lead generation while also supporting financial literacy among communities.

These campaigns played a dual role enhancing brand recall while encouraging informed financial decision-making. The rebranding of digital platforms further consolidated all engagement under the new brand identity, ensuring consistency and improved customer experience.

Customer engagement was further amplified through street promotions, community outreach programmes, and participation in cultural and social events such as the Nallur Festival 2025. In addition, innovative partnerships such as Toyota promotional campaigns driven through strategic MoU collaborations helped expand reach and strengthen product visibility.

Social and Relationship Capital



15.7K
Within 10 months

5,408
Within 10 months

EXPANDING REACH THROUGH AN EVOLVING BRANCH AND CHANNEL NETWORK

Janashakthi Finance PLC continued to expand its physical presence to improve accessibility and deepen financial inclusion. During the year, we opened a new branch in Kalmunai and relocated branches in Nugegoda and Ampara to enhance customer convenience and operational efficiency.

Janashakthi Finance PLC remains committed to strengthening its national presence through a carefully planned branch expansion strategy aimed at enhancing accessibility, customer engagement, and market penetration. Building on its existing network of 39 branches, the Company has sought approval from the Central Bank of Sri Lanka to further expand its geographical footprint across strategically important cities and growth corridors.

This expansion initiative reflects the Company's confidence in the long-term potential of Sri Lanka's financial services sector and its commitment to bringing financial solutions closer to customers. A wider branch network will improve visibility, strengthen brand presence, and enable the Company to reach underserved markets, while fostering deeper relationships with retail, SME, and business customers.

This expansion is supported by continued investment in branch network infrastructure and channel enhancement, strengthening our ability to serve customers closer to their communities.

ADVANCING CUSTOMER RELATIONSHIP MANAGEMENT AND TRUST BUILDING

During the year under review, the Company further reinforced its Customer Relationship Management (CRM) capabilities as a strategic enabler of long-term relationship building and customer-centric growth.

A key development was the appointment of a dedicated CRM professional to lead the function, ensuring focused oversight and structured development of customer engagement strategies. This was complemented by the successful implementation of a comprehensive CRM system, enabling the Company to better capture, manage, and analyse customer interactions across the lifecycle.

The CRM platform is designed to facilitate more personalised engagement, improve response efficiency, and enable data-driven decision-making. It also supports stronger cross-functional integration, ensuring that customer insights are effectively shared across departments to enhance service delivery and product alignment.

System enhancements undertaken during the year further strengthened CRM capabilities by improving data integrity, streamlining internal workflows, and enabling a more unified view of customer relationships. These improvements are expected to significantly enhance the Company's ability to anticipate customer needs and deliver more tailored financial solutions.

While structured customer research and formal feedback mechanisms are still in development, the Company recognises the critical importance of systematically capturing customer insights to strengthen service design and relationship management. This remains a key area of focus moving forward as part of its broader CRM maturity roadmap.

Digital transformation played a pivotal role in reshaping customer acquisition and engagement. Aligned with a digital-first strategy, Janashakthi Finance PLC is actively transforming its customer journey through enhanced technology platforms. The upcoming launch of the JF Connect mobile application will further simplify customer access and engagement, while improvements to the corporate website ensure greater accessibility and compatibility across devices.

A strengthened CRM ecosystem has been a key milestone during the year. The successful implementation of CRMS Phase 2 from April 2026 has enabled seamless integration with core systems, improved client onboarding, facility mapping, and enhanced lead management capabilities. This has significantly improved operational efficiency and data-driven decision-making.

COMPLAINT MANAGEMENT AND TRUST REINFORCEMENT

The Company maintained a proactive and structured approach to customer complaint management as an integral component of Relationship Capital. Customer grievances were addressed through established escalation and resolution mechanisms designed to ensure timely response, fairness, and transparency. The Company is moving towards a centralised complaint management model, effective April 2026, ensuring all customer complaints are managed through a single touchpoint system. This initiative is expected to enhance responsiveness, accountability, and resolution efficiency, thereby strengthening overall service quality.

This approach has contributed to reinforcing trust, enhancing accountability, and strengthening the Company's reputation as a responsible financial service provider. Continuous improvements in complaint handling processes remain a key priority, with a focus on reducing resolution times and enhancing first-contact resolution rates.

STRENGTHENING LONG-TERM SOCIAL AND RELATIONSHIP VALUE

Through its combined efforts in financial inclusion, digital transformation, customer engagement, and CRM enhancement, the Company has continued to build strong and enduring relationships with its customers and communities.

These initiatives collectively reinforce the Company's Social and Relationship Capital by:

- Expanding access to financial services in underserved regions
- Empowering women through targeted financial solutions
- Enhancing trust through improved service accessibility and responsiveness
- Strengthening engagement through digital and branch-based touchpoints
- Building a more customer-centric and data-driven organisation

The Company remains firmly committed to deepening these relationships, ensuring that its growth is anchored in trust, inclusivity, and long-term stakeholder value creation.

CUSTOMER DATA PROTECTION

At Janashakthi Finance PLC, safeguarding customer data remains a critical priority, reflecting our deep commitment to maintaining trust and confidentiality. We adopt a rigorous and disciplined approach to data protection, ensuring that all customer information is handled responsibly, securely stored, and accessed only where necessary to support legitimate business activities.

As our digital capabilities continue to expand, we have further strengthened our data protection framework through ongoing investments in advanced infrastructure, including Disaster Recovery (DR) centers and system upgrades. These enhancements reinforce the resilience, security, and continuity of our operations, enabling us to proactively mitigate risks while ensuring uninterrupted service delivery.

No reported incidents of data breaches or loss of customer information during the reporting period were recorded. This underscores our unwavering focus on upholding the highest standards of data security and responsible information management.

CUSTOMER SERVICE

Our Company continues to enhance operational efficiency and customer responsiveness through targeted investments in digital capabilities. Key initiatives include the implementation of Customer Relationship Management (CRM) systems, internal workflow platforms, and advanced loan processing solutions, alongside the development of a mobile-based customer onboarding application. Collectively, these initiatives are designed to streamline internal processes, reduce turnaround times, and deliver a faster, more seamless service experience to customers.

MEASURING ENGAGEMENT AND CUSTOMER SENTIMENT

Customer-centricity is further reinforced through continuous feedback mechanisms. During the year, Customer Satisfaction (CSAT) and Net Promoter Score (NPS) surveys recorded encouraging outcomes, with CSAT at 89% and NPS at 58%, reflecting strong customer confidence and loyalty.

Social and Relationship Capital

In parallel, a Mystery Shopper Survey initiative has been introduced to independently assess service standards and identify further opportunities for enhancement, reinforcing our commitment to excellence in customer experience.

SUPPLIERS

Our supplier ecosystem is largely service oriented and plays a critical role in enabling efficiency, compliance, innovation, and customer experience.

Key supplier groups include technology providers such as core banking systems, cybersecurity solutions, digital platforms, professional service firms, banks and institutional lenders who provide capital for lending activities. Additionally, marketing and media partners, facilities management providers all of which are local suppliers.

SUPPLIER SELECTION PROCESS

A structured and transparent approach to supplier selection through an annual tendering process is conducted at the end of each calendar year, ensuring the appointment of qualified and value-driven partners. Strengthening this process, the Company is set to introduce a fully automated system by 1 April, enabling branch-level requisitions to be efficiently processed, tracked, and monitored, thereby enhancing operational oversight and accountability.

In parallel, procurement practices are increasingly aligned with cost optimisation and environmental considerations, with a growing emphasis on reducing resource consumption and supporting sustainable outcomes. These efforts are undertaken in close coordination with the Compliance function, with ongoing discussions to further align procurement and supplier management practices with the ESG framework advocated by the Central Bank of Sri Lanka (CBSL), reinforcing the Company's commitment to responsible and forward-looking business practices.

COMMUNITY

Janashakthi Finance PLC ensures that our community-centered values are authentically embedded in everyday operations and through these interconnected efforts. Building strong, trust-based relationships that contribute meaningfully to the nation's socio-economic development are of paramount importance.

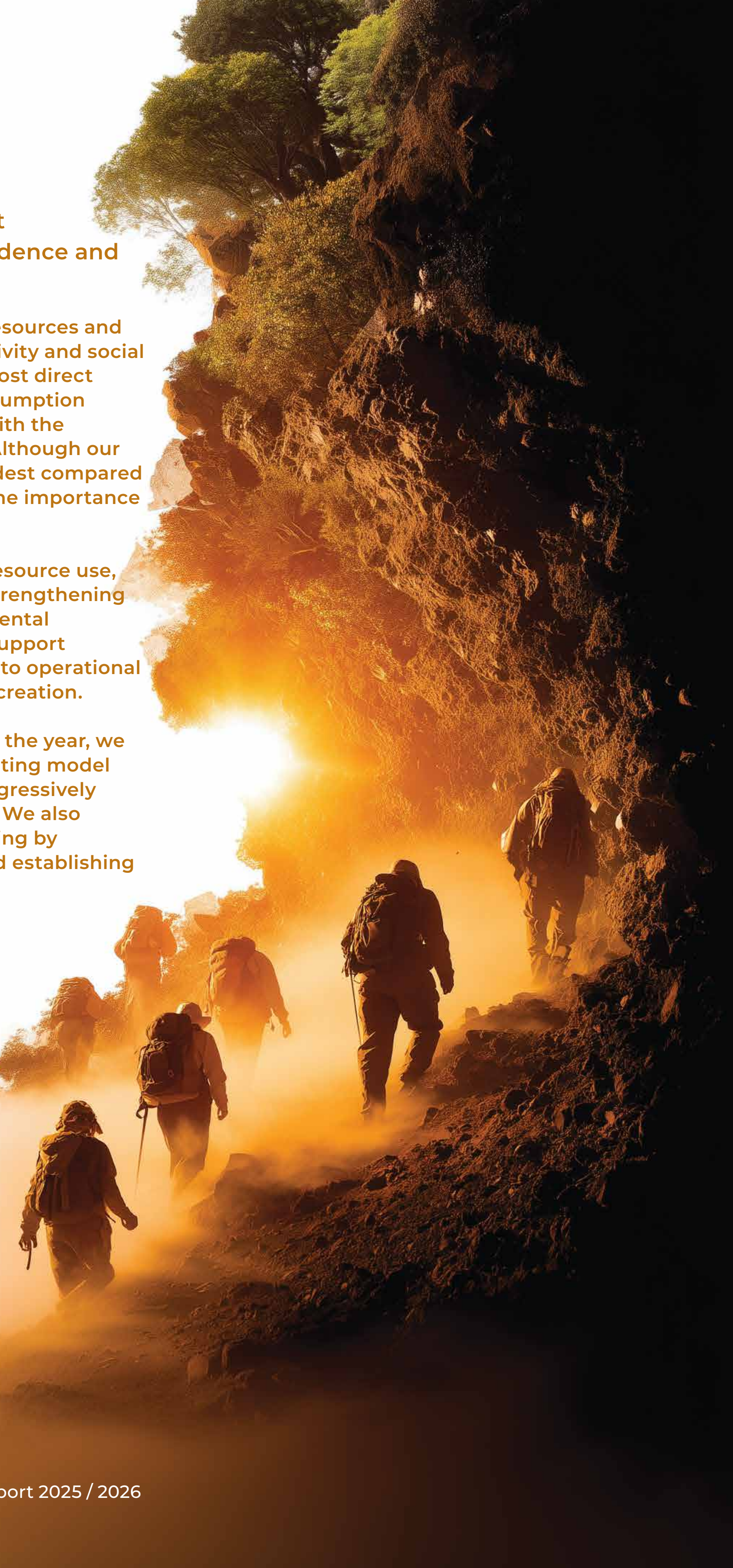
WAY FORWARD

In the year ahead, Janashakthi Finance PLC plans to relaunch its savings product with a renewed and deeper focus on customer centricity, placing evolving customer needs, preferences, and behavioural insights at the core of product design and delivery. This initiative will be strengthened through the Company's ongoing digital transformation agenda, including enhancements to its mobile application and digital onboarding capabilities, enabling customers to access, manage, and engage with savings products in a more seamless, intuitive, and real-time environment.

In parallel, the Company is investing in the advancement of its Customer Relationship Management (CRM) systems to build a more integrated, data-driven view of the customer. This will enable more personalised engagement, improved service responsiveness, and proactive lifecycle management, thereby strengthening long-term customer relationships and enhancing overall experience consistency across all touchpoints.

At the same time, the product strategy will be closely aligned with ESG principles, embedding responsible and sustainable practices into core operational areas, particularly in supplier engagement, product governance, and community impact initiatives. Through this integrated approach - combining digital enablement, customer intelligence, and sustainability principles - the Company seeks to reinforce its commitment to inclusive, responsible, and future-ready growth.

Natural Capital



Safeguarding the resources that support operational resilience, stakeholder confidence and long-term value creation.

Natural capital comprises the environmental resources and ecosystem services that support economic activity and social wellbeing. For Janashakthi Finance PLC, our most direct environmental interactions arise from the consumption of paper, electricity, water and fuel, together with the management of waste across our operations. Although our direct environmental footprint is relatively modest compared with asset-intensive industries, we recognize the importance of using these resources responsibly.

Our approach focuses on reducing avoidable resource use, expanding digital and paper-light processes, strengthening employee awareness, and improving environmental monitoring and accountability. These actions support environmental stewardship while contributing to operational efficiency, cost discipline and long-term value creation.

Building on the initiatives implemented during the year, we are working towards a more coordinated operating model in which environmental considerations are progressively incorporated into day-to-day decision-making. We also intend to strengthen measurement and reporting by validating resource-consumption baselines and establishing measurable targets for future improvement.

Desired Key Indicators

Reduction of electricity usage

- Target: 40% reduction

Reduction of paper usage

- Target: 40% reduction

Reduction of Water usage

- Target: 40% reduction

Alignment with the SDGs

7 Affordable and Clean Energy | 9 Industry, Innovation and Infrastructure | 12 Responsible Consumption and Production | 13 Climate Action

OUR MANAGEMENT APPROACH

At Janashakthi Finance PLC, our approach to natural capital is guided by responsible resource use, process improvement and continuous improvement. The Company is progressively integrating these considerations across branches, support functions and customer-facing operations while maintaining service quality and responsiveness.

Digital transformation is a key enabler of this approach. Current initiatives include the use of Office 365, paper-light loan management workflows, CRM capabilities, the Human Resources performance evaluation system and the continued expansion of digital channels. These initiatives improve operational efficiency and customer convenience while supporting the gradual reduction of paper-dependent processes.

Building on this digital progress, the Company intends to strengthen the monitoring and responsible management of paper, electricity, water, fuel and waste. Greater employee awareness, clearer accountability and improved reporting will support the Company's transition towards a more coordinated and measurable natural capital management approach.

As a financial institution with an island-wide branch network, Janashakthi Finance PLC recognizes that sustainable business practices extend beyond financial performance to include responsible environmental stewardship. Although the Company's direct environmental footprint is relatively moderate compared with industrial sectors, the scale of its operations requires a structured approach to managing paper, electricity, water, fuel and waste while progressively improving operational efficiency.

Accordingly, the Company's evolving approach to natural capital is organized around four focus areas: improving resource efficiency across operations; expanding digital and paper-light processes; strengthening environmental awareness and responsible workplace practices; and developing appropriate monitoring, accountability and measurable future targets. Through these focus areas, Janashakthi Finance PLC seeks to progressively integrate environmental considerations into its operations and support long-term sustainable value creation.

Natural Capital at a Glance

1
RESOURCE EFFICIENCY

Manage paper, electricity, water, fuel and waste with clear baselines, accountability and periodic review.

Operational control

2
DIGITAL ENABLEMENT

Use digitisation to reduce paper dependence, streamline approvals and improve customer-facing service delivery.

Paper-light processes

3
ENVIRONMENTAL CULTURE

Build awareness across branches and support functions so sustainability is embedded in everyday choices.

People and behaviour

4
FORWARD AGENDA

Translate commitments into measurable targets, better disclosures and an increasingly lower-impact operating model.

Targets and trajectory

Natural Capital

DRIVING RESOURCE EFFICIENCY ACROSS OPERATIONS

Recognizing that responsible resource use supports long-term sustainability and operational efficiency, the Company continued to implement practical measures to manage its consumption of electricity, water, paper and fuel and to reduce avoidable waste across its operations.

During the year, these measures included improving energy-use practices, monitoring facilities to identify water leakages, expanding digital and paper-light processes, encouraging the reuse of paper, and taking steps towards improved waste segregation and responsible disposal. These initiatives were intended to reduce unnecessary resource consumption while maintaining service quality and operational responsiveness.

Going forward, the Company intends to strengthen its resource-consumption baselines, monitoring arrangements and accountability mechanisms to better measure the environmental and operational benefits of these initiatives.

ACCELERATING DIGITAL ENABLEMENT AND PROCESS TRANSFORMATION

Digital transformation continued to support operational efficiency and more resource-conscious ways of working during the year. The use of Office 365, digital loan management workflows, CRM capabilities, the Human Resources performance evaluation system and the continued expansion of digital channels helped streamline processes, improve access to information and reduce reliance on paper-based activities.

These digital initiatives also supported internal processing efficiency and customer convenience. While environmental data monitoring remains an area for further development, the Company intends to use digital tools to strengthen the collection, monitoring and reporting of resource-consumption data over time.

FOSTERING AN ENVIRONMENTALLY CONSCIOUS WORKPLACE CULTURE

The Company recognizes that employee participation is important to achieving meaningful environmental progress. During the year, employees were encouraged to use resources responsibly through practical measures such as conserving energy, avoiding unnecessary paper consumption, reusing paper where possible and minimizing waste.

These measures represent initial steps towards strengthening environmental awareness across the Organisation. Looking ahead, the Company intends to formalize employee awareness, training and engagement initiatives and establish clearer accountability for responsible resource use across its branches and support functions. Through these efforts, the Company aims to progressively incorporate environmentally responsible behavior into everyday workplace practices.

STRENGTHENING ENVIRONMENTAL ACCOUNTABILITY AND FUTURE COMMITMENTS

The Company recognises that clear accountability, reliable information and appropriate oversight are important to strengthening its natural capital management approach. During the year, management focused on identifying key areas of resource consumption and considering opportunities to improve operational efficiency and environmental practices.

Looking ahead, the Company will continue to monitor consumption of key resources, including paper, electricity, water and fuel, against baselines established based on historical consumption trends. Clear responsibilities for data collection and monitoring will support the consistent tracking of resource use and progress against the Company's established reduction targets for priority resource categories. These efforts will enable the Company to identify opportunities for improved resource efficiency and strengthen its overall sustainability performance. The Company also plans to progressively incorporate relevant environmental considerations into its planning and operational decision-making.

Over time, these measures are expected to improve transparency, performance measurement and alignment with evolving ESG and sustainability-reporting expectations. Through a more structured and measurable approach, the Company aims to support responsible operations and long-term value creation for its stakeholders.

KEY INDICATORS

Indicator	FY2025/26 value	Desired trend	Management commentary
Paper usage	2,400 Packets	Reduction of paper heavy workflows by placing reliance on technology, core banking system.	On boarding and optimizing the capabilities of our core banking system, move to digital workflows and minimize manual intervention.
Electricity usage	760,254 kWh	Manage / reduce intensity	Improved energy efficiency, reduced operating costs and lower carbon emissions across our operations.
Water usage	9,910 m^3	Manage	Use concise commentary focused on stewardship and avoiding wastage.
Fuel usage	3,000 liters (Approx.)	Manage / reduce	Link to travel discipline, operational efficiency and emissions awareness.
Waste / recycling	Not measured	Improve	The Company plans to introduce designated waste-segregation bins and arrange for segregated paper waste to be directed to authorized disposal and recycling institutions.
Digital transactions / paperless processes	Implementation in progress; no quantified KPI established	Introducing a digital platform to record repairs and monitor, moving accounts payable -general to the core system to minimize manual workflows	Optimize core banking system capabilities and moving to digital work flows specially in inventory management, branch network repair monitoring.
Awareness or community environmental actions	No quantified KPI established	Formalize awareness and good-housekeeping programs and introduce appropriate monitoring	Employees are encouraged to conserve energy, avoid unnecessary paper consumption, reuse paper where possible and minimize waste. The Company intends to formalize environmental awareness and engagement initiatives across branches and support functions.

Natural Capital

ESG ALIGNMENT AND WAY FORWARD

Aligned with the broader ESG direction of the Janashakthi Group, the Company supports Group-wide sustainability initiatives and is progressively strengthening the consideration of environmental matters within its operations and reporting.

During the year, the Company focused on practical measures to encourage responsible use of electricity, water, paper and fuel, expand digital and paper-light processes, and improve waste-management practices. These efforts complement the Company's broader commitment to Corporate Social Responsibility, ethical business conduct and the delivery of responsible financial services.

Looking ahead, Janashakthi Finance PLC intends to strengthen its environmental management approach by validating resource-consumption baselines, establishing measurable targets, assigning clear accountability and improving monitoring and reporting. These measures will support the Company's gradual alignment with evolving ESG and sustainability-reporting expectations.

WAY FORWARD

within 12 months

SHORT TERM

Establish the Baseline

- Validate a baseline for paper, electricity, water and fuel usage.
- Assign ownership for monthly monitoring and data collection across functions and branches.
- Strengthen annual report disclosures with clear environmental metrics and management commentary.

one to three years

MEDIUM TERM

Translate Intention into Programmes

- Set reduction targets and intensity indicators for priority resource categories.
- Formalise awareness, recycling and good-housekeeping programmes.
- Assess renewable energy and other efficiency-led operating opportunities.

more than three years

LONG TERM

Institutionalise Progress

- Embed environmental KPIs into management dashboards and performance review processes.
- Progress towards a lower-impact operating model supported by data, controls and continuous monitoring.
- Deepen alignment with evolving ESG, climate and sustainability reporting expectations.

CORPORATE GOVERNANCE

TRUST THAT SECURES STRENGTH

Strength anchored in trust, safeguarded by discipline

Trust is the foundation that secures every ascent. Our governance framework reinforces strength through integrity, accountability, and transparency embedded in every decision.

It is the discipline that protects progress ensuring that as we rise, we do so with unwavering trust and institutional strength.

Board of Directors

Left to right

Rajendra Theagarajah, Prakash Anand Schaffter, Sriyan Cooray, Darshana Ratnayake

Left to right

Nalin Karunaratne, Manohari Abeysekera, Sandamali Chandrasekara, Daniel Alphonsus

Board of Directors Profiles

RAJENDRA THEAGARAJAH

CHAIRMAN/NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Rajendra Theagarajah is a Fellow Member of the Chartered Institute of Management Accountants, UK, a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a Master of Business Administration from Cranfield School of Management, UK.

A veteran banker, Theagarajah had a highly successful career in banking both in the United Kingdom and Sri Lanka.

During his 37 year career, he spent the last 16 years as the CEO of three licensed commercial banks in Sri Lanka and made significant contributions towards policy advocacy issues such as the Corporate Governance Framework for Banks, Basel III adoption and Fair Value Accounting by Banks, Financial Inclusion and more recently development of FinTech Sandbox framework for Banks. During this period he chaired the Sri Lanka Banks Association, the Asian Banks Association and Lanka Financial Services Bureau.

He also served on the boards of Lanka Clear and Colombo Stock Exchange, American Chamber of Commerce, Sri Lanka Institute of Directors and as Chairman of Ceylon Chamber of Commerce (2017-19).

He currently serves on the Boards of Siam City, Sri Lanka (Pvt) Ltd, Professional Insurance Corporation of Zambia, Chairman and is is an Independent Non-Executive Director of First Capital Holdings PLC, Chairman of Janashakthi Finance PLC, Payable Pvt Limited and Chairman of the Board of Trustees of Colours of Courage Limited. In 2016, he walked 674 kilometers across Sri Lanka (from Point Pedro to Dondra) as part of an awareness and fund raising campaign for cancer care.

In 2022, he received the title “Chairman Emeritus” of The Asian Banks Association for his outstanding contribution.

Theagarajah is also a Senior Visiting Fellow of the Pathfinder Foundation, a leading think tank in Sri Lanka. Mr. Rajendra Theagarajah was appointed as the Chairman of the Company with effect from 27 April 2022.

SRIYAN COORAY

SENIOR DIRECTOR/INDEPENDENT NON-EXECUTIVE DIRECTOR

Sriyan Cooray currently serves as an Independent Non- Executive Director on the Board of the National Development Bank PLC and was appointed as the Chair Board of Directors from 1 June 2022. He is a Fellow Member of the Chartered Institute of Management Accountants of the UK. An accomplished banker with 28 years of experience at HSBC, Cooray has served in a wide range of areas ranging from Finance, Operations, Compliance, Administration and Retail Banking at HSBC and retired from HSBC – Sri Lanka and Maldives as the Chief Operating Officer in May 2018. Whilst at HSBC, Cooray has also served on its Executive Committee for 25 years, a member of the Board of Trustees of the HSBC Provident and Pension Fund, Assets and Liabilities Committee, Human Resource Policy Review Committee, HSBC’s IT Steering Committee and Chaired the Management Committee which comprised the Bank’s second tier management.

Cooray acted as the Bank’s CEO on numerous occasions in the last 15 years of his banking career with HSBC. He has gained a wealth of expertise from the widespread executive development programs offered by the HSBC Group. From an industry perspective, he Chaired the industry-level Banking Technical Advisory Committee in 2015/2016 as a Sub-Committee of the Sri Lanka Bankers Association.

Prior to joining HSBC, Cooray has also been a part of Speville M & W Ltd., in the capacity of Financial Controller from 1987 – 1990 and prior to that he was engaged with KPMG Ford Rhodes Thornton & Company, Chartered Accountants. Cooray has represented Sri Lanka in rugby.

PRAKASH SCHAFFTER

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Prakash Schaffter currently serves as the Executive Deputy Chairman of Janashakthi Insurance PLC and Deputy Chairman of Janashakthi Group (JXG). In 2006, he assumed the role of Managing Director at Janashakthi Insurance and played a pivotal role in the acquisition of the non-life segment of AIA Insurance Sri Lanka in 2015. This strategic move propelled Janashakthi Insurance to consolidate its position as the third-largest insurer in Sri Lanka. In 2018, he led the divestment project of

Janashakthi's non-life segment and was appointed as Chairman the same year.

Prakash is an alumnus of the University of Cambridge in the UK and also the University of London. He has previously served as President of the Insurance Association of Sri Lanka and has made significant contributions to the business sector as a former member of the Council of the Sri Lanka Institute of Directors (SLID). He currently serves on the boards of several listed and unlisted entities. He is also one of the youngest ever to qualify as a Fellow Member of the Chartered Insurance Institute. Additionally, he has held the position of President of the Young Presidents' Organization of Sri Lanka.

A former first-class cricketer, Prakash represented both the University of Cambridge and the University of London during his cricketing career. He has also served as President and Secretary of the Tamil Union Cricket and Athletic Club. Furthermore, Prakash has extensive experience in sports administration, having served as a member of the Executive Committee of Sri Lanka Cricket on multiple occasions, including the role of Secretary as part of Interim Committees appointed by the Government.

DARSHANA RATNAYAKE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Darshana Ratnayake possesses over 31 years of experience as a Banker of which the last 7 years was as a member of the Corporate Management of two banks namely, NDB Bank and Cargills Bank. His immediate past appointment had been as the Chief Commercial Officer of Cargills Bank where he headed the SME and Retail Banking portfolios as well as the marketing aspects of the Bank.

Prior to that, Ratnayake had been at Senior Management level for 3 years. He possesses a Certificate in Finance from the Institute of Financial Services - UK, MBA from the University of Wales – UK and a Certificate in SME Lending from Omega Institute, IFC. He is well versed in all areas of Banking especially Retail, Agri Microfinance, Corporate and SME credit. He has been an integral part of critical committees of Banks including ALCO and Strategic Committees, Credit Committees and HR Committees.

Ratnayake has a proven track record in private and priority banking, sales team management and setting up and managing credit facilities. He has also been at the forefront of technology and payment strategies at several banks. He has extensive experience in bank branch network management. He also possesses international qualifications in SME credit evaluation and credit risk management. He counts Human Resources Management as a core competency. Ratnayake served as Director of NDB Wealth Management (Pvt) Ltd. He is also the Director of Corporate Affairs at Kings Hospital Colombo Pvt Ltd.

NALIN B. KARUNARATNE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nalin B. Karunaratne is the Director/ CEO of Ceylon Biscuits Limited and CBL Exports (Pvt) Limited. Furthermore, he represents the Director Board of Plenty Foods India LLP, CBL Foods International (Pvt) Limited, Ceylon Biscuits Bangladesh (Pvt) Limited and the Export Development Board – Sri Lanka.

Karunaratne is a Fellow of The Chartered Institute of Marketing (CIM, UK) & a Fellow & CGMA member of The Chartered Institute of Management Accountants (CIMA, UK). He is also a council member of the Employees' Federation of Ceylon. He received his executive education from IMD Business School, Switzerland, and Asian Institute of Management, Manila.

Before taking up his current position, he has previously held the positions as Commercial Director and EXCO member of Lafarge Holcim (Lanka) Limited, General Manager of Sales of Akzo Nobel Paints (Lanka) Limited, Head of Marketing at Reckitt Benckiser and marketing positions at ICL and Darley Butler.

Board of Directors Profiles

MANOHARI PRASADINI ABEYESEKERA

INDEPENDENT NON-EXECUTIVE DIRECTOR

An Alumna of KPMG, Abeyesekera is a Fellow of Chartered Institute of Management Accountants UK (CIMA-UK) and the Institute of Chartered Accountants of Sri Lanka with 25+ years post qualifying experience serving in leadership C- Suite Executive positions in both private and state sector.

She read for a B.Sc. degree in Biological Sciences from University of Colombo with First Class Honours and a MBA degree from University of Colombo topping the batch winning three gold medals. A prize winner at CIMA Finals - Strategic Financial Management, Abeyesekera was adjudged as CIMA Young Star (Silver) by CIMA Sri Lanka Janashakthi Pinnacle Awards held in 2004.

Abeyesekera serves as an Independent Non-Executive Director in the Boards of The Lighthouse Hotel PLC, HNB Stockbrokers (Pvt.) Ltd, as a Council Member of the Sri Lanka Institute of Directors (SLID) and Independent Non-Executive Director at Metropolitan Holdings (Pvt.) Ltd.

She served a three year term as a Global Council Member of CIMA UK (June 2021- June 2024) and a Board Member of Sri Lanka Accounting and Auditing Standards Monitoring Board (SLASSMB) from March 2022- March 2024.

Abeyesekera completed a three-year Board stint in January 2023 as an Independent Non-Executive Director/ Chairperson of the Audit Committee of the National Savings Bank (NSB), which is Sri Lanka's largest State-owned Savings Bank and its fully-owned subsidiary NSB Fund Management.

Previously, Abeyesekera served the Hayleys Group, in multiple leadership roles in her 18-year stint (Year 2002-2020). She served Hayleys PLC as the Head – Strategic Business Development carrying out acquisitions for the Group. In May 2019, she was seconded as the Director – Strategy & Business Development at Fentons Limited, the engineering arm of Hayleys Group.

She also served as a Director Hayleys Group Services (Pvt.) Ltd, the Group's Company Secretarial arm from year 2012 - 2020. Abeyesekera joined the Board of Janashakthi Finance PLC with effect from 26 March 2024.

SANDAMALI CHANDRASEKERA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Sandamali Chandrasekera is an Attorney-at-Law and accomplished strategic leader with over 20 years of experience in legal practice, corporate governance, investment structuring, public sector engagement, and commercial strategy. She possesses a distinguished track record in advising and leading complex commercial, regulatory, and institutional initiatives across both the private and public sectors.

Chandrasekera presently functions as the Chief Operating Officer of Praxis Magnus Strategies, while continuing her longstanding practice as an Attorney-at-Law. Her professional experience spans strategic advisory, institutional transformation, governance, regulatory navigation, stakeholder management, and investment facilitation.

Chandrasekera currently serves as an Independent Non-Executive Director of Janashakthi Finance PLC, where she contributes strategic oversight in the areas of governance, risk management, regulatory compliance, and financial stewardship. She also chairs the Related Party Transactions Committee and serves on key Board Committees, including the Board Credit Committee.

In her executive career, Chandrasekera has held senior leadership positions within leading Sri Lankan corporates and state institutions. She served as Director – Corporate Affairs & Legal at The Capital Maharaja Organisation Limited, where she played a leading role in foreign direct investment structuring, regulatory advisory, commercial negotiations, governance frameworks, and strategic stakeholder engagement across diversified business sectors.

She also served as Chairperson of Lanka Sugar Company (Pvt) Ltd, providing strategic leadership to the state-owned enterprise during a critical phase of financial and operational transformation. Her leadership focused on revenue generation, sectoral reform, stakeholder alignment, sustainability initiatives, and community impact benefiting thousands of farming families and rural communities.

As a practicing Attorney-at-Law for over two decades, Ms. Chandrasekera has advised corporates, institutions, and public sector entities on commercial law, constitutional law, governance, compliance, restructuring, policy reform, and complex litigation matters. She has represented clients in superior courts on matters involving regulatory frameworks, statutory interpretation, and institutional governance.

She holds a Master of Laws (LL.M.) in Public Law from the University of Colombo and is also a Registered Company Secretary and Notary Public.

DANIEL NIRANJAN ALPHONSUS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Daniel Alphonsus led Daraz's payments, financial services, and digital goods verticals across South Asia. He also served on a number of Sri Lankan government economic reform committees. Previously, he was an economic adviser to Sri Lanka's finance ministry, and also worked at Sri Lanka's foreign ministry and Verité Research. He has a degree in philosophy, politics, and economics from Balliol College, Oxford, and public policy from the Harvard Kennedy School, where he was a Fulbright Scholar.

Alphonsus serves on the Board's Integrated Risk Management Committee, Investment Committee, and Nominations and Governance Committee.

Corporate Management

Sithambaram Sri Ganendran
Chief Executive Officer

Ivon Brohier
Chief Financial Officer
Appointed w.e.f. 18 August 2026

Saminda Ratnayake
Head of Channels

Dhanuka Tharanga Perera
Head of Gold Loan

Duminda Wijewardana
Assistant General Manager
Recoveries

Prabath De Silva
Head of Credit Administration &
Operations

Gayani Godellawatte
Assistant General Manager
Compliance

Chatura Kulatilaka
Assistant General Manager
Information Technology

Thushara Ranathunga
Chief Internal Auditor

Saman Dharmapala
Head of Legal

Sachinthani Meeriyagalla
Head of Human Resource

Dharana Korale Arachchi
Head of Marketing

Mario Fonseka
Senior Manager Administration

Company Secretary

Ayesha Jeewanti Kodikara
Company Secretary

Senior Management

Ajith Nilantha Edirisinghe
Senior Manager
Credit Risk Administration

Hashani Jayasrini Tennakoon
Senior Manager
Fund Mobilization

Niroshan Wijayawardhane
Senior Manager
Gold Loan

Charith Wishmila
Senior Manager
Credit Administration

Regional Management

Thushara Silva
Metro 01 Region

D Ruchira S Perera
Central 01 Region

Suranga Rajapaksha
Uva Region

D A Sanath
Central 02 Region

M A M Masoordeen
Northern 01 & 02 Regions

G R I Mahindapala
North Western Region

Corporate Governance

OVERVIEW

Corporate governance is paramount for finance companies, serving as the foundational framework that ensures transparency, accountability and ethical conduct in their operations. Considering the fiduciary responsibilities inherent in financial services, robust corporate governance structures are essential to maintain public trust and confidence. By implementing effective governance practices, finance companies can mitigate risks, ensure proper internal controls are in place and promote long-term sustainability. Moreover, strong corporate governance enhances a company's reputation, potentially leading to improved access to capital and favourable financing conditions. In an industry where credibility is crucial, adherence to sound governance principles not only ensures compliance with regulatory requirements but also fosters a culture of integrity and responsibility, ultimately contributing to the overall stability and efficiency of the financial system.

At Janashakthi Finance PLC, we recognise that robust corporate governance is fundamental to our enduring success and the cultivation of trust among our stakeholders. Corporate governance is pivotal to all activities undertaken by the Company. Our governance framework that has been approved by the Board of Directors is meticulously designed to ensure transparency, accountability and ethical conduct across all facets of our operations meeting the regulatory requirements and encompasses best practices in the financial sector.

In terms of the governance framework of Janashakthi Finance PLC (JFPLC), the Board of Directors plays a key role in this structure, steering the Company towards strategic objectives while upholding the highest standards of integrity. By diligently adhering to statutory requirements and embracing best practices, we not only comply with regulatory mandates but also demonstrate our unwavering commitment to fostering a culture of excellence and responsibility. This dedication positions JFPLC as a trusted and resilient entity in the financial landscape. The Board sets strategic direction, establishing corporate values and defining the Company's risk appetite. Their stewardship ensures that the organisation operates within the ambit of applicable laws and regulatory frameworks, notably the Companies Act No. 07 of 2007 and the Finance Business Act No. 42 of 2011. This adherence is further reinforced by compliance with directives such as the Finance Companies (Corporate Governance) Direction No. 05 of 2021 issued by the Central Bank of Sri Lanka, and the Listing Rules on Corporate Governance promulgated by the Colombo Stock Exchange.

Janashakthi Finance PLC's commitment to exemplary governance is manifested through a comprehensive suite of Board-approved policies that permeate all operational facets. These internal controls are meticulously designed to ensure compliance with statutory mandates and to uphold the highest standards of corporate conduct. By integrating these governance practices into its operational ethos, JFPLC not only aligns with legal requirements but also exemplifies best practices, thereby contributing to the cultivation of a sustainable and resilient corporate environment.

The Company ensures compliance with the mandatory governance requirements enumerated in the Finance Business Act Direction No. 05 on Corporate Governance and CSE Rules on Corporate Governance (Section 9).

In addition, JFPLC voluntarily aligns its governance practices with the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka. This proactive approach underscores the Company's dedication to exceeding standard compliance, reflecting a commitment to leadership in corporate governance within the financial sector.

Furthermore, the Board has established various sub-committees that have been delegated relevant functions including the sub-committees required under regulation. They include the Board Audit Committee, Integrated Risk Management Committee, Nomination & Governance Committee, Human Resource & Remuneration Committee and Related Party Transactions Review Committees. These committees report to the Board of Directors and operate under clearly defined charters, ensuring focused oversight and reinforcing the Board's effectiveness in maintaining rigorous governance standards.

The Board approves the strategic direction for the Company, with measurable targets, for the next three years, steering the Company towards its chosen pathway. The achievement of the strategic plan objectives are measured at defined frequencies, ensuring that the management is following in the chartered path.

The Company's culture is based on the corporate values and the Board sets the tone in establishing the values and the culture, including sustainable business practices.

The table below demonstrates how the Company has complied with the Finance Business Act Direction No. 5 of 2021 on Corporate Governance.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
1.1	**Overall responsibility**	
		The Board assumed overall responsibility and accountability for the operations of the Company by setting up the strategic direction, Governance Framework, establishing corporate culture, driving corporate values and ensuring that the Company was in compliance with all regulatory requirements to drive the organization into a sustainable future. A five year strategic plan has been approved. The Board drives the governance framework for the Company as outlined in the Corporate Governance Framework of the Company, which has been approved by the Board of Directors.
1.2	**Business Strategy and Governance Framework**	
a)	Approving and overseeing the implementation of strategic objectives and overall business strategy for next three years	The Board provides leadership, in approving and overseeing the implementation of strategic objectives and overall business strategy of the Company taking into account the external environment and internal capacities. The Board also ensures that the necessary financial and human resources are in place for the Company to meet its objectives. The Company's Vision and Mission have served as the foundation for developing Board-approved strategic objectives and corporate values, which have been effectively communicated across the organization. The Board is committed to ensuring that the Company fulfills its responsibilities to shareholders and other stakeholders by ensuring their expectations are comprehended and fulfilled. The Company has established a strategic plan covering five years, which outlines the strategy including liquidity and capital management and direction of the Company for the period, which has been approved by the Board. The strategic plan has been communicated to all Directors, Senior Management and staff, as relevant, across the Company and adherence of milestones as per strategy is monitored by the Management and updated to the Board.
b)	Approving and implementing Governance Framework	The Board-approved Governance Framework is in place which is in line with the Company's size, complexity, business strategy and regulatory requirements. The Corporate Governance Framework sets out the governance practices that the Company will adopt in operating as a responsible corporate entity.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
c)	Periodic assessment of the effectiveness of Governance Framework	The effectiveness of the Governance Framework is periodically assessed. Such reports are submitted to the Board Nominations & Governance Committee and any deviations highlighted to the Board Integrated Risk Management Committee.
d)	Appointing the Chairperson and the CEO and define the roles and responsibilities	The Board has appointed the Chairperson of the Board and the CEO. Board-approved roles and responsibilities are available for the Chairman and the CEO.
1.3	**Corporate Culture and Values**	
a)	Ensuring that there is a sound corporate culture within the company which reinforce ethical, prudent and professional behavior	The Company's corporate culture encourages ethical, prudent and professional behavior of employees of the Company, in line with the corporate values. The corporate culture is enforced by various policies, procedures and processes such as HR Policy, Code of Conduct, Whistleblower Policy, Stakeholder Communication Policy, Customer Complaints Handling Policy, Conflict of Interest Policy, etc. that are in place to strengthen the corporate culture which encourage ethical, prudent and professional conduct.
b)	Playing a lead role in establishing the corporate culture and values, developing a code of conduct and managing conflicts of interest	The Board plays a pivotal role in establishing a Board-approved Code of Conduct for the employees and the Board. Conflicts of interest are addressed in such Code of Conduct.
c)	Promoting sustainable finance	Environmental, Social and Governance (ESG) factors are integrated into the Company's overall strategy, decision-making processes, and risk management. Importantly Board ensures that the Company's actions contribute to sustainable growth and long-term value creation.
d)	Approving the policy of communication with all stakeholders	A Board-approved Corporate Communication policy with all stakeholder including shareholders, depositors, borrowers and other creditors is in place.
1.4	**Risk Appetite, Risk Management and Internal Controls**	
	a) Establish and review Risk Appetite Statement aligned with business strategy	The Risk Appetite Statement of the Company has been drawn up taking into consideration the Company's business Strategy. The Board has reviewed and approved such Risk Appetite Statement.
	b) Ensure effective risk management systems and controls	Risk management is an integral component of the operations of the Company. Sound risk management systems and controls have been established in all aspects of operations.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
	c) Periodically assess internal control and management information systems	The effectiveness of internal controls are regularly assessed through internal audits and the Board reviews such reports.
	d) Approve and oversee business continuity and disaster recovery plans	The Board has approved the Business Continuity Plan and the disaster recovery plans for the Company.
1.5	**Board Commitment and Competency**	
a)	Devoting sufficient time on matters relating to affairs of the Company	The Board of Directors devote sufficient time on dealing with the matters relating to affairs of the Company. The Board meets on monthly intervals and in addition, as and when necessary. Board Sub Committees meet at quarterly intervals or more frequently, as required. The Board members review the matters submitted for its approval and call for additional information as and when required.
b)	Qualifications, skills, knowledge, and experience of Board of Directors	Appointments to the Board are recommended by the Board Nomination and Governance Committee. The Directors possess necessary qualifications, adequate skills, knowledge and experience in various areas relating to business and finance, contributing to the performance of the Company. Please refer the detailed profiles of the Board of Directors and their skills and knowledge on pages 84 to 87.
c)	Training and development needs of the Board of Directors shall be reviewed by Board	The Board reviews its training and development needs through Board's annual performance evaluation.
d)	Board shall adopt a scheme of self-assessment of the individual Directors, the Board as a whole, its Sub Committees and maintain a record of such assessments.	Annual self-assessments are performed at the end of each financial year which cover individual performance of each Director, performance of Board as a whole and of Board Sub Committees. Records of such assessments are maintained.
e)	Board shall resolve to obtain external independent professional advice to the Board to discharge duties to the Company.	A Board-approved procedure is in place for Directors to obtain independent professional advice where necessary at Company's expenses to discharge their duties.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
1.6	**Oversight of Senior Management**	
a)	Identifying and designating Senior Management	The staff that can significantly influence the Company's policies, direct activities, exercise control over business operations and risk management, are identified by the Board and designated as Senior Management of the Company in line with the Direction on Corporate Governance
b)	Areas of authority and key responsibilities for the Senior Management	Accountability and responsibility are delegated to Senior Management officers through their respective Job Descriptions (JD), Board-approved policies and procedures. These areas are monitored by the Board on a regular basis.
c)	Qualifications, skills, experience and knowledge of Senior Management	The Company adopts a stringent procedure in recruiting all Senior Management position as described in the HR Policy. Predefined qualifications, skills, knowledge and experience are stated in the respective JDs. Independent roles related recruitments are referred to the respective Sub-Committee for their inputs. The approval for relevant senior management is obtained from CBSL in line with relevant regulations. All the Senior Management personnel possess necessary qualifications, skill, experience and knowledge to perform their functions.
d)	Oversight of the affairs of the Company by Senior Management	Oversight over the affairs of the Company is exercised by the Chief Executive Officer along with the Senior Management.
e)	Ensuring the Company has a succession plan for Senior Management	A Board-approved succession plan is available for Senior Management and key positions within the Company.
f)	Regular meetings with Senior Management to review policies and monitor the progress	Senior Management personnel make regular presentations to the Board and Board Sub-Committees on matters under their purview and the Board/Directors provide advice/guidance on same.
1.7	**Adherence to the Existing Legal Framework**	
a)	Ensuring that the Company does not act in a manner that is detrimental or prejudicial to the interests and obligations to stakeholders	Well-established systems and controls are in place for the Board to ensure that the Company carries out its activities to the best interest of and obligations to depositors, shareholders and other stakeholders. The Board affirms that the Company has not acted in a manner that is detrimental to the interest of and obligations to any stakeholder.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
b)	Compliance with relevant laws, regulations, directions and ethical standards.	A fully fledged, independent Compliance Department has been established to ensure that the Company carries out its activities in adherence to the relevant laws, regulations, Directions and ethical standards. The Compliance Division acts as the second line of defense in ensuring that the regulatory requirements are disseminated to the operational units for compliance. Procedures are in place to obtain periodic assurance by the Board and the Board affirms that the Company adheres to relevant laws, regulations, Directions and ethical standards in its operations.
c)	Acting with due care and prudence, and with integrity and avoid potential civil and criminal liabilities that may arise from Board's failure to discharge the duties diligently	The Board of Directors act with due care, prudence and with integrity to drive the Company towards sustainable growth.
2. GOVERNANCE FRAMEWORK		
2.1	Development of a Governance Framework in line with the Direction.	The Board has developed and implemented a comprehensive Governance Framework which is in line with the CBSL Direction on Corporate Governance, other applicable regulatory requirements and best practice.
3. COMPOSITION OF THE BOARD		
3.1	Ensuring the Board composition ensures a balance of skills and experience as appropriate for the size, complexity and risk profile of the company	Appointments to the Board are recommended by the Board Nomination and Governance Committee. The nominations to the Board are evaluated with due reference to the size, complexity, risk profile and the strategic direction of the Company. The Directors who are Non-Executive Directors are eminent persons with necessary qualifications, adequate skills and knowledge, expertise and experience to bring an independent judgment and their detailed profiles are on pages 84 to 87.
3.2	Number of Directors on the Board shall not be less than 07 and not more than 13	As at 31 March 2026, the Board of Directors comprised of eight (08) members which is within the statutory limit required by the Direction. All the Directors were Non-Executive Directors.
3.3	Service Period of Non-Executive Directors other than CEO/ Executive Director shall not exceed 09 years	The Service period of any of the Non-Executive Directors did not exceed 9 years and was within the requirement of this Direction. The Director representing the major shareholder has received regulatory approval to continue as a Director representing the shareholders, in line with the Regulation.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
3.4	Service period of Non-Executive Directors who holds 10% direct or indirect holding of the Company	Regulatory approval has been obtained for the Non-Executive Director representing the major shareholder to continue as a Non-Executive Director.
3.5	**Executive Directors**	
a)	Only an employee of the Company shall be appointed, elected or nominated as an Executive Director, provided that number of Executive Director shall not exceed 1/3 of the number of directors of the Board	As at 31.03.2026, there were no Executive Directors on the Board.
b)	Shareholders who directly or indirectly hold more than 10% of the voting rights of Company, shall not be appointed as the Executive Director or as senior management	There were no Executive Directors and the Senior Management holding any voting rights of the Company, thus fulfilling the requirements of the Direction.
c)	One of the Executive Directors shall be appointed as MD/CEO	There were no Executive Directors as at 31.03.2026.
d)	Availability of Functional reporting lines of Executive Directors	There were no Executive Directors as at 31.03.2026.
e)	Executive Directors are required to report to the Board of Directors	There were no Executive Directors as at 31.03.2026.
f)	Executive Directors shall refrain from holding Executive Directorships and Senior Management positions of another entity.	Not applicable. There were no Executive Directors as at 31.03.2026.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
3.6	**Non-Executive Directors**	
a)	Non-Executive Directors shall have skills, experience and credible track records	All appointments to the Board are evaluated by the Board Nomination and Governance Committee, which ensures a balance in skills, experience and credible track record. Directors, including Non-Executive Directors are eminent persons who possess credible track records and have the necessary knowledge, skills, expertise and experience to bring an independent judgment on the issues of strategy, performance, resources and standards of business conducts. Please refer detailed profiles of the Board on pages 84 to 87.
b)	A Non-Executive Director cannot be appointed as the CEO/ Executive Director	No Non-Executive Director has been appointed or functioned as CEO or Executive Director of the Company.
3.7	**Independent Directors**	
a)	Minimum number of Independent Directors of Board shall be at least 03 or 1/3 of the total numbers of directors, whichever is higher	Six (06) out of the eight (08) Directors are Independent Directors which is within the requirement of this direction
b)	Independent Directors shall have sufficient qualifications and experience	The Independent Non-Executive Directors of the Company have a diverse range of skills & experience which enables them to provide valuable insights, independent judgment, and constructively guide the executive management. The Non-Executive Directors' extensive professional backgrounds and experience in different sectors strengthen the Board's ability to navigate complex challenges, anticipate emerging trends, and drive the Company's long-term success while upholding the highest standards of Corporate Governance. The Board Members' detailed profiles are on pages 84 to 87.
c)	As outlined in the Direction, criteria of Independence of Directors shall be considered	The independence of the Directors is evaluated annually based on the Directors' self-declarations. The criteria defined in this direction are taken into consideration when evaluating the independence of each Non-Executive Director.
d)	Determining any other factors affecting to the independence of the Directors	The Nomination and Governance Committee and the Board assess whether there are any circumstances or relationships, beyond those specified in the direction, that could potentially influence the independence of a Director. However, no such circumstances were determined during the year.

Corporate Governance

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
e)	Immediate disclosure of circumstances that affect the independence of the Directors	A process is in place to disclose immediately to the Board on any change in circumstance that may affect the independence of an Independent Non-Executive Director. No such changes were reported to the Board during the year
3.8	Alternate Directors	No alternate directors have been appointed
3.9	**Cooling off Periods**	
a)	Cooling off period for Directors - There shall be a cooling off period of 06 months prior to appointment of any person as a director who was previously employed as a CEO/Director of another LFC. If any variation, LFC shall have a prior approval of Monetary Board	Board Nomination and Governance Committee monitors the requirement of cooling off period as per this direction.
b)	Cooling off period for Independent Directors - A director who fulfills the criteria to become an independent director shall only be considered for such appointment after a cooling off period of 01 year if such director has been previously considered as non independent under the provision of this Direction.	Board Nomination Committee and the Board monitor the requirement of cooling off period as per this direction. No Independent Directors were appointed during the year.
3.10	Common Directorships - Appointment of a Director or a KRP of the Company as a Director of another LFC is prohibited except in the circumstances given	No Director or KRP of the Company has been appointed as a Director of another LFC.
3.11	Limit on holding Directorships by a Director of the Company	No Director holds Directorships or any equivalent positions in more than 20 companies/ societies, bodies including subsidiaries of the Company

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
4. ASSESSMENT OF FIT AND PROPER CRITERIA		
4.1	No person shall be nominated, elected or appointed as a director of LFC or continue as a director unless approved as a KRP as per the Direction on Assessment of fitness and propriety	Approval for all Directors have been obtained in terms of the Direction on Assessment of Fitness and Propriety of Directors and are also assessed annually in terms of the requirements of the Finance Business Act Direction No. 06 of 2021, Assessment of Fitness and Propriety of Key Responsible Persons.
4.2	Person over the age of 70 years shall not serve as a director of LFC	There are no Directors over the age of 70 years on the Board. As per the Company's Framework of Corporate Governance, a Non-Executive Director shall retire upon reaching 70 years of age.
5. APPOINTMENT AND RESIGNATION OF DIRECTORS AND SENIOR MANAGEMENT		
5.1	The appointments, resignations or removals of Directors and Senior Management shall be made in accordance with Finance Business Act Direction on Fitness and Propriety of Key Responsible Persons	All the appointments and resignations to the Board and Senior Management are made in accordance with the applicable regulations on Fitness and Propriety of Key Responsible Persons.
6. THE CHAIRPERSON AND THE CHIEF EXECUTIVE OFFICER		
6.1	Clear division of responsibilities between the Chairperson and CEO which is to be set out in writing	The positions of Chairperson of the Board and the Chief Executive Officer (CEO) are held by different individuals. Board-approved Governance Framework provide clear division of responsibilities between the Chairperson and the CEO and each has been issued a job description in line with the duties assigned.
6.2	Chairperson shall be an independent director subject to the requirements stipulated in the Direction	The Chairperson of the Board, Mr. Rajendra Theagarajah is not an Independent Director, in terms of criteria stipulated in the Direction. Please refer 6.3 below.
6.3	Appointment of a Senior Director when the Chairperson is not independent	A Senior Director has been appointed in line with the provisions of the Direction.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
6.4	Responsibilities of the Chairperson	The Chairman is responsible to provide leadership, guidance, and oversight to the Board, ensuring that it operates effectively and fulfilling the responsibilities assigned to Board as outlined in this Direction. Board-approved Governance Framework includes the Responsibilities of the Chairman and the TOR for the Chairman also covers his duties and responsibilities.
6.5	Responsibilities of the CEO	In terms of duties and responsibilities of the CEO, he is the apex executive who is in charge of the day-to-day management of the Company with the assistance of members of the Senior Management and is accountable to the Board on day-to-day operations of the Company and to recommend the Company's strategic decisions, ensure appropriate procedure are in place to assess supervisory concerns and non-compliance with regulatory requirements. Board-approved Governance framework includes the Responsibilities of the CEO and the job description issued to him also covers the duties and responsibilities.
7. MEETINGS OF THE BOARD		
7.1	Regular Board meetings - Board shall meet at least 12 times a financial year at approximately monthly intervals. Obtaining the Board's consent through the circulation of papers should be avoided as much as possible.	The Board meets regularly at monthly intervals and in addition, as and when required. The Board met on twelve (12) occasions during the year 2025/26. All Board decisions are made subsequent to discussion at meetings, as much as possible. Any papers approved by circulation are tabled at regular Board Meetings for ratification.
7.2	Directors to include matters and proposals in the agenda	A process is in place which enable equal opportunities for all the Directors to include matters and proposals in the agenda for regular Board meetings. Monthly meetings are scheduled and informed to the Board at the beginning of each calendar year to enable submission of proposals to the agenda.
7.3	A notice of at least 03 days shall be given for a regular Board meeting.	Board meeting dates are agreed by the Board members in advance for the calendar year. Agenda and all Board papers are uploaded for the reference of Directors to access seven (7) days prior to the Board meetings, as far as possible.
7.4	Directors to devote sufficient time to prepare and attend to Board meetings	All the Directors actively contribute at the Board meetings by providing views and suggestions in the best interest of the Company.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
7.5	Board meetings shall not be duly constituted, although number of directors required to constitute quorum at such meeting is present unless at least 1/4 of directors that constitute quorum at meeting are independent directors	All Board meetings held during the financial year were duly constituted with one half (1/2) of the number of Directors present and one fourth (1/4) of the number of Directors constituting the quorum being Independent Directors.
7.6	Chairperson shall hold meetings with Non Executive Directors only, without the executive directors being present as necessary and at least twice a year	A necessary number of meetings were held by the Chairperson without the presence of the CEO to facilitate effective communication, engagement, and collaboration within the Board. This process supports the smooth functioning of the Board and enhances the overall Governance and decision-making processes.
7.7	Directors shall abstain from voting relating to matters of relating to him	Board monitors their conflicts of interest in line with the applicable Code of Conduct and a Director is required to abstain from voting in relation to a matter in which such Director or his/her relatives or a concern in which he has substantial interest is being taken up for discussion.
7.8	A Director who has not attended at least 2/3 of Board meeting in past 12 months immediately preceding or has not attended 03 consecutive meetings held, shall cease to be a director. Participation to Board through an alternate director shall be acceptable as attendance subject to applicable directions for alternate directors	All Directors have attended at least two-third of the meetings held during the year and no Director has been absent from three consecutive regular Board meetings during the financial year 2025/26. Please refer page 140 for details of individual Directors' attendance at Board meetings.
8. COMPANY SECRETARY		
a)	Appointment of a Company Secretary shall be completed as per the transitional provision stated in the Direction.	A Company Secretary has been appointed who possesses the stipulated qualifications.
b)	Qualifications of Company Secretary	

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
8.2	Access to advice and services of the Company Secretary	The Board-approved Governance Framework enables all Directors to access the Company Secretary with a view to ensuring that Board procedures and all applicable laws, directions, rules and regulations are followed.
8.3	Delegating responsibilities to the Company Secretary	Preparation of the agenda of the meetings of Board and its sub-committees (except meeting agendas of BIRMC and BAC) are delegated to the Company Secretary and is approved by the Chairman.
8.4	Company Secretary should maintain Board minutes with all submission to Board voice/ video recording for 06 years	The Company Secretary maintains meeting minutes and circulates them to all Board members which shall be open for inspection at any reasonable time to any Director. Additionally, the Directors have access to past Board papers and minutes through a web based format. The Company Secretary maintains records of all Board meeting minutes and all submissions.
8.5	Maintenance of Board minutes in an orderly manner	The Company Secretary maintains meeting minutes in an orderly manner and follows the proper procedures laid down in the Articles of Association of the Company.
8.6	Recording minutes of Board meetings with sufficient details	Company Secretary maintains Board minutes with sufficient details as outlined in this Direction.
8.7	Minutes shall be open for inspection of Directors	As per the Board-approved Governance Framework, Board minutes are open for inspection of Directors at any time. The minutes are maintained in electronic format and is accessible to the Directors at all times.
9. DELEGATION OF FUNCTIONS BY THE BOARD		
9.1	Board shall review and approve delegation of authority and give clear direction to KPMs	Board-approved Delegation of Authority is in place to give clear directions to the Senior Management.
9.2	Board should ensure to have stipulated functions of such committees in the absence of Board Sub Committees	All the required Sub Committees are in place with Board approved TOR as required by the Direction.
9.3	Board may establish appropriate senior management level sub committees	The Board has established management level committees such as the Executive Committee, ALCO, Management Credit Committee, Procurement Committee and Investment Committee to assist the Board in effective decision making.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
9.4	Board shall not delegate any matters to a board committee, CEO, executive directors or senior managers, to an extent that such delegation would reduce the ability of Board as a whole to discharge its functions	Board approved Governance Framework includes key areas assigned for the Board and they cannot be delegated to Board Sub Committees.
9.5	Board shall review the delegation process on a periodic basis	Delegation arrangements are reviewed periodically.
10. BOARD SUB-COMMITTEES		
10.1	Board Sub-Committees based on asset base	
	FCs with asset base of more than LKR 20 billion	
a)	Establishment of Board Sub Committees – by 31.07.2024	The Following Board Sub-Committees have already been established by the Board in line with the best practices on good governance and each such committee reports to the Board. 1. The Board Audit Committee - Details of the Board Audit Committee is given on page 169 2. The Board Integrated Risk Management Committee (BIRMC) - Details of the Board Integrated Risk Management Committee is given on page 174 3. Nomination (and Governance) Committee - Details of the Board Nomination Committee is given on page 179 4. Human Resources and Remuneration Committee - Details of the Human Resources and Remuneration Committee is given on page 176 5. Related Party Transactions Review Committee - Details of the Related Party Transactions Review Committee is given on page 172 Meetings are held as defined in the respective TOR of each Sub-Committee. Recommendations of these committees are addressed directly to the Board and minutes of meetings are submitted and discussed at the Board meetings.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
b)	Each Sub Committee shall have Board approved Terms of Reference	Board Approved TOR is available for each Board Sub Committee.
c)	Report on performance of duties and functions of Sub Committees shall be presented by Board at the AGM	The Company has presented reports on the performance, duties and functions of each Committee in the Annual Report for the financial year 2025/26, for the information of shareholders. Please refer respective Board Sub-Committee reports for more details, as above.
d)	Appointment of a Secretary to Sub Committees	Company Secretary functions as the Secretary for the Board Sub Committees except the BIRMC. Secretary for these sub-committees have been appointed in line with the requirements of the Direction.
e)	Each BOD Sub Committee shall consist of at least 03 members of Board who have skills, knowledge and experience relevant to duties of the Committee.	Each Committee comprises at least three (03) Board members who possess skills, knowledge and experience required for the responsibilities of the Board Sub Committees. Composition of the Board Sub Committees are disclosed on pages 169 to 181 of the Annual Report.
f)	BOD may consider the occasional rotation of members and Chairperson of Board Sub-Committees	Occasional rotation of members and Chairpersons of the Board Sub Committees are considered by the Board as and when required
10.2	**Board Audit Committee**	
a)	Chairperson of BAC shall be an Independent Director who possesses qualifications and experience in accountancy and audit (applicable from 01.07.2024)	Chairperson of the Audit Committee is an Independent Director with qualifications and ample expertise in the field of finance and accounting.
b)	Board members appointed to the BAC shall be Non Executive Directors and majority shall be independent	All members of the Committee are Non-Executive Directors while the majority are Independent Directors.
c)	Secretary of the BAC shall preferably be the Chief Internal Auditor or the Company Secretary	The Company Secretary has been appointed as the Secretary to the Committee.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
d)	**External Audit Function**	
i)	BAC shall make recommendation on matters regarding appointment of external auditors in compliance with relevant statutes, service period, audit fee and resignation or dismissal of auditors.	M/S KPMG, Chartered Accountants acts as External Auditor for audit services. The relevant requirements are contained in the TOR of the Board Audit Committee and overseen by the Committee.
ii)	Engagement of an audit partner shall not exceed 5 years.	Engagement period of current audit partner does not exceed the stipulated period.
iii)	The External Audit Partner shall not be a shareholder, Director, Senior Management or employee of any LFC.	The Audit Partner is not a Director or employee and does not hold any Senior Management position of the Company. A declaration has been obtained confirming that the audit partner does not hold any shares of the Company.
iv)	BAC shall review the independence and objectivity of the External Auditor and effectiveness of the audit process.	In order to safeguard the objectivity and independence of the External Auditor, the Board Audit Committee reviewed the nature and scope taking into account the regulations and guidelines.
v)	BAC shall develop and implement a policy with approval of Board on engagement of an external auditor to provide permitted non-audit services (NAS)	Board of Directors developed and implemented a policy for engagement of auditors to provide non-audit services with the approval of BAC in order to ensure that the non-audit services do not impair the independence and objectivity of the External Auditor. The policy addresses the skills and experience of the auditor, requirements to ensure independence, objectivity and fee for the non-audit services.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
vi)	BAC shall determine the nature and scope of the audit	The External Auditors make a presentation at the BAC including following; 1. Details of the proposed audit plan and scope 2. Assessment of Company's compliance with regulatory requirements 3. Internal controls over financial reporting 4. Preparation of financial statements in conformity with relevant accounting principles 5. Members of the BAC shall obtain clarifications in respect of the contents of the presentation.
vii)	Review of financial information of the company by the Board Audit committee	Annual and interim financial statements are submitted to the BAC prior to the submission to CSE / Stakeholders. Following are focused on by BAC before being recommended for Board approval 1. A detailed discussion focused on major judgment areas 2. Changes in accounting policies, significant audit judgment in the financial statements 3. Going concern assumptions and compliance with accounting standards and other legal requirements. 4. Contingent liabilities requiring disclosure.
viii)	Discussion of issues, problems and reservations arising from the interim and final audits	BAC had a meeting with the External Auditors without the presence of the Executive Directors and Senior Management during the financial year 2025/26. The BAC held several meetings with the management team to discuss the issues pertaining to matters arising from the external audit and the resolution of such items.
ix)	BAC shall review of external Auditor's management letter and management response	The BAC has reviewed the management letter issued by the External Auditors and Senior Management responses thereto at next BAC meeting, and subsequently reported to the Board.
e)	BAC shall review the effectiveness of the system of internal controls	Internal Audit Department reviews the compliance and effectiveness of the Internal control system of the Company and reports are submitted to BAC periodically.
f)	BAC to ensure that senior management takes necessary corrective actions on internal control weaknesses identified by internal auditor and supervisory bodies	BAC follows up that senior management is taking necessary actions in a timely manner to address internal control weaknesses, non-compliance with policies, laws and regulations, and other discrepancies identified by the External Auditor, supervisory bodies and the Internal Audit function.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
g)	**Internal Audit function:**	
i)	Establishment of an independent Internal Audit function	An Internal Audit Department (IAD) is in place to provide independent assurance to the BAC on the quality and effectiveness of the existing internal control systems of the Company, risk management, governance practices and internal controls.
ii)	Internal Audit function shall have a clear mandate, independence and reporting line	The Chief Internal Auditor directly reports to the BAC. Internal Audit function carries out its functions within the Company in accordance with the Internal Audit Charter and the Internal Audit Plan.
iii)	Review of internal audit function shall be carried out by BAC	The BAC has reviewed the information provided in the risk-based audit plan and assessed the scope, functions, skills and resources of the Internal Audit Department (IAD) are sufficient to carry out its functions. The Committee ensured that the internal audit function is independent of the activities it audits and provided necessary authority to perform its duties effectively and objectively. The BAC has reviewed and approved the Internal Audit Plan for the Financial Year. BAC has evaluated the performance of Chief Internal Auditor. Whenever a need arises, the BAC and Senior Management assigns special internal investigations on certain matters to the Internal Audit Department and reviews major findings with the management responses thereto and ensures that the recommendations are implemented.
h)	Review of statutory examination reports of CBSL	The progress of implementing the time-bound action plan (TBAP) on supervisory concerns report issued by CBSL on-site examination report has been reviewed at BAC meetings and ensured that corrective actions are taken in a timely and effective manner
i)	**Meetings of the Committee**	
i)	Meetings of the Board Audit Committee shall be held once in two months	The BAC meeting dates were agreed to by Committee members in advance for the calendar year. The Committee meets every two months and the agenda, minutes and all other Committee papers are uploaded through a web based platform for the review of Committee members prior to the BAC meetings.
ii)	Other Board members, senior management or any other employee may attend BAC meeting upon the invitation of the BAC	Members of the BAC, Chief Internal Auditor attend the meeting. CEO and other Senior Management personnel attended the meeting by invitation.

Corporate Governance

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
iii)	BAC shall meet at least twice a year with external auditors without any other Directors/ senior management/ employee being present	One (01) meeting was held with the External Auditors during the year without the presence of any other Directors, Senior Management or employees.
10.3	**Board Integrated Risk Management Committee (BIRMC)**	
a)	BIRMC shall be chaired by an Independent Director. Board members appointed to BIRMC shall be Non-Executive Directors with experience and knowledge in banking, finance, Risk Management issues and practices. CEO and Chief Risk Officer may attend the meetings upon invitation. BIRMC shall work with senior management closely and make decisions on behalf of Board within the authority and responsibilities assigned to BIRMC	The Chairman of the Committee is an Independent Non-Executive Director. The Committee members are Non-Executive Directors and they have sufficient knowledge and experience in banking, finance, risk management issue and practices. The Committee members including the Chairman are Independent Non-Executive Directors. The CEO, the Chief Risk Officer and relevant Senior Management personnel attended the meetings by invitation. The Committee makes decisions on behalf of the Board within the Board approved Terms of Reference of the Committee.
b)	Secretary of the Board Integrated Risk Management Committee shall be the Chief Risk Officer	The Chief Risk Officer functions as the Secretary to the Committee.
c)	BIRMC shall assess the Risk Assessment Process and make recommendation on risk strategies and risk appetite to the Board	The Committee has Board approved policy and framework on Enterprise Risk Management which provide a guidance for management on assessment of risks. Accordingly, monthly and quarterly reports on quantitative and qualitative risks are presented to BIRMC including appropriate risk indicators, management information and recommendations made on strategies. Subsequently, recommendations of BIRMC are submitted to the Board for its recommendations. Please refer the BIRMC Report on pages 174 to 175 for more details.
d)	Development of a Risk Appetite Statement	Board approved RAS is in place which provides a guidance to identify the risk tolerance limits of the Company. RAS includes quantitative measures in relation to earnings, capital, liquidity etc.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
e)	BIRMC shall assess review of Risk policies and Risk Appetite statement	Risk policies and RAS will be reviewed by the BIRMC on an annual basis.
f)	BIRMC shall review the adequacy and effectiveness of Senior Management level Committees	The Committee reviews the adequacy and effectiveness of Senior Management level Committees to address specific risks and manage those risks within quantitative and qualitative risk limits as specified by the Committee
g)	BIRMC shall assess of all aspects of risk management including business continuity and disaster recovery plans	Business Continuity Plan and disaster recovery plan are reviewed by the BIRMC.
h)	Assessment of performance of Compliance Officer and Chief Risk Officer	The Committee will assess the performance of the Head of Compliance and the Chief Risk Officer.
I)	**Compliance function**	
i)	BIRMC shall establish an independent compliance function	An Independent Compliance function is in place to assess the Compliance with laws, regulations, rules, directions, guidelines and Board approved policies.
ii)	Appointment of a dedicated Compliance Officer	A dedicated compliance officer has been appointed who is a Senior Management Officer with appropriate seniority. To avoid conflict of interest, Head of Compliance reports directly to the BIRMC and does not engage in any operational activities, or income-generating functions.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
iv)	BIRMC shall ensure that responsibilities of the Compliance Officer broadly encompass the responsibilities stipulated in the Direction	The Job Description of the Compliance Officer has been reviewed by the BIRMC in compliance with this Direction and best practices. The Compliance Officer's JD and Compliance Management Policy cover the following; ▸ Minimizing the risk of non-compliance by developing and implementing policies and procedures. ▸ Establishing Compliance culture through proper communication ▸ Regular reviews on regulatory rules and internal Compliance policies ▸ Implementation of new legal and regulatory developments applicable to the Company ▸ Early involvement in ensuring conformity with regulatory, internal Compliance and ethical standard requirements when designing new products or systems. ▸ Addressing serious or persistent compliance issues within acceptable timeline, in concurrence with the management ▸ Maintaining good working relationship with the regulators.
j)	**Risk management function**	
i)	Establishment of an independent risk management function	The BIRMC has established an independent risk management function for managing the risk of the Company.
ii)	For FCs with assets exceeding LKR 20 billion, establish a separate risk management department led by a dedicated CRO (senior management level) responsible for the risk management function and periodic reporting to the BIRMC.	A separate and independent risk management division has been established.
iii)	Implementing the risk management policies and processes including RAS	Chief Risk Officer has taken measures to implement the Risk management policies and monitor the Risk Appetite based on the Board approved RAS.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
iv)	Developing and implementing a Board approved integrated risk management framework shall be the primary responsibility of CRO	Board approved policies exist on enterprise risk management which provide a framework for management and assessment of risks. Accordingly, regular reports on quantitative as well as qualitative risks are being reviewed by the Committee in discharging its responsibilities as per the terms of reference. The risk management framework covers: potential risks and frauds, possible sources of such risks and frauds, process of identifying, assessing, monitoring and reporting risks, controls and mitigating factors and accountabilities. The BIRMC reviews and updates the framework at least on an annual basis.
v)	CRO participates in decision making related to capital and liquidity planning and new product/ service development	The Risk Officer participates in Management Committee meetings where developing and implementing strategy is planned relating to capital and liquidity. Importantly, any new products and services are referred for review by the Risk Management Division in order to identify and mitigate the risks.
vi)	CRO shall maintain an updated risk register and it shall be submitted to BIRMC on quarterly basis	The updated risk register/summary is submitted to the BIRMC on a quarterly basis.
vii)	Submission or risk assessment report by BIRMC to the Board meeting	Board was informed by BIRMC of their risk assessment of the Company by forwarding the risk report and recommendation made by BIRMC for upcoming Board meeting seeking Board's views.
10.4	**Board Nomination and Governance Committee**	
a)	The Nomination and Governance Committee shall be constituted with Non-Executive Directors and preferably majority may be independent directors. An independent director shall chair the committee. CEO may be present at meeting by invitation of committee	The Committee comprised of Non-Executive Directors out of whom majority are independent. An Independent Non-Executive Director has been appointed as the Chairman of the Committee.
b)	Secretary of the Board Nomination Committee	Company Secretary functions as the Secretary to the Committee.

Corporate Governance

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
c)	BNC shall implement a formal and transparent procedure to select/ appoint new Directors and Senior Management	A formal and transparent procedure to select/appoint new Directors and Senior Management is adopted. The Senior Management are appointed with the recommendation of Chief Executive Officer except CIA and Head of Compliance and Chief Risk Officer.
d)	Fitness and propriety of Directors and Senior Management	Fitness and propriety of Board of Directors and Senior Management are evaluated at the time of appointment and on an on-going basis as required under the Direction.
e)	The selection process of Directors shall include reviewing whether proposed directors have knowledge, skills, experience, good integrity and reputation, sufficient time to fully carry on their responsibilities	The criteria set out in this direction are considered at the selection and recommendation process of Directors by the Committee and the Board.
f)	The Committee shall strive to ensure that the Board composition is not dominated by any individual or a small group of individuals	The Committee ensured that the composition of the Board is not dominated by any individual or a group of individuals in a manner that is detrimental to the interest of the stakeholders of the Company.
g)	Criteria on qualification, experience and key attributes required to be appointed to the post of CEO and Senior Management	Qualifications, experience and key attributes required for eligibility for the appointment to the post of CEO and Senior Management positions have been developed. The Committee ensured the availability of adequate qualifications, experience, skills and eligibility to discharge duties as CEO, Directors and Senior Management personnel.
h)	Disclosures to shareholder upon the appointment of a new Director	Details of new Directors are disclosed to the shareholders at the time of their appointment by way of announcements made to the Colombo Stock Exchange (CSE). Prior approval for appointment of new Directors is obtained from the Director of Department of Supervision of Non-Bank Financial Institutions of Central Bank of Sri Lanka and notification is sent to CSE.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
i)	The Nominations and Governance Committee shall consider the re-election of current Directors, taking into account the combined knowledge, performance towards strategic demand faced by the Company and the contribution made by the director towards the discharge of the Board's overall responsibility.	Nominations and Governance Committee makes recommendations to the Board considering the combined knowledge of the Board, performance towards strategic demands faced by the Company and contribution made by each Director towards discharge of Board's overall responsibilities. The Committee takes into account the self-assessment carried out by each director in this regard.
j)	The Nomination and Governance Committee shall consider additional/ new expertise and the succession arrangements for retiring Directors and Senior Management	The Committee considers the succession arrangements for retiring Directors and Senior Management and makes arrangements to name suitable successors.
k)	Members of nomination committee shall not participate in decision making relating to own appointment/ reappointment	The members of the Committee do not participate in decision making relating to own appointments or reappointments. Further, Chairman of the Board abstains from the meeting when matters related to his successor is discussed.
10.5	**Board Human Resources and Remuneration Committee:**	
a)	BHRRC shall be chaired by Non Executive Directors and majority of members shall be Non Executive Directors	All members of the Committee are Non-Executive Directors, out of which the majority are Independent Directors. The Committee is chaired by an Independent Non-Executive Director.
b)	Secretary of the BHRRC may preferably be the company secretaries	The Company Secretary functions as the Secretary to the Committee.
c)	BHRRC shall determine the remuneration policy for Directors and Senior Management	Salaries and allowances of Executive Directors, Senior Management and Non-Executive Directors are decided by the BHRRC. Please refer BHRRC Report on pages 176 to 178 for more details on the remuneration policy of the Company

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
d)	There shall be a formal and transparent procedure in developing the remuneration policy.	The policy was recommended by the Human Resource and Remuneration Committee and approved by the Board of Directors. Please refer Board Human Resources and Remuneration Committee Report on pages 176 to 178 for more details
e)	BHRRC shall recommend the remuneration policy for employees of the Company	The Remuneration Policy is reviewed periodically and recommended by the Committee for the approval of the Board on paying salaries, allowances and other financial incentives for employees of the Company.
f)	Remuneration structure to be in line with the business strategy, objectives, values, long-term interests and cost structure of the Company	The remuneration structure is in line with the business strategy, objectives, values, long-term interests and cost structure of the Company and it also incorporated measures to avoid conflict of interest.
g)	BHRRC shall review the performance of Senior Management	The performance of the Senior Management (excluding CIA and Head of Risk & Compliance) against the set targets and goals will be reviewed by the BHRRC. Basis for revising remuneration and other performance-based benefits for the Senior Management will be done as per the annual evaluation process.
h)	Senior Management abstain from attending meetings when matters related to them are being discussed	Respective Senior Management Personnel shall abstain from attending meetings, when matters related to them are discussed. BHRRC reviewed and ensured the Compliance of such requirement.
11. INTERNAL CONTROLS		
11.1	LFC shall adopt a well-established internal control system including organization structure, segregation of duties, clear management reporting lines & adequate operating procedures to mitigate operational risks	Company has a well-established internal control system which includes organization structure and segregation of duties, clear reporting lines for management and operational procedures in order to mitigate the operational risks.
11.2	Expected outcomes of an internal control system	The Board has established an internal control system which ensured the promoting effective and efficient operation, providing reliable financial information, safeguarding the Company's assets, minimizing the operational risks, ensuring effective risk management system and compliance with laws, regulations, directions and internal procedures.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
11.3	Responsibilities of employees on internal control	All employees were made accountable and responsible for internal controls as part of their routine functions through the various policies and procedures of the Company. Adherence to the internal controls are reviewed by the IAD.
12. RELATED PARTY TRANSACTIONS		
12.1	Board shall establish a policy and procedures for Related Party Transactions	A Board approved procedure for Related Party Transactions is available for monitoring the related party transactions.
a)	LFC shall establish a RPT Review Committee and the chairperson shall be an independent director and members shall consist of Non Executive Directors	The Committee comprised of three (03) Non-Executive Directors all of whom are Independent Directors. The Committee is chaired by an Independent Non-Executive Director.
b)	All related party transactions shall be prior reviewed and recommended by RPTRC	The Board approved policy is in place for governing the Related Party Transactions. All RPTs are reviewed and recommended by RPTRC.
c)	Types of related party transactions	Board approved RPT Procedure provides a guidance for the transactions that can be carried out by the Company to avoid any non-compliance and conflicts of interest.
12.2	Avoiding conflicts of interest from List of identified related parties	The Board appointed RPTRC ensures that the transactions with RPs are in accordance with best practices. The RPT Review Policy is in place which describes the related parties, types of related party transactions and disclosure and reporting requirements. Importantly, no Director shall participate in any discussion of a proposed related party transaction for which he or she is a related party, provided however he or she may participate in discussion to express, propose and providing information concerning to RPTRC. No favourable transaction has been entered into with RPs during the period in the ordinary course of business (Recurrent transactions) and they are disclosed in the Financial Statements on 'Related Party Disclosures' under Note 36.3.1 on page 251 in Financial Statements. The RPTRC has identified a list of related parties and periodic reviews are conducted as and when need arises.

Reference to CBSL Direction	Direction requirement	Extent of Compliance as at 31.03.2026
12.3	Avoiding more favorable treatments at the time of engaging in business transactions with related parties	The Board-approved Related Party Transactions Review Procedure contains guidelines to ensure compliance with regulatory requirements and the RPTRC ensures that all the transactions with RPs are conducted on arm's length basis. RPTRC reviews all related party transactions and ensured that they are not entered into more favorable terms than those offered to others, and where applicable relevant approvals of the RPTRC/Board are obtained.
13. GROUP GOVERNANCE		
13.1	Responsibilities of the FC as a Holding Company	Janashakthi Finance PLC does not have any subsidiary/associate companies and hence this section is not applicable.
14. CORPORATE CULTURE		
14.1	Code of Conduct	Board approved Code of Conduct and Conflict of Interest Policies are in place issuing guidelines on appropriate conduct on confidentiality, conflict of interest, integrity of reporting, protection and proper use of Company assets and fair treatment of customers. These policies are monitored by the Human Resources Division.
14.2	Records of breaches of code of conduct	If a breach of the Code of Conduct is reported, the Human Resources Division maintains records on such breaches of Code of Conduct.
14.3	Whistleblower Policy	The Company has a Board-approved Whistleblower Policy whereby employees of the Company are entitled to raise concerns about any misconduct/misappropriation or other such irregularity observed in the Company. With the recommendation of BAC, Whistleblower Policy has been approved by the Board and ensures that a proper process is in place in line for a fair and independent investigation on such matters.
15. CONFLICTS OF INTEREST		
15.1		
a)	Avoiding conflicts of interest by Directors	A Board approved conflict of interest policy is in place that covers the stipulated requirements. The Company Secretaries obtained disclosure of interest from Directors at every Board meeting and conflict of interest (if any). Directors abstain from voting in such a situation and they are not counted in the quorum.
b)	Conflict of Interest Policy	A Board approved Conflict of Interest Policy is in place covering all aspects of this direction and best practices.

STATUS OF COMPLIANCE WITH CSE LISTING RULE NO. 9 – CORPORATE GOVERNANCE

As a listed entity, Janashakthi Finance PLC is required to comply with the Listing Rules of the Colombo Stock Exchange (CSE). The following table depicts the status of compliance with the requirements that are applicable:

Rule No.	Requirement	Status of Compliance
9.2	A listed entity is required to establish and maintain the given list of policies and disclose the existence of such policies by the entity on its web-site	Complied. The policies required under the Rule have been established and approved by the Board of the Company and the confirmation on the existence of the policies has been disclosed on the Company web-site.
9.3	Board Committees: Establish the following Board Committees: a) Nominations & Governance Committee b) Remuneration Committee c) Audit Committee d) Related Party Transactions Review Committee	Complied. The required Committees have been established and are functioning as per the approved Terms of Reference (TOR).
9.3.2	Comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in the Rules	Complied. Each Board Committee has a Terms of Reference (TOR) that includes the requirements specified in the Rules and the Committees function according to their respective TOR.
9.3.3	The Chairperson of the Board of Directors shall not be the Chairperson of the Board Committees referred above.	Complied. The Chairperson of the Board of Directors does not function as the Chairperson of the above-mentioned Committees.
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of General Meetings with Shareholders: Maintain records of all resolutions	Complied. The required information is recorded and will be available at the request of the CSE or the SEC.
9.4.2	Communication and relations with shareholders and investors: a) Have a policy on effective communication and relations with shareholders and investors b) Disclose the contact person for such communication	Complied. A policy on communication with stakeholders has been approved by the Board and it is available on the web-site. The Company Secretary is the contact point for communication with shareholders and investors. Their details are available on the IBC.

Corporate Governance

Rule No.	Requirement	Status of Compliance
9.5	**Policy on Matters Relating to the Board of Directors**	
9.5.1	Establish and maintain a policy governing matters relating to the Board of Directors	Complied. A formal Framework of Corporate Governance, that includes the matters relating to the Board of Directors and matters relating to corporate governance as required under the CBSL Directions and the CSE Rules, is in place. This policy has been complied with during the financial year.
9.6	**Chairperson and CEO**	
9.6.1	The Chairperson shall be a Non-Executive Director. The position of Chairperson and the CEO shall not be held by the same individual.	Complied. The Chairperson is a Non-Executive Director. The positions of Chairperson and the CEO are held by different individuals.
9.6.3	The requirement for a Senior Independent Director	Since the Chairperson is a Non-Independent Non-Executive Director, an Independent Director has been appointed as the Senior Director, with necessary regulatory approvals.
9.7	**Fitness of Directors and CEO**	
	Take steps to ensure that Directors and the CEO are, at all times fit and proper persons as required under the Rules. Nominations and Governance Committee to ensure that Directors are fit and proper persons prior to appointment.	Complied. The Directors' and CEO's fitness & propriety are assessed by the Nominations and Governance Committee prior to their appointment, in terms of the Rules and submitted for approval in terms of the CBSL Corporate Governance Regulations. Accordingly, the Directors and CEO have been determined as meeting the fitness and propriety criteria stipulated in the Rules at the time of appointment and at all times during the financial year.
9.8	**Board Composition**	
9.8.1	The Board of Directors of the Company shall, at a minimum, consist of 05 directors	Complied. The Board of Directors of the Company consisted of eight (08) Directors as at 31.03.2026.
9.8.2	Minimum number of independent directors: The Board of the company to include at least two (02) independent directors or the equivalent of 1/3rd of the total number of directors of the company	Complied. Out of the 08 Directors on the Board, six (06) Directors were Independent Directors, which is well above the required number of Independent Directors.

Rule No.	Requirement	Status of Compliance
9.8.3	**Criteria for determining the independence of directors**	
9.8.5	Each independent director to submit a declaration annually of his/her independence.	Complied. A declaration has been obtained from all Directors on their compliance with the independence criteria stipulated in the Rules and the CBSL Corporate Governance Direction.
9.9	Alternate Directors	N/A. There were no Alternate Directors appointed.
9.10	**Disclosures Relating to Directors**	
9.10.1	Disclose the policy on maximum number of directorships the board members are permitted to hold	Complied. Each Director shall not hold directorships in more than 20 companies including societies etc. in terms of the CBSL Direction on Corporate Governance. No Director of the Company has exceeded this limit.
9.10.2	Upon the appointment of a new director, make an immediate market disclosure, setting out details of such director	Complied. Market disclosures have been made upon appointment of new Directors (there were no Director appointments made during the year).
9.10.4	Information relating to Directors to be disclosed	Complied. Please refer pages 84 to 87.

Rule No.	Requirement	Status of Compliance

9.11	**Nomination & Governance Committee**	▸ A Nomination & Governance Committee has been appointed in terms of the Rules. Please refer page 179 for details of the Committee
		▸ Periodic evaluation of the Directors and the CEO has been carried out in line with corporate governance requirements
		▸ Independent Directors are promptly informed of any important and major issues relating to the Company by circulating the relevant information or via e-mail. Such issues are tabled at the next Board Meeting as papers.
		▸ On the appointment of new Directors, an induction is carried out to update and familiarize the new Directors relating to the Company.
		▸ The status of compliance with the applicable corporate governance requirements have been presented to the Nomination & Governance Committee for review.
		▸ The Independent Directors have met the criteria stipulated for being considered as Independent Directors, in terms of CBSL Regulations and CSE Rules.
		▸ The Company has complied with the Listing Rules and Corporate Governance Rules except the minimum public holding requirement, as disclosed on page 278
		▸ Non-Executive Directors are subject to re-election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals. One third of the total number of Non-Executive Directors commencing with the longest in office since their last election shall retire each year by rotation and are eligible to be re-elected
		▸ The following Directors of the Company retire by rotation and will be eligible for re-election at the AGM:
		  ▸ Mr. Prakash Schaffter
		  ▸ Mr. Sriyan Cooray
		  ▸ Mr. Darshana Ratnayake

9.12	**Human Resource & Remuneration Committee**	▸ A Human Resource and Remuneration Committee has been set up as a sub-committee of the Board, in line with the requirements under the Rule. ▸ The composition and functions are given on page 176

Rule No.	Requirement	Status of Compliance
9.13	**Audit Committee**	▸ An Audit Committee has been set up as a sub-committee of the Board in line with the requirements specified in the Rules ▸ Please refer pages 169 to 171 for the composition and functions of the Audit Committee ▸ A separate Committee has been set up for matters relating to risk management – please refer pages 174 to 175 for the Report of the Integrated Risk Management Committee. ▸ The Audit Committee has reviewed the financial statements of the Company ▸ The Company has a formal Audit Charter which has been reviewed by the Audit Committee and approved by the Board of Directors ▸ Internal Audit Reports relating to operational areas, financials and internal controls are tabled at the meetings of the Audit Committee for review and discussion of the audit findings and the resolution of the findings ▸ External Auditors have provided confirmation of their independence
9.14	**Related Party Transactions Review Committee (RPTRC)**	▸ A Related Party Transactions Review Committee has been set up as required under Rule 9.14 ▸ Please refer pages 172 to 173 for the report of the RPTRC
9.16	**Additional Disclosures**	▸ The Board of Directors has declared their material interest in contracts involving the Company, as applicable and refrained from voting on matters in which they were materially interested ▸ Directors' statement on internal controls is provided at page 183 ▸ The Directors have made themselves aware of applicable laws and regulations and are aware of the changes to such regulations ▸ It is also confirmed that there were no material non compliances with laws or regulations, except the shortfall in Total Capital Ratio which stood at 11.86% below the minimum requirement of 12.5%.

STATUS OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE ISSUED BY THE ICASL/SEC

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
Sec. 1	**The Company**		
A	**Directors**		
Code A.1	**The Board** The need for the Company to be headed by an effective Board, which should direct, lead and ensure effective controls for the Company.	Complied	The Company is headed by a dynamic Board with expertise in diverse fields. The Directors are well qualified and experienced with a thorough understanding of the business complexities and are prominent corporate personalities, with experience in different industries. Board responsibilities and other core functions are discussed in detail in this Report. The detailed individual profiles of Board members are provided on pages 84 to 87.
Code A.1.1	The Board should meet regularly. Board meetings should be held at least once every quarter of a financial year in order to effectively execute Board's responsibilities, while providing information to the Board on a structured and regular basis.	Complied	The Board meets regularly and Board meetings are held on a monthly basis. The Board met 12 times during the year 2025/26. The Board approved the Company's business strategy for the year 2026/27 and for the next 3 years and was actively involved in monitoring the performance of both financial and non-financial objectives and targets. The Board also reviewed and approved policies and procedures related to risk management. The core focus at Board meetings was to review and discuss the Company's performance and to review achievement of strategy and to ensure target expectations are being met and to make relevant decisions at the highest level. In addition, the Board Sub-Committees were convened in relation to matters falling under the purview of each sub-committee. The Board Papers are forwarded to the Directors in advance of the meeting. Any additional information requested by the Board has always been provided within a short period in order for the Board to be prepared in making decisions at the meetings.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
Code A.1.2	The Board's role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. In performing its role, the Board should be responsible for matters including:		
	Formulation and implementation of sound business strategy	Complied	The Board, in principle, is responsible for approving the business strategy and guiding the business operations of the Company in line with such strategy and ensuring that the management team possesses the expertise to implement same. Strategies formulated are implemented through the Chief Executive Officer and the Senior Management Team. Matters were discussed and debated by the Board, taking all aspects into consideration with emphasis on how it will impact stakeholder interest, in order to decide and approve the appropriate strategy. The 2025/26 business plan and annual budget were revisited and amended during the year, in the light of the changes to the business environment that took place during the year. The Board advised and guided the management team on successful execution of strategy.
	Appointing the Chair and the Senior Independent Director, if relevant	Complied	The Chairperson of the Board is a Non-Independent Non-Executive Director and an Independent Director has been appointed as the Senior Director.
	Ensuring that the Chief Executive Officer (CEO) and management team possesses the skills, experience and knowledge to implement the strategy	Complied	The Company is steered by a team of multi-disciplinary professionals, led by a CEO with diversified qualifications and experience, who reports to the Board of Directors. The senior management team possesses the necessary qualifications and skills to perform their respective roles.
	Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy;	Complied	The Company has a succession planning process in place for identifying and grooming staff for key positions within the Company, in order to ensure the continuity of its operations.

Corporate Governance

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
	Approving budgets and major capital expenditure	Complied	The annual budget, prepared by the Management is submitted to the Board for its review and approval. Any major capital expenditure items are submitted to the Board for approval.
	Determining the matters expressly reserved for the Board and those delegated to the Management including limits of authority and financial delegation	Complied	The matters specifically reserved for the Board are specified in the Corporate Governance Framework approved by the Board. Other matters and limits of authority that are delegated to the Management are determined by the Board, from time to time.
	Ensuring effective systems to secure integrity of information, internal controls, cyber security and business continuity and Risk Management;	Complied	Integrity of information, internal controls, information security and cyber security are considered key factors in JFPLC's operations. Such systems are continuously monitored by the management and verified by the internal and external auditors. Any breaches identified are reported to the Board Audit Committee periodically and the remedial action taken is reported to the Board for their decisions. Effective mechanisms are also in place to identify, assess and manage/mitigate risks faced by the Company which are discussed in detail in the Risk Management Report on pages 143 to 161. The Company duly reviews and updates its Business Continuity Plan to ensure the sustainability of operations.
	Ensuring the availability of ICT roadmap in line with business strategy of the Company and monitor the progress of implementation through the ICT Dash Board	Complied	An ICT roadmap has been approved by the Board, in order to achieve the Company's strategic objectives.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
	Ensuring compliance with laws, regulations and ethical standards	Complied	Compliance with regulatory requirements and applicable laws is considered a high priority in the governance framework of JFPLC and monitored by the Compliance Division. New regulatory requirements are promptly disseminated to the relevant business/operational divisions for implementation by the Compliance Division. The compliance status pertaining to the applicable laws and regulations are submitted for the information of the Board, thus ensuring the commitment of the highest governing body of the Company. Further, the monthly status of compliance with statutory requirements is monitored by the Compliance Division and is informed to the Board on a regular basis. This process also ensures that the Board is updated on all Compliance aspects of the Company.
	Ensuring that all stakeholder interests are considered in corporate decisions	Complied	JFPLC has established a strong set of values based on the Janashakthi Group values and adhering to these values and principles are encouraged at all times. The Board evaluates the impact on all the key stakeholders of the Company before arriving at any key business decision.
	Recognising sustainable business development and ESG Risk in Corporate Strategy, decisions and activities and consider the need for integrated reporting;	Complied	The Board is mindful of sustainable business development and has always taken a long-term approach to business development with enhanced focus on sustainability. Focus is on sustainability in the strategic plan of the Company. A Board approved sustainability policy is in place, that outlines the Company's approach to sustainability.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
	Ensuring that the company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations	Complied	The Board comprises of professionals from various backgrounds, including finance and many years of experience and exposure to financial regulations. The Board Audit Committee reviews the Accounting Policies and the Financial Statements to ensure that highest ethical standards in adopting accounting policies are adopted. The Company's accounting policies are in adherence to Sri Lanka Accounting Standards (SLFRS/LKAS). In addition to the above, the accounting policies are reviewed on a frequent basis to ensure they are in line with the changing business and best practices in the industry. The adoption of proper accounting standards and policies are embedded in the Company's values and ethical standards.
	Fulfilling other Board functions as are vital to the organization, given the nature, scale and complexity of the organisation	Complied	During the year, the Board endeavoured to fulfil their stewardship obligations on behalf of all stakeholders and dealt with issues that came up during the year.
A.1.3	Procedure to obtain independent professional advice where necessary	Complied	The Board and its Sub-Committees have the authority, to obtain independent professional advice, legal counsel, consultants or other external expert advisors as and when deemed necessary, at the Company's expense. This is embedded in the Policy on Seeking independent Professional Advice by the Board of Directors of the Company.
A.1.4	All Directors have access to the advice and services of the Company Secretary	Complied	The Company Secretary ensures compliance with Board procedures, Companies Act & CSE regulations and other regulatory requirements. All Directors have access to the Company Secretary on any relevant matter. The Company Secretary does not perform any functions that could give rise to a conflict of interest.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.1.5	All Directors should bring independent judgment to bear on issues of strategy, performance, resource allocation and standards of business conduct.	Complied	The Directors of JFPLC are well qualified and experienced in their fields of expertise. They bring their independent judgment into matters relating to the affairs relating to the Company and are conscious of avoiding matters of potential or actual conflicts of interests. Further, all Directors use independent judgment in choices made by the Board on matters of strategy, performance, resource distribution and the conduct of operations. These view-points are discussed at Board meetings and decisions are arrived at. Each year the relevant senior management meet with the Board Members to review the previous year's results and progress to focus on goals and challenges of the upcoming year. Management also periodically updates the Board on progression of the business unit's focus goals.
A.1.6	Every Director should dedicate adequate time and efforts to matters of the Board and the Company.	Complied	Board papers for discussion at a given meeting are circulated in advance of the said meeting, to provide Board members with sufficient time to study the material and request any additional information deemed necessary for the discussions. Board papers are discussed in detail and debated at the Board meeting before a final decision is made. Members of the Executive Committees are also requested to make presentations when needed to obtain clarity in order to analyse a given situation. Directors' time was spent on strategy evaluation, performance review, implementing necessary internal controls and directing corrective measures for finetuning areas where it was deemed required. During the financial year under consideration, the Directors allocated a significant amount of time to address the strategies to meet the economic conditions that prevailed during the year and strategies to overcome the risks posed by the economic challenges.
A.1.7	One third of Directors can call for a resolution to be presented to the Board	Complied	This is accommodated through the Corporate Governance Framework.

Corporate Governance

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.1.8	Every Director should receive appropriate training when first appointed to the Board and subsequently as necessary. The Board should regularly review and agree on the training and development needs of the Directors.	Complied	New Directors joining the Board are provided an induction to brief them on Company and industry specific matters as well as the regulatory environment. The Directors' knowledge and understanding of new areas relating to the matters of the Company is refreshed with briefings on relevant topics, as necessary.
A.2	**Chairperson & CEO** Clear division of responsibility between conducting of the business of the Board and facilitating executive responsibility for management of the company's business. There should be a clear division of responsibilities at the head of the company, which will ensure a balance of power & authority so that no individual has unfettered power.	Complied	The positions of Chairperson and Chief Executive Officer are held by separate individuals, segregating the two functions. There is a clear division of responsibilities between the position of Chairperson and the CEO. The Chair ensures Board governance and that stakeholder expectations are met, while the CEO makes decisions on day-to-day operational matters of the Company. At the same time, the Chairman and CEO maintain an excellent working relationship facilitating the distinction between conduct of business operations and governance and authority.
A.2.1	A decision to combine the posts of Chairman and the CEO as one person should be highlighted and justified.	Not Applicable	The Chairman and CEO positions are held by different individuals.
A.3	**Chairman's Role** As the person responsible for running the Board, the Chairman should preserve order and facilitate the effective discharge of Board Functions	Complied	The Chairman is responsible for leadership of the Board, ensuring its effectiveness on all aspects of the Company's business and to the best interests of all stakeholders. The Chairman also ensures that the Directors receive accurate, timely and clear information and facilitates constructive relations between Executive and Non-Executive Directors.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.3.1	The Chairman conducts Board proceedings in a proper manner.	Complied	The Chairman ensures effective participation of both Executive and Non-Executive Directors in the conduct of Board meetings. The Chairman also ensures that the views of each Director on any issue under consideration are ascertained and also that the Board is in complete control of the affairs of the Company.
A.4	**Financial Acumen** The Board should ensure the availability within it of those with sufficient financial acumen & knowledge to offer guidance on matters of finance.	Complied	The Board comprises of six (06) members with professional accounting qualifications and collectively possess a strong financial acumen and capability to assess the integrity of the Company's financial reporting systems & controls, continually review and critique these systems and make changes to them as necessary.
A.5	**Board Balance** A balance of Executive and Non-Executive Directors such that no individual or small group of individuals dominate the Board Meetings.	Complied	As at 31 March 2026, the Board comprised of eight (08) Non-Executive Directors and there were no Executive Directors. The views of all Directors are taken into consideration at Board Meetings and no individual or group of individuals dominate.
A.5.1	The Board should include at least three Non-Executive Directors or such number of one third of total number of Directors, whichever is higher.		
A.5.2	Three or two-thirds of the Non-Executive Directors appointed to the Board, whichever is higher, should be independent.	Complied	There were six (06) Independent Directors out of the eight Non-Executive Directors as at 31 March 2026.
A.5.3	Criteria for a Director to be deemed independent.	Complied	The independence of Non-Executive Directors is determined in line with the CBSL Direction No. 5 of 2021 on Corporate Governance and the Listing Rules of the Colombo Stock Exchange.

Corporate Governance

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.5.4	Non-Executive Directors should submit a signed declaration of their independence or non-independence.	Complied	Non-Executive Directors have submitted the declaration to determine their independence or non-independence, records of which are maintained by the Company Secretary.
A.5.5	The Board should make a determination annually as to the independence or non-independence of Directors and set out in the Annual Report the names of Directors.	Complied	The Board has made a determination of the independency of the Directors. The information is disclosed on pages 84 to 87.
A.5.6	Alternate directors – should not be an executive of the Company. An alternate director appointed to represent an independent director should fulfill the criteria for independent directors.	Not applicable	There were no Alternate Directors on the Board of JFPLC.
A.5.7	In the event the Chairman and CEO is the same person or the chairman is not an independent director, the Board should appoint one of the non-executive directors as the senior independent director.	Not applicable	As at 31 March 2026, the Chairperson was a Non-Independent Director and an Independent Director has been appointed as the Senior Director. Please refer the details on pages 84 to 87.
A.5.9	The Chairman should hold meetings with the non-executive directors only, without the executive directors being present, as necessary and at least once a year.	Complied	The Chairperson held 2 meetings with the Non-Executive Directors only.
A.5.10	Recording of Directors concerns on Board meetings in matters, which cannot be unanimously resolved.	Complied	Any significant concerns raised by the Directors at the Board Meetings, are recorded in the Minutes of the Board Meetings.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.6	**Supply of Information** The Board should be provided with timely information in a form and of a quality appropriate to enable it discharge its duties	Complied	The Board receives a standard set of timely, accurate and reliable information regularly. These include both financial and non-financial data and the Board at any given time could request for additional information in order to clarify or make a reliable judgment and discharge its duties effectively. The papers for each meeting is uploaded in advance enabling the Directors to prepare for the discussion at Board Meetings and to request for any additional information.
A.6.2	The minutes, agenda and papers required for a Board meeting ordinarily be provided to Directors at least seven days before the meeting and the minutes of the meeting should be provided at least two weeks after the meeting date.	Complied	The Board is provided with materials in advance of any meeting for review and study. Members of management, depending upon items to be considered at the meeting, compile most material and submit seven days prior to a meeting.
A.7	**Appointments to the Board** There should be a formal and transparent procedure for the appointment of new Directors to the Board	Complied.	The Board Nomination and Governance Committee is in place with the mandate of ensuring the right balance of skills and knowledge on the Board. Names of Chairman and members of the Nomination and Governance Committee and details of meetings are available on page 179.
A.7.1	A Nomination Committee comprising of a minimum of 3 members should be established to make recommendations to the Board on all new appointments. The Chairman and Members of the Nomination Committee should be disclosed in the Annual Report.		

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.7.2	The Nomination Committee should annually assess Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands of the Company.	Complied	The strength and composition of the Board is assessed by the Nomination and Governance Committee to ensure that their knowledge and experience complement the vision and strategy of the Company.
A.8	**Re-election** All Directors should be required to submit themselves for re- election at regular intervals and at least once in every three years	Complied	The Non-Executive Directors are subject to re-election by shareholders at the first AGM after their appointment and to re-election thereafter at intervals. This is ensured through the Company's Articles of Association.
A.8.1	Non-Executive Directors should be appointed for specified terms subject to re-election and to the provisions in the Companies Act relating to the removal of a Director and their re-appointment should not be automatic.	Complied	One third of the total number of Non-Executive Directors commencing with the longest in office since their last election shall retire each year by rotation.
A.8.2	All Directors including the Chairman of the Board should be subject to election by shareholders at the first opportunity after their appointment, and to re-election thereafter at intervals of no more than three years.	Complied	This procedure is in place in the Articles of Association and is practiced.
A.8.3	**Resignation** In the event of a resignation of the Director prior to completion of his appointed term, the Director should provide a written communication to the Board of his reasons for resignation.	Complied	The Directors who resigned during the year have provided written communication to the Board.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
A.9	**Appraisal of Board Performance** Boards should periodically appraise their own performance in order to ensure that Board responsibilities are satisfactorily discharged.		
A.9.1	The Board should annually appraise itself on its performance in its key responsibilities.	Complied	The performance of the Board was assessed individually and collectively, with regard to the performance of its key responsibilities.
A.9.2	An annual self-evaluation of its own performance and that of its committees.	Complied	The Board Members carry out an annual self-assessment of the performance of the Board and of the sub-committees.
A.9.3	The Board should have a process to review the participation, contribution and engagement of each Director at the time of re-election	Complied	The Company Secretary maintains records of participation and engagement of each Director.
A.9.4	Disclosure regarding the performance evaluation in the Annual Report.	Complied	A formal evaluation of the Board is currently conducted. and disclosed on page 180.
A.11	**Appraisal of CEO** The Board should be required, at least annually, to assess the performance of the CEO.	Complied	The Board assesses the performance of the CEO annually in keeping with Board stipulated guidelines.
A.11.1	The Board in consultation with the CEO, should set, financial and non-financial targets that should be met by the CEO	Complied	The Board ensures that a business performance plan is compiled by the Management which is discussed and approved by the Board for each year of operation. This plan is developed to tie up with the corporate plan of the Company and Key Performance Indicators (KPIs) are drawn up to monitor the success of operations. The overall KPIs are used to evaluate the performance of the CEO against results achieved by the Company.
A.11.2	The Board at the end of each fiscal year should evaluate the performance of the CEO.	Complied	The Board carries out this evaluation and submits their briefing to the Board, for any further discussion required.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
B	**Directors' Remuneration**		
B.1	**Remuneration Procedure** Companies should establish a formal and transparent procedure for developing policy on executive remuneration	Complied	The Board has implemented a formal & transparent procedure for developing policies on remuneration by setting up a Human Resource and Remuneration Committee. The Committee is responsible for the development of executive remuneration and no Director is involved in deciding his/her own remuneration. The purpose of the Committee is to assist the Board in matters of compensation of the Company's Executive Directors, Corporate Management Team and other employees as determined by the Committee.
B.2.1	Board should set up a Remuneration Committee	Complied	A Human Resources and Remuneration Committee has been established in this regard and functions within agreed terms of reference is disclosed on pages 176 to 178
B.2.2	The committee should consist exclusively of Non-Executive Directors with a minimum of 3 non-executive directors of whom the majority should be independent.	Complied	The Human Resources and Remuneration Committee consists of Non-Executive Directors, the majority of whom are Independent. Please refer Remuneration Committee Report on pages 176 to 178.
B.2.3	Consultation of Chairman/ CEO in deciding the remuneration of executive directors and senior management and access to professional advice	Complied	The Human Resources and Remuneration Committee consults the Chairman and CEO where necessary and has access to professional advice within and outside the Company
B.2.4	The Remuneration Committee should provide the packages needed to attract & retain Executive Directors and the chief executive	Complied	The Human Resources and Remuneration Committee reviews the market practices and industry remuneration levels and most importantly the Company performance in determining the remuneration of the Executive Directors and Senior Management Team.
B.2.5	Executive Director's remuneration should be designed to promote the short, medium and long-term performance of the Company	Complied	The remuneration levels are designed to attract and retain the best talent to ensure the optimal performance and sustainability of business in the short, medium and long term.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
B.2.15	The chairman and members of the Remuneration Committee should be listed in the Annual Report.	Complied	Details of the Human Resources and Remuneration Committee are provided in the Corporate Governance report on pages 176 to 178.
C	**Relations with shareholders** Boards should use the AGM to communicate with shareholders and should encourage their participation.		
C.1	Constructive use of the AGM and conduct of General Meetings	Complied	All steps have been taken to protect shareholder rights at the AGM, including the receipt of notice of the AGM within the specified period, raising questions to the Board and various other committees, voting for the election of new Directors or any other issue of materiality that requires a shareholder resolution.
C.2	Communication with Shareholders - The Board should implement effective communication with shareholders	Complied	All information with regard to the Annual Report is disseminated through Chief Financial Officer and all other changes through the Company Secretary.
C.2.1	There should be a channel to reach all shareholders of the Company in order to disseminate timely information		
C.3	**Major Material Transactions** Further to complying with the requirements under the Companies Act, Securities and Exchange Commission law and Colombo Stock Exchange regulations; as applicable, Directors should disclose to shareholders all proposed material transactions, which if entered into, would materially alter/vary the Company's net asset base		

Corporate Governance

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
D	**Accountability & Audit**		
D.1	**Financial Reporting** The Board should present a balanced & understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities and prospects.	Complied	The Directors have taken all reasonable steps in ensuring the accuracy and timeliness of published information and in presenting a true & balanced assessment of the Company's position. The financial information is reviewed by the Board Audit Committee and the Board, prior to publishing. Company's position and future direction is discussed in detail in Chairman's & CEO's Reviews on pages 20 to 26 and Management Discussion & Analysis on pages 28 to 80.
D.2	**Risk Management & Internal Control** The Board should establish a policy for determining the nature and extent of the principal risks it is willing to undertake in achieving its strategic objectives. Have a process of Risk Management and a sound system of internal controls to safeguard shareholders' investments and the Company's assets.	Complied	The Board and the Board Audit Committee have the overall oversight of the system of internal control and of monitoring its effectiveness, while the assessment of the internal control system is the responsibility of the Internal Audit Division. A separate committee has been established for assessing the risk management, which is the Board Integrated Risk Management Committee (BIRMC). All risk related policies and procedures are approved by the BIRMC which also reviews the risk assessment reports submitted. The detailed Risk Management Report is provided on pages 143 to 161.
D.2.2.2	Companies should have an internal audit function	Complied	The Company has an internal audit function, which acts as the third line of defense in the risk management process.
D.3	**Audit Committee** The Board should establish formal and transparent arrangements for selecting and applying accounting policies for financial reporting, determine the structure and content of corporate reporting, implement internal control and risk management, ensure compliance with laws and regulations and ensuring the independence of the company's auditors	Complied	The Board has delegated their responsibility with regard to financial reporting, internal controls and maintaining appropriate relationships with External auditors to the Board Audit Committee. The Terms of Reference of the Audit Committee entrust the required responsibility to it.

Reference to SEC/ICASL Code	Principle	Status of Compliance	Extent of Compliance as at 31.03.2026
D.3.1	Composition should be exclusively of Non-Executive Directors with a minimum of three Non-Executive Directors of whom at least two should be independent.	Complied	The Audit Committee comprises of three Independent Non-Executive Directors. The composition of the Audit Committee is provided on page 169.
D.5	**Related Party Transactions Review Committee**		
Principle D.5	The Board should establish a procedure to ensure that the Company does not engage in transactions with ‘related parties’ in a manner that would grant such parties ‘more favourable treatment’ than that accorded to third parties in the normal course of business.	Complied	This is achieved by having the Related Party Transactions Review Committee with an approved TOR in place.

DETAILS OF THE ATTENDANCE OF THE BOARD MEETINGS CONDUCTED DURING THE FY 2025/26

	FY 2025/2026											
	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Name of the Board Member	29 April 2025	27 May 2025	24 June 2025	29 July 2025	26 August 2025	30 September 2025	28 October 2025	25 November 2025	22 December 2025	27 January 2026	25 January 2026	24 March 2026
Mr. Rajendra Theagarajah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Prakash Schaffter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sriyan Cooray	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓
Mr. Darshana Ratnayake	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nalin Karunaratne	✓	✗	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓
Ms. Manohari Abeysekera	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Sandamali Chandrasekera	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Daniel Alphonsus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. K.M.M. Jabir (resigned w.e.f. 01.11.2025)	✓	✓	✓	✗								

ATTENDANCE AT THE BOARD AUDIT COMMITTEE - FY 2025/26

	FY 2025/2026									
	Apr-25	May-25	Jul-25	Aug-25	Oct-25	Dec-25		Jan-26		Mar-26
Name of the Board Member	25 April 2025	22 May 2025	17 July 2025	13 August 2025	09 October 2025	12 December 2025	23 December 2025	19 January 2026	26 January 2026	09 March 2026
Ms. Manohari Prasadini Abeyesekera	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. R.M. Darshana Joseph Ratnayake	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Nawalage Sriyan Cooray	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓
Mr. Prakash Anand Schaffter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

ATTENDANCE AT THE BOARD INTEGRATED AND RISK MANAGEMENT COMMITTEE - FY 2025/26

Name of the Board Member	FY 2025/2026				
	Apr-25	Aug-25	Oct-25	Dec-25	Feb-26
	11 April 2025	12 August 2025	29 October 2025	10 December 2025	12 February 2026
Mr. Rajendra Theagarajah	✓	✓	✓	✓	✓
Mr. Darshana Ratnayake	✓	✓	✓	✓	✓
Ms. D.L.M. Sandamali Chandrasekera	✓	✓	✓	✓	✓
Mr. Daniel Alphonsus	✗	✓	✓	✓	✓

ATTENDANCE AT THE BOARD NOMINATION & GOVERNANCE COMMITTEE MEETINGS - FY 2025/26

Name of the Board Member	FY 2025/2026		
	Mar-25	Jun-25	March
	25 March 2025	17 June 2025	26 March 2026
Mr. Prakash Schaffter	✗	✓	✓
Mr. Nalin Karunaratne	✓	✓	✓
Mr. Daniel Alphonsus	✓	✓	✓
Ms. Manohari Abeysekera	✓	✓	✓

ATTENDANCE AT THE BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE MEETINGS - FY 2025/26

Name of the Board Member	FY 2025/2026				
	May-25		Aug-25	Jan-26	Mar-26
	06 May 2025	23 May 2025	11 August 2025	07 January 2026	19 March 2026
Mr. Rajendra Theagarajah	✓	✓	✓	✓	✓
Mr. Darshana Ratnayake	✓	✓	✓	✓	✓
Mr. Nalin Karunaratne	✓	✓	✓	✓	✓

ATTENDANCE AT THE RELATED PARTY TRANSACTION REVIEW COMMITTEE - FY 2025/26

Name of the Board Member	FY 2025/2026			
	Jun-25	Oct-25	Dec-25	Mar-26
	30 June 2025	07 October 2025	23 December 2025	17 March 2026
Mr. Nalin Karunaratne	✓	✓	✓	✓
Mr. Sriyan Cooray	✓	✓	✓	✓
Ms. Sandamali Chandrasekera	✓	✓	✓	✓

ATTENDANCE AT THE BOARD CREDIT COMMITTEE - FY 2025/26

Name of the Board Member	FY 2025/2026		
	May-25	Oct-25	Jan-26
	22 May 2025	8 October 2025	27 January 2026
Mr. Sriyan Cooray	✓	✓	✓
Mr. Prakash Schaffter	✓	✓	✓
Ms. Sandamali Chandrasekera	✓	✓	✓

ATTENDANCE AT THE BOARD INVESTMENT CREDIT COMMITTEE - FY 2025/26

Name of the Board Member	FY 2025/2026	
	May-25	Aug-25
	29 May 2025	28 August 2025
Mr. Prakash Schaffter	✓	✓
Mr. Darshana Ratnayake	✓	✓
Mr. Daniel Alphonsus	✓	✓

Risk Management

GLOBAL ECONOMIC LANDSCAPE

The year saw the world economy remaining resilient but subdued amid major shifts in trade policy and persistent geopolitical uncertainty. Sharply higher tariffs and an unpredictable policy environment prompted a material downgrade in the global outlook. By October 2025, global growth was projected at 3.2% for 2025 and 3.1% for 2026, still below the pace expected before the policy shifts. Early 2026 saw an improvement supported by accommodative financial conditions and private-sector adaptability.

Global inflation continued to ease overall, but progress varied across economies and remained slower in major economies. Central banks followed increasingly differentiated, data-dependent policies. The period was also marked by elevated public debt, pressure to rebuild fiscal buffers, volatile commodity and financial markets, and concern over protectionism and fragmentation. These conditions kept risks tilted to the downside, particularly for trade-dependent and highly indebted emerging economies.

ECONOMIC DEVELOPMENTS IN SRI LANKA

Sri Lanka entered the period with a stronger macroeconomic footing following 5.0% growth in 2024, improved fiscal balances, reserve accumulation and substantial progress in external debt restructuring. The recovery remained broad-based in 2025: growth was supported by manufacturing, construction, tourism and financial services, and full-year real GDP growth was subsequently estimated at about 5.0%. Lower interest rates and improving confidence supported a strong expansion in private-sector credit, while the removal of vehicle-import restrictions increased both import demand and credit utilisation.

Inflation remained negative during the early part of the period, reflecting earlier electricity and fuel price reductions, exchange-rate appreciation and remaining economic slack. Headline inflation gradually recovered and turned positive from August 2025 as energy-related price declines faded, food prices increased and domestic demand strengthened. The external sector remained broadly resilient: historically high workers' remittances and stronger services exports helped produce a current-account surplus for a third consecutive year, despite a wider merchandise trade deficit following import normalisation. These inflows supported further reserve accumulation even as external debt-service payments resumed, while the rupee depreciated modestly.

Fiscal consolidation also continued, with the primary balance remaining in surplus. The IMF-supported reform programme remained broadly on track. Debt restructuring was close to completion, although high public debt, sizeable interest costs and limited fiscal space continued to constrain policy choices.

The latter part of the year saw sanctions, tariffs, export controls and weakening multilateral cooperation that threatened trade routes, energy supplies, investment and supply chains leading to sharper global slowdown. The global slowdown, renewed commodity-price increases and uneven disinflation raised risks of weakening demand while keeping interest rates higher for longer. The year also witnessed extreme weather, floods, landslides, droughts and other climate shocks posed risks to food supply, infrastructure, livelihoods, public spending and price stability. In the wake of these global risks Sri Lanka saw a weakening of tourism income, drop in remittances and exports, higher fuel and food costs, leading to pressure on the exchange rate and reserves. The outlook for Sri Lanka remained exposed to global trade tensions, geopolitical shocks, commodity-price volatility and weaker external demand. Domestically, the outlook depended on maintaining macroeconomic discipline, completing debt and governance reforms and implementing structural measures to raise productivity, investment, exports and employment.

Financial and NBFI sector

Despite the adverse outlook in the global economy, Sri Lanka's financial sector remained resilient and strengthened during 2025, fuelled by a rapid recovery in private-sector credit. For finance companies in particular, strong growth in vehicle finance and gold-backed lending may increase concentration, collateral-valuation and repayment risks if asset prices, interest rates or household incomes deteriorate. Across the financial sector, legacy non-performing loans, the adequacy of impairment coverage for Stage 3 facilities, sovereign and state-owned-enterprise exposures, liquidity and funding mismatches, and operational, cyber and governance weaknesses remained important vulnerabilities.

Risk Management

EXTERNAL RISK LANDSCAPE

Building on the stabilization measures and structural reforms initiated in recent years, Sri Lanka's economic recovery strengthened significantly during 2025, marking a notable turnaround following two consecutive years of economic contraction. Gradual improvements in macroeconomic conditions, supported by fiscal consolidation measures, strengthening foreign reserve levels, and improving investor confidence, contributed towards the recovery of economic activity and business confidence. Enhanced political stability following the national elections further reinforced policy continuity and supported overall market sentiment.

Key macroeconomic indicators reflected this improving economic environment. Inflation remained at subdued levels throughout the year following the sharp moderation observed since mid-2023, supporting consumer spending and economic recovery. The Sri Lankan Rupee demonstrated relative stability against major foreign currencies, supported by improved foreign reserve levels, continued growth in tourism earnings, and steady worker remittance inflows. In addition, the gradual relaxation of import restrictions, including the reopening of vehicle imports under revised tariff structures, contributed towards increased trade activity and government revenue generation.

Despite the positive domestic developments, the global economic environment remained uncertain amidst geopolitical tensions, evolving financial market conditions, and climate-related disruptions. Nevertheless, Sri Lanka continued to demonstrate steady progress through the implementation of prudent fiscal and monetary policy measures, including cost-reflective pricing reforms and ongoing economic restructuring initiatives. The favorable progress under the International Monetary Fund (IMF) Extended Fund Facility (EFF) programme further strengthened investor confidence, supported external funding inflows, and contributed towards improvements in the country's sovereign risk outlook and debt restructuring efforts.

The financial services sector continued to adapt to the evolving economic environment during the year. The relatively lower interest rate environment supported improved credit flows and business activity, while the Central Bank of Sri Lanka continued to implement policy measures aimed at maintaining monetary and financial system stability. However, challenges relating to liquidity management, market competition, and evolving economic conditions continued to require prudent risk management and strategic oversight across the sector.

CBSL issued Directions to Finance Companies (FCs) on operational risk, market risk and liquidity risk management while cybersecurity and operational risk events were closely monitored by the regulator.

INTERNAL RISK LANDSCAPE

Risk management remains an integral component of the Company's governance framework and long-term sustainability strategy. Operating within an increasingly dynamic environment shaped by evolving external shocks, increased regulatory scrutiny and competitive pressures, the Company continued to strengthen its risk management practices to safeguard its financial stability, reputation, and stakeholder interests.

The Company's approach to risk management is embedded across all levels of operations and decision-making processes, recognizing that effective risk management not only protects the organization from potential threats but also supports sustainable growth and strategic opportunities. Risk considerations are integrated into strategic planning, operational activities, and customer engagement processes, ensuring a proactive and disciplined approach towards managing uncertainties.

The risk management framework continued to support the timely identification, assessment, monitoring, and mitigation of risks through structured governance mechanisms, regular risk assessments, and continuous enhancement of control processes. The framework is periodically reviewed and strengthened to ensure alignment with evolving business requirements, emerging risks, and regulatory expectations while maintaining an appropriate balance between risk and return.

During the financial year, the Company further strengthened its risk governance structure through the establishment of a dedicated Integrated Risk Management Department, reinforcing the Company's risk oversight capabilities and governance practices while supporting the continued development of a proactive and risk-aware culture across the organization.

Supported by robust corporate governance practices, the leadership of the senior management team, and active oversight by the Board of Directors and the Board Integrated Risk Management Committee (BIRMC), the Company remained committed to maintaining a resilient and forward-looking risk management framework in continuous compliance with applicable Central Bank of Sri Lanka (CBSL) regulations, industry best practices, and long-term strategic objectives.

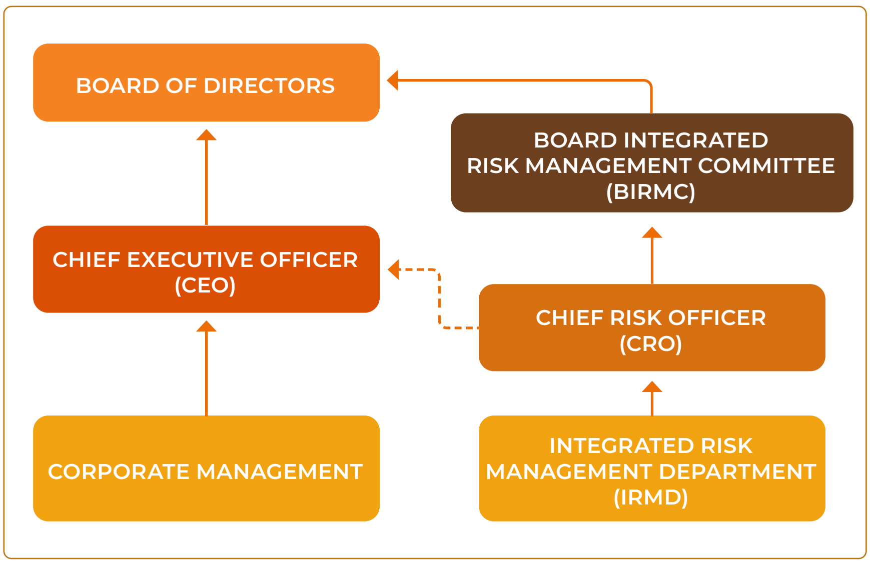
RISK GOVERNANCE

The Company risk governance structure is designed to ensure robust oversight, effective accountability, and the prudent management of risk across all levels of the organization. The Board of Directors, together with the Board Integrated Risk Management Committee (BIRMC), provides strategic direction and oversight over the Company's risk management framework, ensuring alignment with regulatory expectations, corporate objectives, and industry best practices.

The Integrated Risk Management Department, led by the Chief Risk Officer (CRO), is responsible for the independent identification, assessment, monitoring, and mitigation of risks across the organization, while the Internal Audit and Compliance functions provide independent assurance on the effectiveness of internal controls, governance processes, and regulatory compliance.

This integrated governance framework strengthens risk oversight, supports informed decision-making, and reinforces the Company's operational resilience, financial stability, and long-term sustainable growth.

The Risk Governance Structure is depicted below:



BOARD INTEGRATED RISK MANAGEMENT COMMITTEE (BIRMC)

The Board Integrated Risk Management Committee (BIRMC) plays a pivotal role in strengthening the Company's risk governance framework and overseeing the effective management of risk across the organization. Established in line with the Finance Business Act, Direction No. 05 of 2021 on Corporate Governance, the Committee operates under the authority delegated by the Board of Directors to ensure the adequacy and effectiveness of the Company's risk management practices.

The Committee comprises four Non-Executive Directors and is chaired by an Independent Non-Executive Director appointed by the Board, while the Chief Risk Officer serves as the Secretary to the Committee. The BIRMC meets once every two months to review key risk exposures, regulatory compliance matters, and the effectiveness of the Company's risk management framework based on reports presented by the Integrated Risk Management Department and the Compliance Department.

During the financial year 2025/2026, the Committee convened six meetings, demonstrating its continued commitment towards proactive risk oversight, sound governance practices, and informed strategic decision-making.

RISK MANAGEMENT FUNCTION

The governance framework at Janashakthi Finance PLC reflects the Company's strong commitment towards maintaining an independent and effective risk management function. The Integrated Risk Management Department operates independently headed by the Chief Risk Officer (CRO), ensuring a clear segregation between risk oversight, support functions, and business operations, thereby reinforcing the integrity and objectivity of the risk management process.

This governance structure is aligned with the Basel Committee on Banking Supervision's Principles for Enhancing Corporate Governance, which emphasize the importance of providing the CRO with sufficient authority, independence, and access to information to effectively oversee the organization's risk profile and engage with the Board and senior management on key risk matters.

INTEGRATED RISK MANAGEMENT DEPARTMENT

The Integrated Risk Management Department plays a central role in the identification, measurement, monitoring, and management of risks across the organization, ensuring that the Company operates within the risk appetite established by the BIRMC and the Board adherence to the risk parameters established by the Board of Directors, the Board Integrated Risk Management Committee (BIRMC), and other management committees. This structured approach supports the proactive management of risks in alignment with regulatory requirements and the Company's strategic objectives.

THREE LINES OF DEFENCE

The Company's risk governance framework is anchored on the widely recognized Three Lines of Defence model, promoting accountability, independence, and transparency across all risk management activities while strengthening effective communication and oversight across the organization.

- The **First Line of Defence** resides within business operations, where management is responsible for maintaining effective internal controls, adhering to approved risk management practices, and ensuring accountability in day-to-day activities.
- The **Second Line of Defence** comprises the independent oversight functions, including the Integrated Risk Management Department and Compliance Department, which are responsible for monitoring compliance, overseeing the implementation of risk management policies, and validating the effectiveness of risk frameworks and controls.
- The **Third Line of Defence** provides independent assurance through the Internal Audit and external audit functions, ensuring the effectiveness, adequacy, and continuous enhancement of the Company's risk governance and control environment.

RISK BASED THINKING CULTURE

Cultivating a strong risk-aware culture remains a fundamental priority of the Company, reinforcing the shared responsibility of all employees in safeguarding the Company's strategic objectives, operational resilience, and stakeholder confidence. The Company continues to foster a culture grounded in ethical conduct, accountability, transparency, and continuous professional development, ensuring that risk awareness remains embedded across all levels of the organization.

The Integrated Risk Management Department continues to play a pivotal role in strengthening risk-based thinking across the organization through structured awareness and training initiatives conducted under the theme "Building a Culture of Risk-Based Thinking." These programmes are designed to enhance employees' understanding of risk management principles and strengthen their ability to proactively identify, assess, and mitigate risks as part of informed day-to-day decision-making.

RISK MANAGEMENT STRATEGY AND RISK APPETITE

The Company's Risk Management Strategy defines its risk appetite by establishing the nature and level of risk the Company is willing to accept in pursuit of its strategic objectives. The framework incorporates clearly defined risk tolerance thresholds across key risk categories, ensuring alignment between risk-taking activities, strategic decision-making, and the Internal Capital Adequacy Assessment Process (ICAAP).

By integrating risk appetite into both strategic and operational decision-making processes, the Company maintains a disciplined and proactive approach to risk management, enabling the effective management of uncertainties while supporting sustainable growth opportunities.

The risk appetite framework is systematically embedded across the organization and continuously monitored through a structured "Traffic Light" mechanism, with periodic reviews undertaken to ensure alignment with evolving business conditions, market dynamics, and regulatory expectations.

Accordingly, the summary of Risk Appetite is tabulated below;

Low Risk Appetite	Moderate Risk Appetite	High Risk Appetite
Liquidity Risk	Credit Concentration Risk	Credit Risk
Compliance and AML Risk	Market Risk (Interest and Commodity)	
Reputational Risk	Strategic Risk	
Legal Risk	Capital Risk	
Operational Risk - ICT Risk/Fraud/HR		

ENHANCEMENTS IN RISK MANAGEMENT RELATED POLICIES IN 2025/26

During the financial year, the Company continued to strengthen its risk governance practices through the enhancement and refinement of several key risk management policies and frameworks to support operational resilience, regulatory compliance, and sustainable growth. Key enhancements included:

- The Integrated Risk Management Framework was aligned with ISO 31000:2018 standards, reinforcing a structured and internationally benchmarked approach to enterprise risk management.
- The Credit Risk Management Framework was enhanced to strengthen credit risk assessment, monitoring, and mitigation practices across lending operations.
- The Operational Risk Management Framework was further strengthened to support the proactive identification, assessment, and management of operational risks across the organization.
- The Market Risk Management Framework was refined to strengthen the management of exposures arising from interest rate movements and commodity price fluctuations.

In addition, the Company continued to periodically review key policies, frameworks, and governance mechanisms to ensure ongoing alignment with evolving business requirements, strategic objectives, regulatory expectations, and industry best practices. This included regular assessments of the Risk Appetite Statement (RAS) and the Internal Capital Adequacy Assessment Process (ICAAP) framework to ensure that the Company's risk management approach and capital planning processes remained robust, relevant, and aligned with its overall strategic and regulatory objectives.

CONTINUOUS IMPROVEMENT OF THE RISK MANAGEMENT PROCESSES

The Company remains committed to continuously strengthening its risk management practices through ongoing assessments, regulatory alignment, and the adoption of internationally recognized standards and best practices. Key initiatives undertaken during the financial year included:

- Enhancing risk management frameworks through the adoption of ISO 31000:2018 standards and alignment with internationally recognized guidelines, including Basel regulatory guidelines.
- Conducting regular reviews of risk management policies, frameworks, and guidelines to strengthen effectiveness and adaptability within an evolving business and regulatory environment.
- Continuously monitoring industry developments, regulatory changes, and strategic business priorities to ensure the ongoing relevance and responsiveness of the Company's risk management framework.
- Periodically reviewing risk management processes to support a structured and up-to-date approach towards risk identification, mitigation, monitoring, and reporting.

Risk Management

RISK MANAGEMENT PROCESS

The Company's risk management process is formulated in alignment with the principles of ISO 31000:2018, with the objective of establishing a robust and structured risk management framework that supports long-term organizational sustainability and sustainable value creation for stakeholders.

1. Credit Risk and Portfolio Quality

Janashakthi Finance PLC continued to maintain a disciplined and proactive approach towards credit risk management during the financial year, balancing portfolio growth with asset quality, financial stability, and prudent risk governance. The Company further enhanced its Credit Risk Management Framework in line with the requirements of the Finance Business Act Directions No. 02 of 2024, reinforcing compliance with evolving regulatory expectations and industry best practices.

The Company recorded improvements in collection performance, asset quality, and Stage-3 Impairment Coverage during the year, supported by strengthened recovery initiatives, disciplined underwriting standards, enhanced portfolio monitoring mechanisms, and the continued application of a risk-based pricing approach in credit evaluation and lending decisions. The Gross Non-Performing Loan (NPL) ratio remained broadly aligned with the industry average, reflecting the effectiveness of the Company's ongoing credit risk management practices and prudent portfolio quality maintenance measures.

The Company also continued to enhance its credit evaluation, approval, monitoring, and recovery processes to facilitate the early identification of potential risk exposures, promote responsible lending practices, and support the long-term sustainability and resilience of the lending portfolio. Continuous portfolio reviews, recovery follow-ups, and risk-based credit assessment practices further supported the Company's efforts to maintain portfolio quality amidst evolving market and economic conditions.

Credit Product Composition

The composition of the lending portfolio continued to evolve during the financial year ended 31 March 2026, reflecting Janashakthi Finance PLC's strategic focus on sustainable growth, portfolio resilience, and prudent risk management. The portfolio mix remained aligned with the Company's long-term objective of strengthening asset quality while maintaining a balanced and diversified lending portfolio.

Lease facilities remained the largest component of the portfolio, accounting for 49% as at 31 March 2026. The reduction from 63% in the previous year reflects the Company's measured approach towards vehicle-backed lending amidst evolving market and regulatory conditions, while continuing to maintain leasing as a core business segment supported by disciplined underwriting standards and continuous portfolio monitoring.

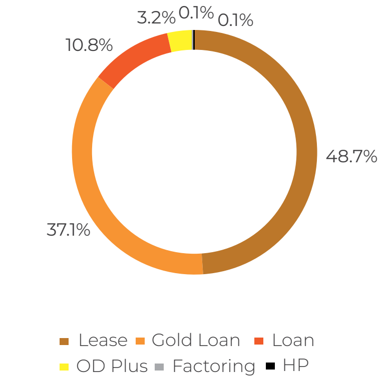
Gold Loans increased to 37% from 33% in the previous year, reinforcing the Company's strategic emphasis on secured and short-tenor lending products. The portfolio continued to demonstrate strong credit quality supported by prudent Loan-to-Value (LTV) levels, adequate collateral coverage, and effective risk monitoring practices.

Loan products, comprising personal and business loans, increased to 10.8% from 3.3% in the previous year, reflecting the Company's gradual expansion into selected lending segments while maintaining prudent credit evaluation and monitoring standards. These facilities, together with OD Plus products, are predominantly secured against vehicle collateral, strengthening the overall portfolio risk profile and recovery prospects. Meanwhile, OD Plus products increased to 3.2% from 0.5%, supporting the Company's ongoing portfolio diversification initiatives.

Overall, the lending portfolio composition reflects the Company's disciplined strategic direction and continued transition towards resilient and secured lending products, supporting portfolio quality, financial stability, and sustainable long-term growth.

Product	Mar-26	Mar-25
Lease	48.7%	62.5%
Gold Loan	37.1%	33.3%
Loan	10.8%	3.3%
OD Plus	3.2%	0.5%
Factoring	0.1%	0.2%
HP	0.1%	0.1%

Product Composition



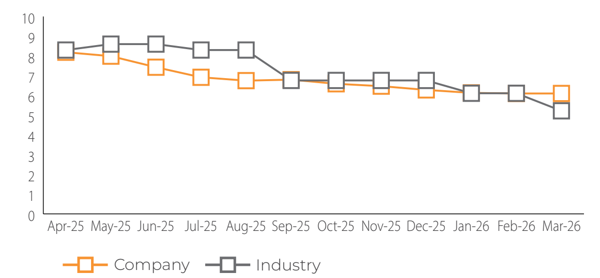
Non-Performing Loans

As at 31 March 2026, the Company's Gross Non-Performing Loan (NPL) ratio improved further to 5.22%, compared to 7.65% in the previous financial year, above the industry average of 4.42%. The improvement reflects the effectiveness of disciplined credit underwriting standards, strengthened portfolio monitoring, and focused recovery initiatives implemented across lending segments.

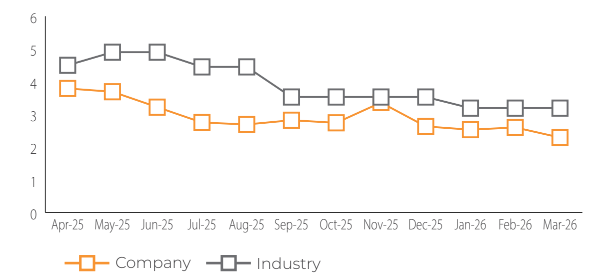
The Net NPL ratio stood at 3.19% as at 31 March 2026, compared to 3.24% in the previous year. Despite remaining marginally above the industry average of 2.29%, the Company continued to maintain prudent impairment provisions and closely monitor recovery performance to preserve portfolio quality and financial resilience.

Overall, the continued improvement in asset quality indicators reflects the Company's prudent risk management approach, disciplined lending practices, and commitment towards maintaining a resilient and sustainable lending portfolio.

Gross NPL



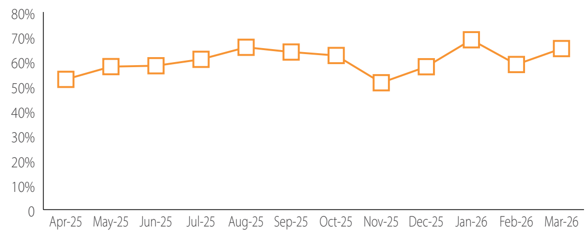
Net NPL



Risk Management

Collection Ratio

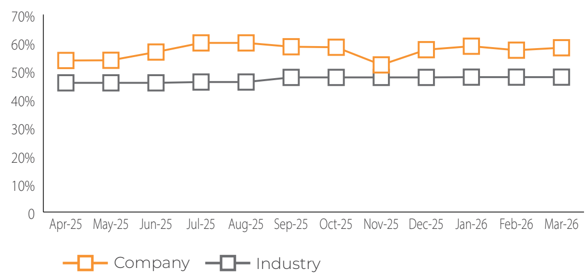
The Company also recorded an improvement in the collection ratio to 65.2% as at 31 March 2026, compared to 63.7% in the previous financial year. The improvement was driven by strengthened recovery strategies, enhanced collection monitoring and follow-up mechanisms, and proactive customer engagement initiatives, which collectively supported improved cash flow generation and overall portfolio quality.



Stage-3 Impairment Coverage

The Stage-3 Impairment Coverage Ratio improved to 58.21% as at 31 March 2026, compared to 57.64% in the previous financial year, remaining above the industry average of 47.8%. The improvement reflects the Company's prudent provisioning approach, disciplined risk management practices, and continued focus on maintaining balance sheet strength and portfolio resilience.

The strong coverage position demonstrates the adequacy of impairment buffers maintained by the Company to absorb potential credit losses and support long-term financial stability.



2. Market Risk

Market risk refers to the potential adverse impact on the Company's earnings, cash flows, capital position, and overall financial stability arising from fluctuations in market variables, including interest rates, foreign exchange rates, equity prices, and commodity prices. During the financial year under review, Interest Rate Risk and Commodity Price Risk continued to represent the Company's most significant market risk exposures, primarily driven by evolving monetary conditions and the continued expansion of the Gold Loan portfolio.

The Company continued to strengthen its market risk management framework through enhanced monitoring, measurement, and mitigation mechanisms aimed at ensuring prudent management of market risk exposures while safeguarding long-term financial resilience and balance sheet stability. Risk management practices remained focused on maintaining an optimal balance between risk and return, while ensuring compliance with internal risk appetite thresholds and regulatory expectations.

Oversight of market risk exposures was carried out through a well-defined governance structure. The Asset and Liability Committee (ALCO) continued to provide strategic oversight on balance sheet management, funding strategies, pricing decisions, and compliance with approved market risk limits from both risk and return perspectives. The Treasury Department remained responsible for the active day-to-day management and monitoring of market risk exposures, while the Integrated Risk Management Department independently evaluated risk exposures against approved tolerance levels and regularly reported its observations and assessments to the Board Integrated Risk Management Committee (BIRMC), thereby ensuring robust governance, independent oversight, and effective risk escalation mechanisms across the organization.

Interest Rate Risk

Fluctuations in interest rates continued to impact the Company's lending, deposit, and investment portfolios during the financial year, requiring continuous monitoring and active management of interest rate exposures. Changes in market rates contributed to increased refinancing and early settlement activities, affecting interest income generation from existing facilities.

In addition, prepayment risk created reinvestment challenges, as recovered funds were required to be redeployed at comparatively lower yields. The Company continued to strengthen its asset and liability management strategies to effectively manage interest rate risk exposures, maintain funding stability, and optimize risk-adjusted returns amidst evolving market conditions.

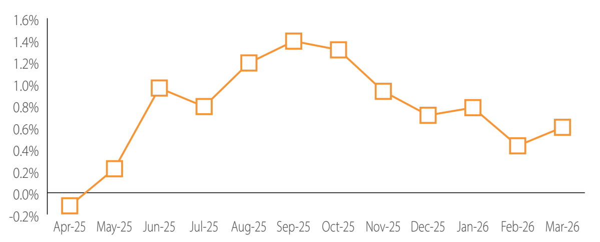
Interest Rate Risk Management

Interest rate risk continued to remain a key focus area within the Company's risk management framework, supported by ongoing monitoring and mitigation measures throughout the financial year. The Company utilized Earnings-at-Risk (EaR), interest rate sensitivity analysis, and cumulative gap analysis to assess and manage interest rate risk exposures effectively.

Interest Rate Sensitivity

The Company continued to monitor interest rate risk exposures through the Interest Rate Sensitivity Ratio, which measures the potential impact of a ±1% fluctuation in interest rates on Net Interest Income (NII) as a percentage of the annual NII budget.

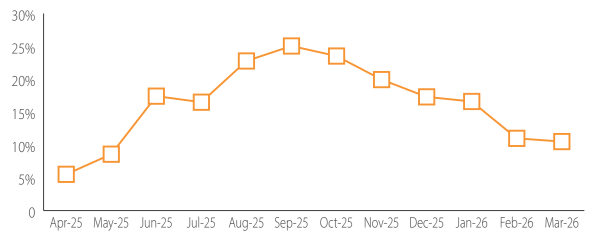
During the financial year under review, the ratio ranged from a low of -0.12% in April 2025 to a high of 1.39% in September 2025, before moderating to 0.6% as at 31 March 2026. The movement reflects the impact of changing market conditions and portfolio repricing dynamics during the year. Nevertheless, the Company continued to proactively manage its asset and liability profile to minimize interest rate mismatches and support earnings stability.



Cumulative Gap Analysis

The 3-Month Cumulative Gap Ratio, which measures the timing mismatches between Rate Sensitive Assets (RSA) and Rate Sensitive Liabilities (RSL), remained within the Company's approved risk tolerance levels during the financial year ended 31 March 2026. The ratio increased during the first half of the year, reaching a peak of 25.05% in September 2025, primarily driven by balance sheet repricing dynamics and funding mix adjustments amidst evolving market interest rate conditions.

Nevertheless, the Company continued to proactively manage its asset and liability profile through disciplined Asset and Liability Management (ALM) practices, resulting in a gradual improvement in the ratio to 10.51% as at 31 March 2026. The improving trend towards the latter part of the financial year reflects the effectiveness of the Company's ongoing efforts to minimize repricing mismatches, strengthen short-term liquidity positioning, and manage interest rate risk exposures prudently.



Commodity Price Risk

The Company's commodity price risk is primarily linked to gold prices, given the significant exposure to the Gold Loan portfolio. During the financial year, the Company further expanded its Gold Loan portfolio in response to strong market demand, while continuing to maintain prudent risk management practices.

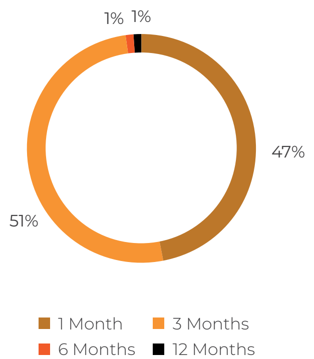
Fluctuations in gold prices directly impact collateral valuations and portfolio exposure levels, necessitating continuous monitoring and proactive risk mitigation measures. The Company continued to maintain conservative Loan-to-Value (LTV) levels, close monitoring of collateral coverage, and timely recovery mechanisms to manage commodity price risk and preserve portfolio stability.

Risk Management

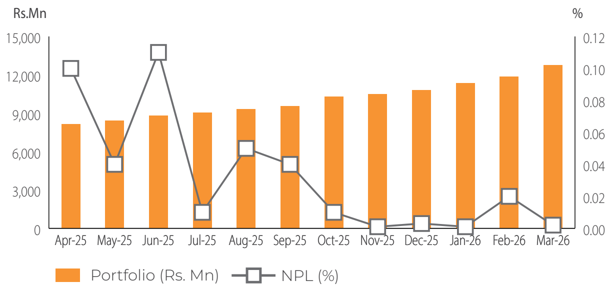
Commodity Price Volatility

The Company continued to demonstrate resilience against gold price volatility by maintaining Loan-to-Value (LTV) ratios below 70% throughout the financial year. In addition, 98% of the Gold Loan portfolio comprised short-tenor 1-month and 3-month facilities, enabling quicker repricing and reducing prolonged exposure to market fluctuations. Supported by prudent credit controls and effective recovery mechanisms, the Gold Loan NPL ratio remained exceptionally low at 0.002% as at 31 March 2026, reflecting the strong quality and resilience of the portfolio.

Portfolio by Period



Portfolio Growth vs NPL



Equity Investment Risk

The Company did not maintain an equity investment portfolio during the financial year ended 31 March 2026 and, accordingly, had no direct exposure to equity market risk. In the event of future equity investments, the Asset and Liability Committee (ALCO) will oversee the review of investment portfolio performance, including capital gains or losses, and provide recommendations on investment strategies and appropriate risk management actions.

3. Liquidity Risk

Liquidity management remained a key priority of the Company in ensuring business continuity and financial stability. The Company continued to adopt a structured approach towards liquidity risk monitoring and mitigation to ensure the availability of sufficient funds to meet its obligations.

During the financial year, the relatively lower interest rate environment posed challenges to deposit mobilization, as depositors increasingly explored alternative higher-yield investment opportunities. Nevertheless, the Company continued to maintain prudent liquidity management practices and a stable funding base, supporting overall financial resilience.

The elevated LDR reflects the Company's reliance on funding sources in addition to customer deposits, including borrowings and equity. The resulting funding profile is actively monitored through ALCO and liquidity stress testing, with funding concentration, maturity mismatches and refinancing requirements considered within the approved risk appetite.

Liquidity Risk Oversight

- The Asset and Liability Committee (ALCO) continued to provide oversight on liquidity risk management through the continuous monitoring of liquidity positions and the implementation of appropriate measures to maintain adequate liquidity levels and funding stability.
- The Treasury Department closely monitored daily funding requirements, including operational cash flows and significant funding obligations, to ensure the timely availability of funds and effective liquidity planning.
- The Integrated Risk Management Department independently monitored liquidity risk exposures against approved risk tolerance levels and regularly reported its assessments and observations to the Board Integrated Risk Management Committee (BIRMC), thereby strengthening independent oversight and governance over liquidity risk management practices.

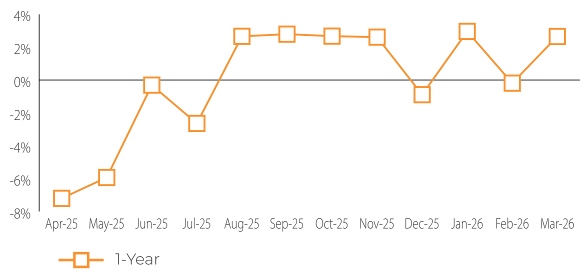
Maturity Gap Analysis

The Company continued to strengthen its asset and liability management practices during the financial year ended 31 March 2026, reflecting a disciplined approach towards managing maturity mismatches and liquidity risk exposures.

The 1-Year Maturity Gap Ratio demonstrated a notable improvement compared to the previous financial year, with the ratio remaining relatively stable throughout the year despite fluctuations arising from changing market conditions, funding dynamics, and balance sheet repricing movements. The ratio improved from a negative position in the early part of the financial year and remained positive during several months, before closing at 2.65% as at 31 March 2026.

The improving trend reflects the effectiveness of the Company's prudent funding strategies, disciplined liability management, and proactive treasury interventions aimed at enhancing medium-term cash flow alignment and maintaining liquidity resilience. The continued strengthening of the maturity profile further supported the Company's ability to effectively manage liquidity obligations under both normal and stressed operating conditions.

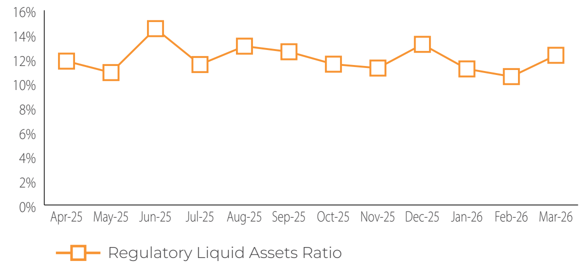
01-Year Maturity Mismatch Ratio



Regulatory Liquid Assets

As at 31 March 2026, the Company maintained a Regulatory Liquid Assets Ratio of 12.3%, remaining comfortably above the statutory minimum requirement of 10%. The continued maintenance of surplus liquidity buffers reflects the Company's prudent liquidity management practices and strong adherence to regulatory requirements. This further strengthens the Company's ability to meet short-term obligations and withstand unforeseen liquidity pressures, supporting overall financial stability.

Regulatory Liquid Assets Ratio

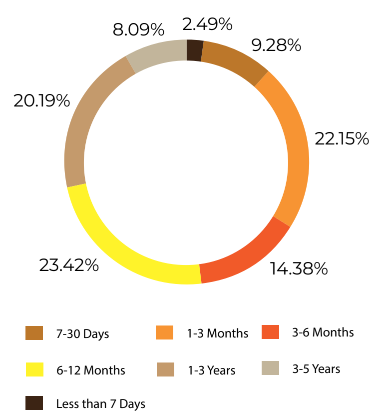


Deposit Maturity Profile

As at 31 March 2026, the Company's deposit maturity profile continued to reflect a prudent and well-diversified funding structure, supporting effective asset and liability management and long-term funding stability. Approximately 51% of the deposit base matured beyond six months, comprising 23% within the 6 to 12-month category, 20% within the 1 to 3-year range, and 8% extending beyond 3 years.

Meanwhile, deposits maturing within one month accounted for only 11% of the portfolio, thereby limiting short-term refinancing pressures and supporting liquidity stability. The Company's strong Fixed Deposit renewal levels further enhanced funding predictability and reinforced depositor confidence, reflecting the effectiveness of its disciplined liability management and funding strategies.

Deposits Maturity Profile



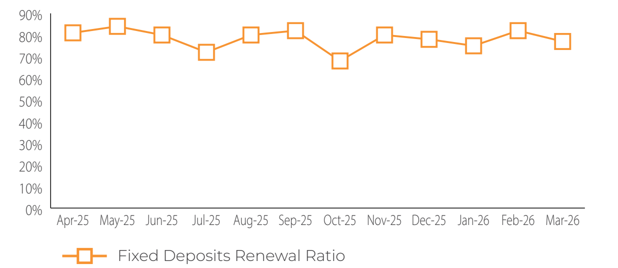
Risk Management

Fixed Deposit Renewal Ratio

The Company maintained a strong Fixed Deposit Renewal Ratio throughout the financial year, recording 77% as at 31 March 2026. The consistently high renewal levels reflect sustained depositor confidence and the stability of the Company's funding base.

The strong renewal performance further enhanced funding predictability and supported effective asset and liability management, thereby strengthening the Company's overall liquidity position and long-term funding stability.

Fixed Deposits Renewal Ratio

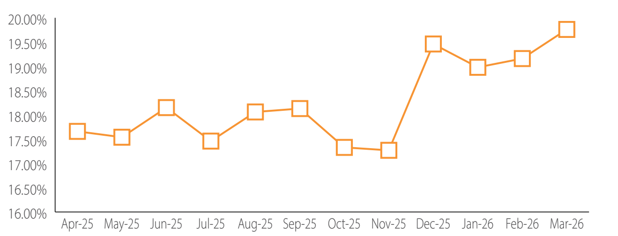


Fixed Deposit Portfolio Concentration

As at 31 March 2026, the Top 20 depositors represented 19.76% of the Company's total Fixed Deposit portfolio. The concentration level remained within the Company's approved risk tolerance thresholds, reflecting a stable and well-diversified funding base.

The controlled exposure to large depositors continued to support funding stability and mitigate concentration-related liquidity risks, reinforcing the effectiveness of the Company's prudent liability management practices.

Fixed Deposits: Top 20 Concentration

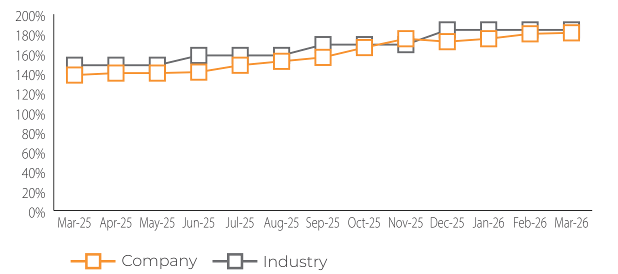


Loan to Deposit Analysis

The Company continued to maintain a disciplined liquidity and funding strategy throughout the financial year, ensuring adequate funding buffers to support portfolio growth while operating within approved risk thresholds. The Loans to Deposits Ratio (LDR) stood at 181% as at 31 March 2026, compared to the industry average of 184%, reflecting the Company's continued focus on maintaining a balanced funding position amidst expanding lending activities.

The Company maintained liquidity buffers above regulatory requirements while monitoring maturity mismatches, funding concentration and deposit renewal trends. Liquidity stress testing and regular ALCO reviews were used to assess the Company's ability to meet obligations under normal and stressed conditions.

Loans to Deposits Ratio



4. Operational Risk

Operational risk remains an inherent component of the Company's business operations and refers to the risk of loss arising from inadequate or failed internal processes, systems, human factors, or external events, including legal and reputational risks. During the financial year, the Company further strengthened its operational risk management practices through the implementation of a comprehensive Operational Risk Management Framework, reinforcing a structured and integrated approach towards the identification, assessment, monitoring, and mitigation of operational risk exposures across the organization.

The framework incorporates key operational risk management tools, including the Loss Data Programme, Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRIs), and Scenario Analysis, enabling the proactive identification and management of operational vulnerabilities while strengthening overall operational resilience and risk governance practices.

Although compliance with Finance Business Act Direction No. 04 of 2024 on Operational Risk Management becomes mandatory prior to 01 January 2027 for finance companies with assets below LKR 100 billion, the Company successfully completed the implementation of the framework ahead of the regulatory timeline. This reflects the Company's strong commitment towards sound risk governance, regulatory compliance, and the continued enhancement of enterprise-wide risk management capabilities.

Key Operational Risk Indicators (KRIs)

Risk Area	Key Risk Indicator
Fraud Risk	Internal and external fraud incidents
Customer Experience Risk	Customer complaints and resolution time
Human Resource Risk	Employee turnover rate
Information Technology Risk	System downtime and cybersecurity incidents
Operational Risk	Operational loss events
Compliance Risk	Internal triggers for breaches and overdue action items
Legal Risk	Legal cases

Introduction of RCSA Across All Product Lines

During the financial year, the Company further strengthened its operational risk management practices through the continued implementation of Risk and Control Self-Assessments (RCSAs) across all core product lines, including Leasing, Fixed Deposits, Savings, and Gold Loans. The RCSA framework continued to support the proactive identification, assessment, monitoring, and management of operational risk exposures across the organization.

The process was carried out in close collaboration between business units and the Integrated Risk Management Department, enabling the continuous evaluation of product-specific risks and the effectiveness of existing control mechanisms.

The continued integration of RCSAs into day-to-day operations further strengthened the Company's operational resilience, internal control environment, and overall risk governance framework, while promoting a stronger risk-aware culture across the organization.

Business Continuity Management Framework

The Business Continuity Management (BCM) Framework forms an integral part of the Company's Operational Risk Management Framework, providing a structured approach to managing risks arising from unexpected disruptions and ensuring operational resilience. The Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) continue to serve as key components of the BCM framework, supporting the Company's ability to respond effectively to potential disruptions and maintain critical operations.

The framework is designed to address a wide range of anticipated disruptions while enabling the Company to respond effectively to unforeseen events. This further reinforces the Company's commitment towards ensuring service continuity and safeguarding the interests of all stakeholders.

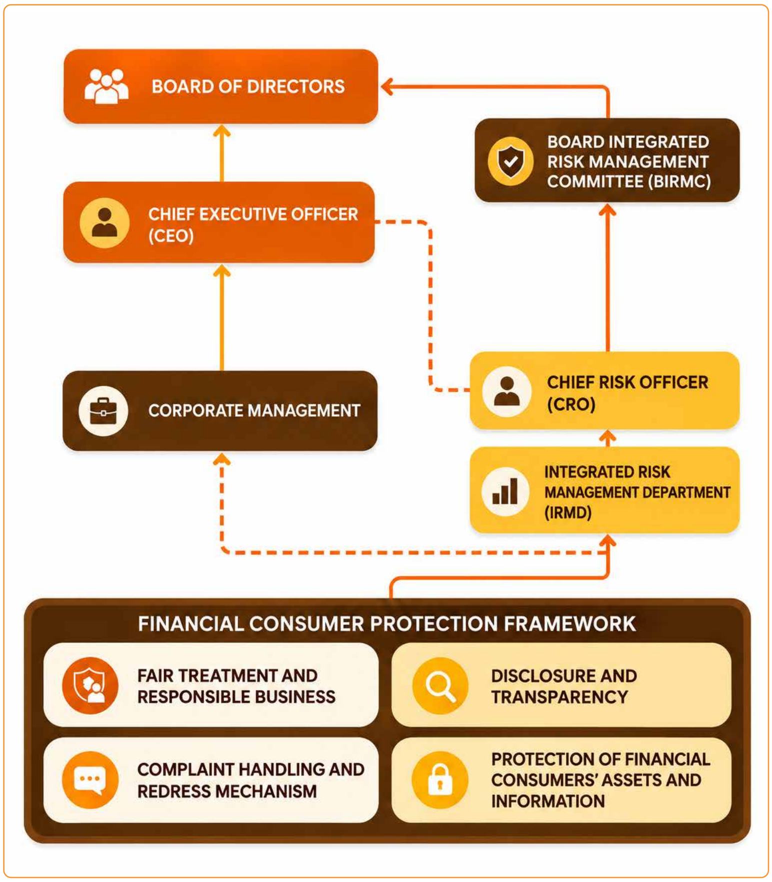
Financial Consumer Protection Framework

In alignment with Financial Consumer Protection Regulations No. 01 of 2023, the Company developed a comprehensive Financial Consumer Protection Framework as an integral component of its Operational Risk Management Framework. The framework is designed to strengthen customer protection standards, promote transparency and fairness in financial dealings, and support responsible business practices across the organization.

The Company believes that a strong financial consumer protection framework is fundamental to fostering customer confidence, enabling informed financial decision-making, and strengthening trust in the formal financial sector. The framework further supports the Company's commitment towards maintaining high standards of governance, ethical business conduct, and the development of a sustainable and customer-centric financial services environment.

Risk Management

Financial Consumer Protection Governance Structure



Reputational Risk

Reputational risk remains an integral component of the Company's Operational Risk Management Framework, as operational failures, service disruptions, regulatory developments, or changes in the external operating environment may adversely impact stakeholder confidence and the Company's reputation.

The Integrated Risk Management Department continued to proactively assess reputational risk exposures from both customer and brand perspectives through the monitoring of Key Risk Indicators against approved risk tolerance levels. Key focus areas included customer complaint resolution timelines, complaint channels, service-related concerns, and media-related developments.

The Company further strengthened preventive and mitigation measures through enhanced customer service responsiveness, transparent communication practices, and ongoing brand management initiatives aimed at safeguarding stakeholder confidence and preserving the Company's reputation and market standing.

The Company's status of compliance with the Consumer Protection Framework specified by the CBSL was subjected to an independent external evaluation which revealed that there were no non-compliances, providing assurance on the status of adoption by the Company.

Human Resources Risk

The Company recognizes that its employees are a critical driver of operational stability and long-term business performance. Human resources risk arises from factors such as human error, misconduct, skill gaps, and workforce disruptions, which may adversely impact operational continuity and service delivery.

To mitigate such risks, the Company continued to strengthen its talent management strategies, enhance digital HR capabilities, and foster an agile and performance-driven workforce capable of adapting to evolving business and market conditions. Through the promotion of a strong corporate culture and continuous employee development, the Company remains committed to maintaining operational excellence and organizational effectiveness.

Information Security Risk

In an increasingly digital financial landscape, information security remained a key priority of the Company. Effective IT risk management continued to strengthen operational resilience, safeguard sensitive information, and support compliance with regulatory requirements.

The Integrated Risk Management Department conducted independent information security risk assessments on a quarterly basis and regularly reported its observations to the Board Integrated Risk Management Committee (BIRMC). This structured approach supported the timely identification of vulnerabilities, mitigation of cyber threats, and continuous enhancement of the Company's information security and data protection practices.

5. Strategic Risk and Capital Management

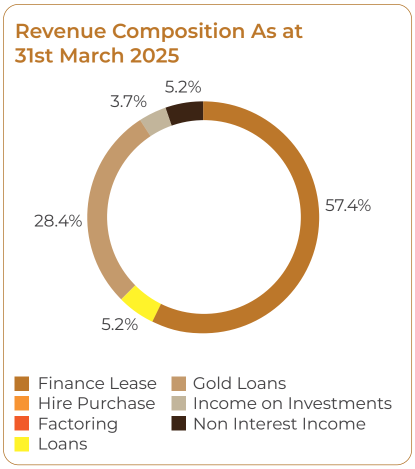
Janashakthi Finance PLC recognizes that strategic risk is inherent in the pursuit of sustainable long-term growth, business sustainability, and value creation. External factors such as evolving market conditions, regulatory developments, competitive pressures, technological advancements, and macroeconomic changes may influence the achievement of the Company's strategic objectives and overall business performance.

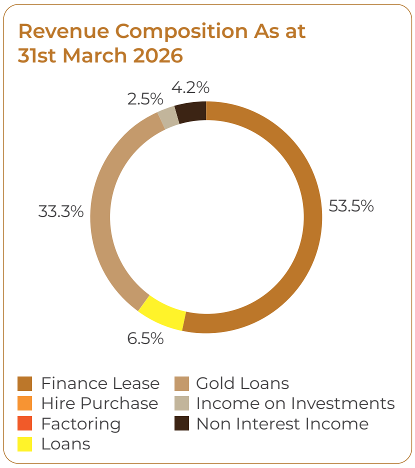
Accordingly, the Company continued to strengthen its strategic risk management practices through continuous monitoring of the operating environment, proactive risk assessments, and timely strategic decision-making. This disciplined approach supported the Company's ability to respond effectively to emerging risks and opportunities while maintaining long-term financial stability and sustainable business growth.

Revenue Composition

The Company's revenue composition during the financial year ended 31 March 2026 continued to be predominantly driven by its core Finance Leasing and Gold Loan businesses, which contributed 53.55% and 33.28% of total revenue, respectively.

The increasing contribution from Gold Loans and other lending products reflects the Company's deliberate strategic transition towards gradually diversifying its traditionally lease-concentrated portfolio into a broader secured lending portfolio supported by multiple collateral classes. This measured portfolio realignment continued to enhance revenue resilience, reduce concentration risk, and strengthen the sustainability of long-term earnings amidst evolving market and regulatory conditions.

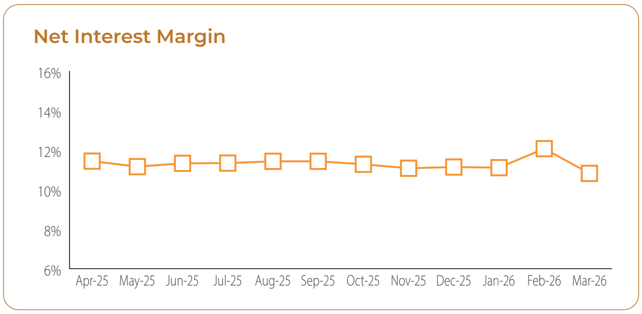




Net Interest Margin

The Company's Net Interest Margin (NIM) remained stable during the financial year, reflecting the effectiveness of its risk-based pricing approach, disciplined balance sheet management, and prudent asset and liability management practices amidst evolving market conditions.

The NIM remained above 11% for the majority of the year, peaking at 12.07% in February 2026 before moderating to 10.82% as at 31 March 2026. Despite increasing market competition and changes in lending and funding rates, the Company continued to maintain healthy margins through disciplined portfolio management, prudent pricing strategies, and a continued focus on portfolio quality and sustainable profitability.

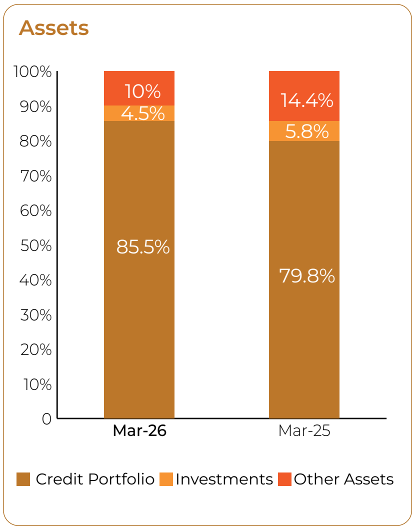


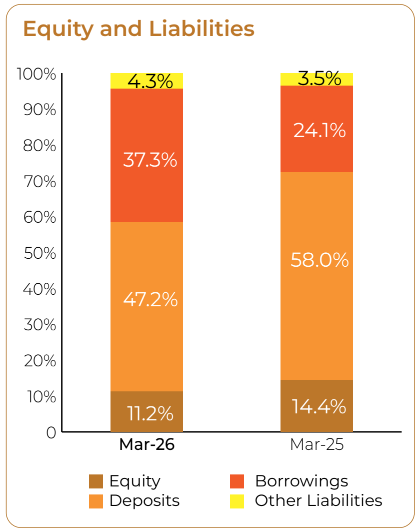
Balance Sheet Composition

During the financial year ended 31 March 2026, Janashakthi Finance PLC continued to strengthen its balance sheet through disciplined growth, prudent funding strategies, and effective balance sheet management amidst evolving market conditions. Total assets increased significantly to LKR 38.6 billion from LKR 27.4 billion in the previous year, primarily driven by the continued expansion of the credit portfolio, which accounted for 85% of total assets compared to 80% in the previous year. The growth reflects the Company's continued strategic focus on core lending operations and the sustained expansion of secured lending activities.

Customer deposits remained the Company's primary funding source, contributing 47% of total funding as at 31 March 2026. Meanwhile, borrowings increased to 37% from 24% in the previous year, reflecting the Company's continued efforts to diversify funding sources, enhance funding flexibility, and support balance sheet growth. Equity represented 11% of the balance sheet, further supporting the Company's capital position and long-term growth aspirations.

The Company continued to maintain a balanced approach towards growth, liquidity, and capital management through proactive asset and liability management practices, continuous risk monitoring, and strategic funding initiatives. These measures further strengthened the Company's financial position and supported sustainable business growth amidst changing market and economic conditions.





Capital Management and Strategic Alignment

The Integrated Risk Management Department continued to assess capital management risks to ensure alignment with the Company's strategic objectives, business plans, and approved risk appetite framework. The capital management process remained focused on maintaining an appropriate balance between growth, profitability, capital adequacy, and risk absorption capacity amidst evolving market and regulatory conditions.

Key focus areas of capital management included:

- Capital Adequacy and Business Growth- Maintaining adequate capital buffers to support sustainable business growth, balance sheet expansion, and long-term market positioning.
- Regulatory Compliance- Ensuring continuous compliance with regulatory capital requirements to support financial stability and minimize potential regulatory and reputational risks.
- Risk Appetite Alignment - Optimizing the capital structure to absorb potential stress events while supporting the Company's long-term strategic objectives and overall financial sustainability.

The Company also continued to strengthen the integration of risk management practices into strategic planning and decision-making processes. This included the continuous refinement of Risk Appetite Statements in line with evolving business objectives and market conditions, together with the incorporation of stress testing, scenario analysis, and risk assessments into strategic and capital planning activities.

The Internal Capital Adequacy Assessment Process (ICAAP) further supported the proactive assessment of capital requirements and the formulation of capital augmentation strategies to support future growth aspirations and long-term financial stability.

Internal Capital Adequacy Assessment Process (ICAAP)

In line with the Company's commitment towards prudent capital management and strengthened risk governance practices, the Company has proactively implemented an Internal Capital Adequacy Assessment Process (ICAAP) as part of its broader risk management framework. In line with the Company's commitment towards prudent capital management and strengthened risk governance practices, the Company has proactively implemented an Internal Capital Adequacy Assessment Process (ICAAP) as part of its broader risk management framework, reflecting the Company's proactive approach to strengthening its capital planning, risk assessment and governance practices.

The Integrated Risk Management Department conducts an annual ICAAP to assess the adequacy of capital relative to the Company's current and projected risk profile, strategic objectives, and business plans. The assessment encompasses key risk categories including credit, market, operational, liquidity, concentration, and emerging risks.

Stress testing and scenario analysis form an integral component of the ICAAP process, enabling the Company to evaluate its capital adequacy and financial position under varying economic and operational conditions. The outcomes of the ICAAP are reviewed by the Board Integrated Risk Management Committee (BIRMC) and subsequently by the Board of Directors, ensuring that capital planning remains aligned with the Company's long-term growth strategy, approved risk appetite, and financial stability objectives.

6. Compliance Risk

Janashakthi Finance PLC continued to maintain a strong commitment towards regulatory compliance and sound governance practices throughout the financial year. The Company's compliance risk management framework supported the timely identification, monitoring, and management of regulatory obligations to ensure adherence to applicable laws, regulations, directives, and supervisory requirements.

The Company's compliance framework further supported:

- Continuous Monitoring of Regulatory Developments- Ongoing monitoring of regulatory and supervisory developments to facilitate the timely identification, assessment, and implementation of new regulatory requirements.
- Proactive Compliance Management- Prompt identification and management of compliance-related matters through continuous monitoring, timely escalation, and corrective actions.
- Strengthening Compliance Governance- Maintenance of robust internal control mechanisms and governance practices aimed at strengthening compliance oversight and minimizing potential regulatory and reputational risks.

Risk Reporting

Janashakthi Finance PLC continued to strengthen its risk governance practices through robust risk documentation, monitoring, and reporting mechanisms designed to support informed decision-making and effective oversight across all levels of the organization. The Integrated Risk Management Department ensured that risk information was communicated in a timely, structured, and comprehensive manner to the Board of Directors, Board Integrated Risk Management Committee (BIRMC), and Corporate Management, thereby enhancing overall risk transparency, governance, and accountability.

The Company's risk reporting framework continued to support the effective identification, assessment, monitoring, and mitigation of risks across all operational areas while adapting to evolving regulatory, market, and operational risk environments. During the financial year, further enhancements were made to the framework to improve the clarity, accuracy, consistency, and effectiveness of risk reporting, thereby strengthening strategic decision-making and governance oversight.

Risk reports were prepared in alignment with the Company's Risk Appetite Statement, BIRMC Terms of Reference, Integrated Risk Management Framework, and the respective frameworks governing Credit, Market, Operational, Strategic, and Compliance Risk Management. In addition, the reporting framework remained aligned with the directives and regulatory requirements issued by the Central Bank of Sri Lanka and other applicable regulatory authorities.

The Company remained committed to maintaining a comprehensive and forward-looking risk management approach that supports sound governance practices, operational effectiveness, and sustainable long-term business growth.

Accordingly, the Chief Risk Officer (CRO), in the capacity of Secretary to the Board Integrated Risk Management Committee (BIRMC), ensured the timely submission of key risk reports to facilitate effective risk oversight and informed decision-making across the organization.

Risk Reports	Minimum Components	Frequency
Overall Risk	Risk Dashboard against Tolerance Limits	Once in every 2 months
	ICAAP Report	Annually
	Stress Testing	Quarterly
	Macro and Emerging Risk Analysis	Once in every 2 months
	Review of the minutes of the senior management level sub-committees	Once in every 2 months
	Review of risk management policies and frameworks	Annually
Strategic Risk Analysis	LFC sector analysis	Once in every 2 months
	Identify gaps between current performance and strategic objectives.	Once in every 2 months
	Analysis of financial performance and position	Once in every 2 months
Credit Risk Analysis	Credit portfolio analysis and risk quantifications	Once in every 2 months
	Credit concentration risk analysis	Once in every 2 months
	Recovery performance analysis	Once in every 2 months
Market and Liquidity Risk Analysis	Interest rate risk analysis	Once in every 2 months
	Commodity risk analysis	Once in every 2 months
	Investment risk analysis	Once in every 2 months
	Maturity gap analysis	Once in every 2 months
	Funding lines available	Once in every 2 months
	Long- term funding analysis	Once in every 2 months
	Deposit base analysis	Once in every 2 months
	Liquidity stress testing	Quarterly
Operational Risk Analysis	Fraud risk analysis	Once in every 2 months
	Customer complaint analysis	Once in every 2 months
	Event analysis including Legal risk	Once in every 2 months
	IT security risk analysis	Once in every 2 months
	Reputational risk analysis	Once in every 2 months
	HR risk analysis	Once in every 2 months
	Review of RCSAs	Annually
Compliance Risk Analysis	Compliance register	Once in every 2 months
	AML entity risk analysis	Bi-annually
	AML risk analysis	Once in every 2 months
	Gap analysis: New regulations and position of the Company	Once in every 2 months

Key Risk Exposures and Mitigation Framework

Risk Area	Key Threat	Likelihood	Impact	Mitigation Actions
Interest Rate Risk	Volatility in market interest rates and repricing mismatches	High	High	Continuous ALCO monitoring, repricing reviews, diversified funding sources, maturity gap management
Liquidity Risk	Tight market liquidity and intense competition for deposits	High	High	Maintaining liquidity buffers, funding diversification, liquidity stress testing and monitoring
Credit Risk	Reduced customer repayment capacity due to economic pressure	High	High	Strengthened underwriting, portfolio monitoring, recovery initiatives and early warning mechanisms
Inflation Risk	Rising operational costs and reduced customer affordability	Medium	Medium	Cost optimization, operational efficiency improvements and monitoring vulnerable sectors
Regulatory & Compliance Risk	Changes in CBSL regulations and supervisory expectations	Medium	Medium	Policy enhancements, compliance monitoring and governance strengthening
Cybersecurity Risk	Cyber threats, data breaches and system disruptions	High	High	Information security controls, employee awareness programs, vulnerability assessments and BCP arrangements
Market Positioning Risk	Aggressive competition within the financial services sector	High	Medium	Product diversification, customer retention strategies and digital initiatives
Climate & Environmental Risk	Floods, extreme weather events and environmental disruptions	Medium	Medium	Risk-based lending assessments, sector monitoring and business continuity arrangements
Geopolitical & Global Economic Risk	Global conflicts and external economic uncertainty	Medium	High	Scenario analysis, maintaining prudent liquidity and capital positions

Report of the Board of Directors on the Affairs of the Company

The Board of Directors of Janashakthi Finance PLC have pleasure in presenting the Report on the state of affairs of the company to the shareholders of Janashakthi Finance PLC for the Financial Year ended 31 March 2026 together with the audited financial statements of the Company and the Auditors' Report on those Financial Statements, conforming to all statutory requirements. The Audited Financial Statements reviewed and recommended by the Board Audit Committee were approved by the Board of Directors on 07 September 2026. This Report of the Board of Directors on the Affairs of the Company was also approved by the Board of Directors on 07 September 2026. The details contained in this Report provide the relevant information as required by the Companies Act No.7 of 2007, Finance Business Act No. 42 of 2011, Finance Business Act Direction No.05 of 2021 on Corporate Governance and the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance.

The appropriate number of copies of the Annual Report will be submitted to the Central Bank of Sri Lanka, the Colombo Stock Exchange, the Department of the Registrar of Companies, and the Securities and Exchange Commission of Sri Lanka. There is a delay in the submission of the Financial Statements and the Annual Report, which has been notified to the Colombo Stock Exchange and the Director, Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka.

As per the requirements set-out in Section 168 of the Companies Act No. 07 of 2007, the following information is disclosed in this Report for the year under review.

Information required to be disclosed	Reference the Companies Act	Extent of compliance by the Company
The nature of the business of the Company, together with any change thereof during the accounting period.	Section 168 (1) (a)	Refer page 163
Completed and signed Financial Statements of the Company for the accounting period completed.	Section 168 (1) (b)	Refer pages 194 to 200
Auditor's Report on Financial Statements of the Company.	Section 168 (1) (c)	Refer pages 189 to 193
Any changes made to the accounting policies during the year under review	Section 168 (1) (d)	Refer page 201 to 219
Particulars of the entries in the Interests Registers of the Company during the accounting period.	Section 168 (1) (e)	Refer page 165
Remuneration and other benefits paid to the Directors of the Company during the period.	Section 168 (1) (f)	Refer page 251
Total amount of donations made by the Company during the period.	Section 168 (1) (g)	Refer page 164
Information on Directorate of the Company during and at the end of the accounting period.	Section 168 (1) (h)	Refer pages 165 to 168
Separate disclosure on amounts payable by the Company to the Auditor as Audit Fees and fees for other services rendered during the accounting period.	Section 168 (1) (i)	Refer page 168
Auditors' relationship or any interest with the Company	Section 168 (1) (j)	Refer page 171
Acknowledgment of the contents of this report/signatures on behalf of the Board by two Directors and the Secretary of the Company	Section 168 (1) (k)	Refer page 168

LEGAL FORM

Janashakthi Finance PLC (the Company) is a Public Limited Liability Company incorporated in Sri Lanka on 24 July 1981 under the Companies Ordinance No. 51 of 1938 and was re-registered on 27 July 2009 under the Companies Act No. 07 of 2007 bearing Registration No. PB 1079 PQ and re-registered as Janashakthi Finance PLC on 09 May 2025. It is a licensed Finance Company under the Finance Business Act No. 42 of 2011.

PRINCIPAL ACTIVITIES

The Company's principal business activities, which remained unchanged during the year are acceptance of Fixed Deposits, maintenance of Savings Accounts, granting Lease facilities, Vehicle Loans, Gold Loans and other credit facilities.

REVIEW OF OPERATIONS

A review of the operations of Janashakthi Finance PLC during the financial year 2025/26 is contained in the Chairman's Message, CEO's Review and Management Discussion and Analysis (pages 20 to 22, 23 to 26 and 28 to 80). These reports form an integral part of this Report.

STATED CAPITAL

The Company's Stated Capital stood at LKR 2,431,879,039 at 31 March 2026.

RESERVES

The Company's retained earnings and other reserves as at 31 March 2026 amount to LKR 1,174,290,421. Movements of reserves and the break up are given in Statement of Changes in Equity on page 198.

SHAREHOLDING AND SHARE INFORMATION

The Company had 1,121 registered ordinary shareholders as at 31 March 2026. The distribution of shareholding and major shareholders are given on pages 276 to 279.

FUTURE DEVELOPMENTS

An overview of the future developments of the Company is given in the Chairman's Message (pages 20 to 22), the Chief Executive Officer's Review (pages 23 to 26), and Management Discussion and Analysis (pages 28 to 80).

FINANCIAL STATEMENTS

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs & LKASs) laid down by the Institute of Chartered Accountants

of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007, the Finance Business Act No. 42 of 2011 and regulatory requirements inclusive of specific disclosures.

The aforementioned Financial Statements for the year ended 31 March 2026, duly signed by the Chief Financial Officer, Chief Executive Officer and two Directors of the Company are given on page 197. These Financial Statements form an integral part of this Report of the Board of Directors.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies adopted by the Company in the preparation of the Financial Statements are given on pages 201 to 219.

There were no significant changes to the accounting policies used by the Company during the year under review in comparison to the previous year.

FINANCIAL PERFORMANCE

INTEREST INCOME

Total interest income of the Company for the year ended 31 March 2026 was LKR 6,410,498,907 (2025: LKR 4,463,848,627).

An analysis of the interest income is given in Note 5 to the Financial Statements.

PROFIT AND APPROPRIATIONS

The Company has recorded a profit after tax of LKR 64,698,832 in the current financial year compared to the profit of LKR 232,141,035 in the previous year.

The Company's Total Comprehensive Income (net of tax) for the year was LKR 36,315,854 (Total Comprehensive Income for 2025 after the restatement impact: LKR 237,257,387). A detailed breakup of the profits and appropriations of the Company is given below.

Report of the Board of Directors on the Affairs of the Company

INCOME, PROFIT AND APPROPRIATIONS

Provided below is a summary of the financial results of the Company's operations during the year ended 31 March 2026.

Particulars	2026	2025 (Restated)
Profit/(Loss) Before Taxation	326.03	318.38
Less: Income Tax (Expense)/Reversal	(261.33)	(86.24)
Profit/(Loss) for the Year	64.70	232.14
Transferred to Statutory Reserve	(3.23)	(11.61)
Fund Transfer to Regulatory Loss Allowance Reserve	193.96	(193.96)
Retained Profit Brought Forward from the Previous Year	398.12	366.43
Other Comprehensive Income Net of Tax	(28.38)	5.12
Retained Earnings Carried Forward	625.16	398.12

INDEPENDENT AUDITOR'S REPORT

The Auditors of the Company Messrs. KPMG, Chartered Accountants carried out the audit on the Financial Statements of the Company for the year ended 31 March 2026 and their report on the said Financial Statements is given on pages 189 to 193.

EVENTS AFTER BALANCE SHEET DATE

No circumstances have arisen since the Balance Sheet date which would require adjustment to or disclosure in the accounts, as disclosed under Note 42 to the financial statements.

DIVIDENDS

The Board of Directors does not recommend a dividend to the shareholders for the financial year ended 31 March 2026.

CORPORATE DONATIONS

Donations amounting to LKR 3,875,000 were paid during the year ended 31 March 2026 (Donations paid in the year 2025: LKR 690,055). In a demonstration of collective social responsibility, Janashakthi Finance PLC and its employees contributed a total of LKR 3,875,000/- towards flood relief efforts, comprising LKR 1,600,000/- raised by 77 employees and LKR 2,275,000/- contributed by the Company, reflecting the organisation's continued commitment to supporting communities in times of adversity.

TAXATION

The Company is liable for income tax at the rate of 30%.

STATUTORY PAYMENTS

The Board of Directors confirm that to the best of their knowledge and belief, statutory payments to all relevant regulatory and statutory authorities have been paid by the Company.

PROPERTY, PLANT & EQUIPMENT

The details of property, plant and equipment of the Company are given under Note 23 of this Annual Report.

OUTSTANDING LITIGATION

In the opinion of the Directors and in consultation with the Company's lawyers, the litigation currently pending against the Company will not have a material impact on the reported financial results or the future operations of the Company.

GOING CONCERN

The Board of Directors has reviewed the Company's business plans for the ensuing year and is satisfied that the Company has adequate resources to continue its operation in the foreseeable future. Accordingly, the Financial Statements of the Company have been prepared based on the going concern concept.

THE BOARD OF DIRECTORS

The Board assumes overall responsibility to the shareholders for setting the direction of the Company through the establishment of policies and key strategic objectives and ensuring that their implementation is in line with the Company's vision and values. The Directors are accountable for proper guidance of the Company's affairs and share collective responsibility in ensuring the highest standards of ethics and integrity in the conduct of business of the Company. The Board also bears ultimate responsibility for maintaining the integrity of financial information and the effectiveness of the Company's systems of internal control, compliance with regulatory requirements and risk management.

As at 31 March, 2026, the Board of Directors of the Company comprises of eight Directors with proven experience in the fields of banking and finance, law, marketing, human resources, sector specific and general business skills and with many years of experience in leading businesses. Their brief profiles are given on pages 84 to 87 of the Annual Report. The names of the Directors of the Company during the period 1 April 2025 to 31 March 2026 (who held office as at the end of the financial year) including dates of appointment to the Board, are tabulated below in terms of Section 168(1) (h) of the Companies Act No. 07 of 2007. Further, the categorisation of Executive and Non-Executive, Independent and Non-Independent is given against their names as per Finance Companies (Corporate Governance) Direction No. 05 of 2021 issued by the Central Bank of Sri Lanka.

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

Mr. Rajendra Theagarajah

Chairman, Non-Executive, Non-independent Director

Mr. Sriyan Cooray

Senior Director/Independent Non-Executive Director

Mr. Prakash Anand Schaffter

Non-Executive, Non-Independent Director

Ms. Manohari P. Abeyesekera

Independent Non-Executive Director

Mr. Darshana Joseph Ratnayake

Independent Non-Executive Director

Mr. Nalin Brian Karunaratne

Independent Non-Executive Director

Ms. D.L.M. Sandamali Chandrasekera

Independent Non-Executive Director

Mr. Daniel N Alphonsus

Independent Non-Executive Director

Mr. K.M.M. Jabir

Executive Director/Chief Executive Officer (resigned w.e.f. 01 November 2025)

The profiles of the Directors are given in pages 84 to 87 of the Annual Report.

RETIREMENT/ CESSATION AND NEW APPOINTMENT OF DIRECTORS

Mr. K.M.M. Jabir resigned from the Board in the capacity of Executive Director/ Chief Executive Officer of the Company w.e.f. 01 November 2025.

INTEREST REGISTER

In terms of the Companies Act No.7 of 2007, an Interest Register is maintained by the Company. All the Directors have made general declarations as provided for in section 192(2) of the Companies Act No. 7 of 2007.

DIRECTORS' REMUNERATION

Directors' fees and emoluments paid during the year are given in Note 36.2 to the Financial Statements.

DIRECTORS' INTEREST IN SHARES OF THE COMPANY

	No. of Shares	
Name of the Director	31 March 2026	31 March 2025
Mr. R. Theagarajah	Nil	Nil
Mr. P.A. Schaffter	10	10
Mr. N.S.S. Cooray	Nil	Nil
Mr. R.M.D.J. Ratnayake	Nil	Nil
Mr. N.B. Karunaratne	Nil	Nil
Ms. M.P. Abeyesekara	Nil	Nil
Ms. D.L.M.S. Chandrasekara	Nil	Nil
Mr. D.N. Alphonsus	Nil	Nil

Report of the Board of Directors on the Affairs of the Company

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the financial statements of the Company to reflect a true and fair view of its state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of Sri Lanka Accounting Standards and Sri Lanka Financial Reporting standards and Companies Act No. 7 of 2007. The statement of Directors' Responsibilities given on pages 187 to 188 forms an integral part of the Report of the Board of Directors.

RELATED PARTY TRANSACTIONS

With regard to Related Party Transactions, the Directors have, as a Licensed Finance Company and as a Listed Entity, complied with the directions issued by the Central Bank of Sri Lanka and the Listing Rules (Section 9) of the Colombo Stock Exchange, as applicable.

The Directors have disclosed the transactions, if any, that could be classified as related party transactions in terms of Sri Lanka Accounting Standard 24, Related Party Disclosures, which is adopted in the preparation of the Financial Statements. Those transactions disclosed by the Directors are given in Note 36 to the financial statements forming part of the Annual Report of the Board.

ENVIRONMENT

The Company has used its best endeavors to comply with the relevant environmental laws and regulations. The Company has not engaged in any activity that is harmful or hazardous to the environment.

CORPORATE GOVERNANCE

The Directors of the Company are committed to maintaining an effective Corporate Governance Framework by implementing processes required to ensure that the Company is compliant with the Finance Business Act Direction No.05 of 2021 and subsequent amendments thereto issued by the CBSL and Requirements of Section 9 of the Listing Rules of the Colombo Stock Exchange and endeavours to comply with the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. Details are contained in the Corporate Governance Report on pages 92 to 142 of this Annual Report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board of Directors confirm that the Company is in compliance with applicable prudential requirements, regulations, except for the shortfall in the total capital ratio upon reconciliation of general ledger balance/s, laws and internal controls while measures have been taken to rectify any material non-compliances.

The Company is in compliance with the Listing Rules of the Colombo Stock Exchange (CSE), except the requirement for the minimum public float under CSE Rule 7.14.1.i.b

EQUITABLE TREATMENT FOR STAKEHOLDERS

The Directors declare that the Company has made all endeavors to ensure fair treatment for all stakeholders including Shareholders and Depositors.

RISK AND INTERNAL CONTROLS

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by Janashakthi Finance PLC and this process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines.

The Directors, on a regular basis, review the above-mentioned process through the Board Audit Committee and the Board Integrated Risk Management Committee and have obtained reasonable assurance of their effectiveness.

Further, the Board of Directors ensures that an effective and robust internal control procedure is in place to safeguard the Company's assets, and the Board Audit Committee reviews the adequacy and the integrity of the internal control systems relating to compliance and risk management, and the Board has issued a Statement on the Internal Controls for Financial Reporting and an Assurance Report from External Auditors in terms of the Finance Companies (Corporate Governance) Direction No. 5 of 2021 has also been obtained.

DIRECTORS' DECLARATION

NAME OF DIRECTOR	DIRECTORSHIPS AS AT 31.03.2026	POSITION
Mr. R. Theagarajah	Janashakthi Finance PLC	Non-Independent Non-Executive Director/ Chairperson
	First Capital Holdings PLC	Independent Non-Executive Director/ Chairperson
	Payable (Pvt) Ltd	Non-Executive Director/Chairperson
	BCAS Pvt Ltd	Non-Executive Director/Chairperson
	Siam City Cement (Lanka) Ltd	Independent Non-Executive Director
	Professional Insurance Corporation of Zambia Limited	Independent Non-Executive Director
	Technologically Reawakening A Culture of Excellence	Non-Executive Director
Mr. N.S.S. Cooray	NDB PLC	Chairman/Independent Non-Executive Director
	Janashakthi Finance PLC	Senior Director/Independent Non-Executive Director
Mr. P.A. Schaffter	Janashakthi Insurance PLC	Executive Director/Deputy Chairman
	Janashakthi Finance PLC	Non-Executive Director
	Acland Insurance Services Ltd.	Non-Executive Director
	Janashakthi PLC	Non-Executive Director/Deputy Chairman
	Loland Holdings Ltd.	Non-Executive Director
	Pan Nippon Development (Pvt) Ltd.	Non-Executive Director
	Rock Foundation (Pvt) Ltd	Non-Executive Director
	Schaffters (Pvt) Ltd	Non-Executive Director
	Beckett Capital Pvt Ltd.	Non-Executive Director
	Janashakthi Foundation (Gtee) Ltd.	Non-Executive Director
	Espalier Futures Ltd	Non-Executive Director
	Kelsey Heights Nugegoda (Pvt) Ltd	Non-Executive Director
	Ainsunhz Global Technology PTE Ltd	Non-Executive Director
	Transitional Interim Committee of Sri Lanka Cricket	Non-Executive Director
Mr. R.M.D.J. Ratnayake	Janashakthi Finance PLC	Independent Non-Executive Director
	Idal Estates Pvt Ltd.	Chairman/ Director

Report of the Board of Directors on the Affairs of the Company

NAME OF DIRECTOR	DIRECTORSHIPS AS AT 31.03.2026	POSITION
Mr. N.B. Karunaratne	▸ Janashakthi Finance PLC	▸ Independent Non-Executive Director
	▸ Ceylon Biscuits Ltd.	▸ Executive Director/Chief Executive Officer
	▸ CBL Exports Pvt Ltd	▸ Executive Director/Chief Executive Officer
	▸ CBL Foods International Pvt Ltd	▸ Non-Executive Director
	▸ Ceylon Biscuits Bangladesh Pvt Ltd.	▸ Non-Executive Director
	▸ Plenty Foods India LLP	▸ Non-Executive Director
Ms. M.P. Abeyesekera	▸ Janashakthi Finance PLC	▸ Independent Non-Executive Director
	▸ HNB Stockbrokers (pvt) Ltd.	▸ Independent Non-Executive Director
	▸ The Lighthouse Hotel PLC	▸ Independent Non-Executive Director
	▸ Metropolitan Holdings (Pvt) Ltd	▸ Independent Non-Executive Director
Ms.D.L.M.S. Chandrasekera	▸ Janashakthi Finance PLC	▸ Independent Non-Exec Director
	▸ Kerner Hause Global Solutions PLC	▸ Independent Non-Executive Director
Mr. D.N. Alphonsus	▸ Janashakthi Finance PLC	▸ Independent Non-Executive Director

The Directors also confirm and declare that they satisfied the 'Fit & Proper' Assessment criteria stipulated under the Listing Rules of the Colombo Stock Exchange and the criteria stipulated under the Finance Business Act Direction No. 6 of 2021, during the financial year.

HUMAN RESOURCES

The Company continued to implement appropriate Human Resource Management Policies to develop employees and optimise their contribution towards the achievement of corporate objectives. These policies and procedures ensure the equitable treatment of all employees which has resulted in high motivation.

The number of employees as at 31 March 2026 was 616 (31 March 2025 – 650).

AUDITORS

The Company's Auditors during the period under review were, M/s KPMG, (Chartered Accountants). The Board has authorised the payment of LKR 4,050,000 as Audit Fee for the year 2025/26. (The Auditors were paid LKR 2,166,110 as Audit Fee for the year 2024/25).

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 30 September 2026. The notice of the meeting relating to the 43 Annual General Meeting is given on page 286.

ACKNOWLEDGMENT OF THE CONTENT OF THE REPORT

The Board of Directors does hereby acknowledge the contents of this Annual Report as per the requirements of the Companies Act No. 07 of 2007 and the Finance Business Act Direction No 05 of 2021.

This Annual Report is signed for and on behalf of the Board of Directors by:

Rajendra Theagarajah
Chairman

P.A. Schaffter
Director

Ayesha Jeewanti Kodikara
Company Secretary

07 September 2026

Board Audit Committee Report

The Board Audit Committee ("the Committee") of Janashakthi Finance PLC ("the Company") assists the Board of Directors in fulfilling its oversight responsibilities relating to financial reporting, internal controls, risk management, compliance, internal audit and external audit functions. The Committee is committed to ensuring the integrity of the Company's financial reporting process and maintaining a robust governance framework. The Committee consists of four Non-Executive Directors and is chaired by an Independent Non-Executive Director who is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

1. COMPOSITION OF THE COMMITTEE

The Committee appointed by the Board of Directors comprised the following members as at 31 March 2026

Manohari Abeyesekera -
Chairperson
(Independent Non-Executive Director)

Sriyan Cooray -
Member
(Independent Non- Executive Director)

Darshana Ratnayake -
Member
(Independent Non-Executive Director)

Prakash Schaffter -
Member
(Non-Executive Director)

The profiles of the members are given on pages 84 to 87 of this Annual Report.

The Board Secretary functions as the Secretary to the Committee.

2. TERMS OF REFERENCE

The Committee operates under a Board approved Terms of Reference and functions in compliance with the Finance Business Act Direction No. 05 of 2021, on Corporate Governance issued by the Central Bank of Sri Lanka ("the CBSL") and the revised Rules on Corporate Governance as per section 9 of the Listing Rules issued by the Colombo Stock Exchange ("the CSE").

The composition and the scope of work of the Committee is in conformity with the provisions of the aforesaid Direction and the Listing Rules.

The Terms of Reference of the Committee is reviewed periodically to ensure continued relevance and effectiveness in addressing evolving governance, regulatory and business requirements.

3. COMMITTEE MEETINGS

The Committee held ten meetings during the financial year under review. The Chief Executive Officer, Chief Internal Auditor, Head of Finance, and AGM- Compliance attended the meetings by invitation. The members of the Senior Management were also invited to participate in discussions on matters within their areas of responsibility when required. Proceedings of the Committee meetings were regularly reported to the Board of Directors. The minutes of the committee meetings were also tabled for the information and consideration of the Board. The meeting attendance of members is listed on page 140 of the Annual Report.

4. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The duties of the Committee shall be to assist the Board in overseeing Company's financial reporting process, monitoring the independence and performance of external auditors, monitoring internal controls and internal audit function, compliance with applicable laws, regulations and directions of CBSL and other regulators and formulating policies and procedures of the Company.

5. FINANCIAL REPORTING

The Committee reviewed and recommended the annual and interim financial statements of the Company with particular focus on;

- The preparation, presentation and adequacy of the disclosures in the Company's annual and interim financial statements in accordance with the Sri Lanka Accounting Standards.
- The rationale and basis for the significant estimates and judgments underlying the financial statements prior to submitting the same for approval of the Board.

The Committee met with management and the external auditors to review the financial statements prior to recommending the same to the Board and assessed whether the financial statements provided a fair and balanced presentation of the Company's financial position and performance.

During the audit process, management identified differences between certain balances recorded in the general ledger and balances generated from the Company's front-end information systems. As disclosed in Note 19.2 to the financial statements, these differences arose primarily from historical system mapping errors and manual journal entries recorded following a system migration in September 2023. As a result, an unreconciled debit balance amounting to LKR 270,542,779 was recognized and a full provision against this balance was made pending completion of a detailed reconciliation and root-cause analysis. The Committee received regular updates from management regarding the reconciliation and assessment of these differences.

The Committee noted that, as at the date of approval of the financial statements, the reconciliation process and root-cause analysis had not been fully completed. However, the Committee was satisfied that the general ledger balances except for the unreconciled debit balance are complete and accurate, and the related disclosures appropriately conveyed the nature of the matter. The management carried out a comprehensive examination of the balances reported in these financial statements to ensure rest of the balances are accurate. The Committee will continue to monitor progress on the reconciliation process and the resolution of the unreconciled debit balance.

6. INTERNAL CONTROL AND RISK MANAGEMENT

The Committee reviewed the effectiveness of the Company's internal control framework and risk management processes through regular reports submitted by management, Internal Audit and the external auditors. Particular attention was given to controls over financial reporting, information systems and regulatory compliance.

In relation to the matter disclosed in Note 19.2, the Committee considered the implications for the Company's control environment and identified opportunities for strengthening controls by way of following actions:

- Completion of a detailed reconciliation of unreconciled debit balance;
- Identification and correction of historical mapping and processing errors;
- Review and strengthening of system interface controls;
- Enhancement of controls over the preparation, approval and posting of manual journal entries; Implementation of strengthening reconciliation procedures between front-end systems and the general ledger.
- Increased management oversight and monitoring of financial reporting controls; and
- Independent validation of corrective actions through Internal Audit.

The Committee will continue to monitor the progress of these actions until the reconciliation process has been completed and the underlying causes have been fully addressed.

7. INTERNAL AUDIT

The internal audit function is carried out by the internal audit division, and the internal audit plan is reviewed and approved by the Audit Committee at the beginning of the year. Weaknesses in internal controls, finance, and business operations highlighted in the internal audit reports were examined by the Committee and follow-up actions taken by the management on the audit recommendations were also reviewed. The Committee reviewed the effectiveness of the internal audit function having reviewed internal audit's independence and impartiality, proficiency and due care performed in audits they have undertaken. The scope and procedures for internal audit during the ensuing year were also reviewed by the Committee

8. EXTERNAL AUDITORS

The Committee maintained regular engagement with the external auditors throughout the financial year. Meetings were held to discuss the audit plan, key risk areas, audit findings and significant matters arising from the audit process. External Auditors also had the opportunity to meet the Committee without the presence of the Executive Directors and the management in order to pursue separate discussions and express their opinions, where needed.

The Committee reviewed:

- The scope and effectiveness of the external audit;
- Significant accounting and auditing matters identified during the audit;

- The external auditors' observations regarding internal controls and financial reporting;
- Management's responses to matters raised by the auditors; and
- The independence and objectivity of the external auditors

The Committee also reviewed the non-audit services provided by the external auditors and was satisfied that such services did not impair their independence and a policy on engagement of auditors for non-audit services was in place.

The auditors' remuneration was reviewed and recommended to the Board for approval.

The external auditors having expressed their willingness to continue in office for the ensuing year, the Committee and the Board recommended their re-election as the external auditors of the Company at the forthcoming Annual General Meeting, by the Shareholders of the Company.

External Auditors, M/s KPMG was appointed in June 2025, hence they do not exceed five years in service for the Company and the Audit Partner assigned has not exceeded specified terms of expiry in service in terms of Finance Business Act Direction No 05 of 2021.

9. STATUTORY AND REGULATORY COMPLIANCE

The Committee reviewed the Company's compliance with applicable statutory and regulatory requirements, including matters relating to financial reporting.
The Committee also considered the matter giving rise to the qualified opinion expressed by the External Auditors in their Independent Auditor's Report on the Financial Statements for the year ended 31 March 2026.
The Committee discussed the matter with Management and the External Auditors and reviewed Management's proposed corrective measures. The Committee has recommended that Management take appropriate and timely action to address the matter and strengthen the relevant controls and compliance processes.

10. WHISTLE BLOWING POLICY

The Company has an established Whistleblowing Policy that enables employees and other relevant stakeholders to raise concerns confidentially and without fear of retaliation. The Committee reviewed the operation and effectiveness of the whistleblowing arrangements during the year. Any matters reported under the Policy were considered and addressed in accordance with the established procedures.

11. EVALUATION OF THE COMMITTEE

The Board carried out an independent evaluation of the Committee during the year, and the effectiveness of the Committee's affairs was rated considering the overall conduct of the Committee and its contribution to the overall performance of the Company,

12. CONCLUSION

Having considered the financial reporting process, internal controls, risk management arrangements and the findings of the External Auditors, including the matter relating to unreconciled debit balance referred to above, the Committee is of the view that appropriate attention has been given, and necessary actions have been initiated to address the matter. Except for the unreconciled debit balance, the Committee is satisfied that the Company's financial reporting, internal control and risk management processes were adequate and effective during the year under review. The Committee further notes that management undertook a comprehensive review of the balances reported in these financial statements to ensure rest of them are accurate and complete. The Committee will continue to monitor the implementation and effectiveness of the corrective measures undertaken by Management.

On behalf of the Board Audit Committee

Manohari Abeyesekera
Chairperson
Board Audit Committee

07 September 2026

Board Related Party Transactions Review Committee Report

The Board Related Party Transactions Review Committee (BRPTRC) of Janashakthi Finance PLC was constituted in compliance with the Finance Business Act Directions No. 05 of 2021 on Corporate Governance and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee serves as a key governance mechanism, providing independent oversight and review of all related party transactions undertaken by the Company.

In accordance with its approved Terms of Reference (TOR), the Committee is entrusted with the responsibility of ensuring that all related party transactions are conducted on an arm's length basis, in a transparent and equitable manner, and in compliance with applicable regulatory requirements and governance standards. The Committee rigorously evaluates such transactions to identify, assess, and mitigate potential conflicts of interest that may arise between the Company and its related parties.

Furthermore, the Committee seeks to safeguard the integrity of the Company's decision-making processes by ensuring that related party transactions are undertaken in the best interests of the Company and its stakeholders. In fulfilling its mandate, the Committee gives due consideration to the interests of all shareholders, thereby promoting fairness, accountability, and the highest standards of corporate governance.

COMPOSITION OF THE COMMITTEE

The BRPTRC is chaired by an Independent Non-Executive Director, and all members of the Committee are Independent Non-Executive Directors. This is in compliance with the applicable directions of the Central Bank of Sri Lanka (CBSL) and the CSE Listing Rules.

As at 31 March 2026, the members of the Committee were

Name of Director	Directorship	Membership in Committee
Sandamali Chandrasekera	Independent Non-Executive Director	Chairperson
Sriyan Cooray	Independent Non-Executive Director	Member
Nalin Karunaratne	Independent Non-Executive Director	Member

The profiles of the Directors are given on pages 84 to 87.

INVITEES

The Chief Executive Officer, Head of Compliance, Chief Risk Officer, Heads of departments and other Key Responsible Persons (KRPs) attend Committee meetings by invitation, as and when required, to provide relevant information and support deliberations on matters under consideration.

SUMMARY OF THE "TERMS OF REFERENCE" (TOR) OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Terms of Reference (TOR) set out the Committee's mandate, authority, composition, responsibilities, and operating procedures, and serve as the framework governing the Committee's activities. The Committee is responsible for ensuring compliance with all applicable regulatory requirements and governance standards issued by the Central Bank of Sri Lanka (CBSL) and the Colombo Stock Exchange (CSE), as relevant to its functions and responsibilities.

In accordance with the TOR, the Committee undertakes periodic reviews of its Terms of Reference to ensure their continued relevance, effectiveness, and alignment with evolving regulatory expectations and best governance practices. The TOR is reviewed and approved by the Board of Directors on an annual basis. In addition, where deemed necessary in response to changes in regulatory requirements, emerging industry standards, or governance best practices, amendments to the TOR may be recommended and submitted for Board approval prior to the completion of the annual review cycle.

SCOPE OF THE OPERATIONS

The Terms of Reference (TOR) provide the framework within which the RPTRC carries out its responsibilities and exercises its authority. The Committee may undertake additional functions and adopt such policies and procedures as may be necessary to address evolving regulatory requirements and governance best practices. The RPTRC shall also perform such other duties and responsibilities as may be delegated to them by the Board of Directors from time to time.

The Committee is entrusted with the responsibility of overseeing the Company's related party transaction framework and ensuring compliance with applicable regulatory and governance requirements. In fulfilling its mandate, the Committee shall:

- **Identify related parties and assess related party transactions** in accordance with the requirements of the Colombo Stock Exchange (CSE) Listing Rules, Sri Lanka Financial Reporting Standards (SLFRS), and the directions and regulations issued by the Central Bank of Sri Lanka (CBSL).
- **Review and evaluate related party transactions** prior to their execution, or where a transaction is conditional upon such review, prior to its completion, except for transactions specifically exempted under Rule 9.14.10 of the CSE Listing Rules.
- **Recommend transactions for Board approval,** where necessary, ensuring that the approval of the Board of Directors is obtained before the Company enters into the relevant related party transaction.
- **Recommend shareholder approval,** by way of a Special Resolution, for related party transactions that fall within the scope of Rule 9.14.6 of the CSE Listing Rules.
- **Monitor compliance and disclosures** relating to related party transactions, ensuring that all statutory, regulatory, and listing requirements, including those prescribed by the CSE and the CBSL, are complied with in a timely and transparent manner.

ACTIVITIES DURING THE FY 2025/26

- Monitored compliance with the Company's Code of Conduct and the established RPT Policy.
- Reviewed all related party transactions (RPTs), both recurring and non-recurring, during the financial year and communicated their comments and observations to the Board of Directors.
- Ensured that all transactions were carried out on an arm's length basis and in accordance with standard commercial terms.
- Reviewed and updated the Related Party Transactions Policy to align with the applicable regulatory requirements.
- Oversaw the accuracy and completeness of RPT disclosures in both interim and annual financial reports.
- Submitted monthly reports to the Board of Directors, with any significant matters escalated and discussed at Committee meetings prior to Board reporting.
- Obtained declarations from Directors and other Key Management Personnel (KMPs) regarding related party transactions (RPTs) undertaken with the Company and ensured appropriate oversight of such transactions.

Sandamali Chandrasekera
Committee Chairperson
Board Related Party Transactions Review Committee

31 May 2026

Board Integrated Risk Management Committee Report

The Board of Directors of the Company has established the Board Integrated Risk Management Committee (BIRMC), conforming to the CBSL Direction No. 05 of 2021 on Corporate Governance, to assess and oversee the management of all risks within the Company. The ultimate responsibility for managing the risks of the Company remains with the Board of Directors. Reporting to the Board, the BIRMC acts within the scope provided in the Terms of Reference of BIRMC, which has been approved by the Board. The function of the BIRMC is primarily one of oversight. Working closely with the senior management, the BIRMC assess all risks faced by the Company and makes recommendations for improvements to the risk management, mitigation and controls.

COMPOSITION

The Board Integrated Risk Management Committee comprised the following members:

Darshana Joseph Ratnayake
Chairperson - Independent Non-Executive Director

Rajendra Theagarajah
Member - Non-Executive Director

Sandamali Chandrasekera Member - Independent Non-Executive Director

Daniel Alphonsus
Member – Independent Non-Executive Director

The Chief Risk Officer functions as the Secretary to the Board Integrated Risk Management Committee.

TERMS AND REFERENCE OF THE COMMITTEE

The Board Integrated Risk Management Committee was established by the Board of Directors in compliance with Direction No. 05 of 2021 on "Corporate Governance for Finance Companies" issued under the Finance Business Act No. 42 of 2011. The composition and the scope of work of the Committee is in conformity with provisions of the said Direction. Terms of Reference of BIRMC sets out the membership, sources of authority, duties and the responsibilities of the Committee. Terms of Reference of the BIRMC has been approved by the Board of Directors and is subject to annual review.

COMMITTEE METHODOLOGY

The BIRMC assists the Board of Directors in its oversight function in relation to the different risk types. Working closely with the Key Management Personnel, the Committee assessed all types of risks that the Company is exposed to, including credit, liquidity, market and operational risk etc. through different risk indicators and management information and assessed the adequacy of risk management procedures in place and made recommendations for improvement of risk management processes.

Committee meetings were held every two months as required by the CBSL regulations.

The Chief Executive Officer, Compliance Officer and other Senior Management were present at the meetings by invitation.

ACTIVITIES OF THE COMMITTEE

In terms of the Board approved Terms of Reference of BIRMC, the scope, and primary responsibilities of the BIRMC include:

- Approve the Risk Appetite Statement for the Company
- Oversight and review of the implementation of risk management procedures as well as compliance procedures and related internal control systems.
- Assess all key risks the Company is exposed to, on a monthly basis through appropriate risk indicators and management information, along with a detailed risk assessment on a periodic basis.
- Take prompt corrective action to mitigate the effects of specific risks. In the event such risks were at levels beyond prudent levels decided by the Committee, it was required to address those risks and manage them within specific quantitative and qualitative risk parameters decided by the Committee and the Board.
- Review the sufficiency of personnel, systems, procedures and other issues impacting the risk profile of the Company.
- Monitor changes anticipated in the economic and business environment, including emerging trends, organisational and regulatory changes as well as other factors considered relevant to the operating environment of the organisation and its risk profile.
- Review and approve company's Disaster Recovery and Business Continuity Plan.

- Review the adequacy and effectiveness of all management level committees including the Management Credit Committee and the Assets and Liability Committee to address specific risks and to manage those risks within quantitative and qualitative risk parameters specified by the Committee.
- Review the compliance related reports and compliance review reports submitted periodically by the Compliance Department.
- Take appropriate action against the officers responsible for failure to identify specific risks and take prompt corrective action as recommended by the DSNBFI of the Central Bank of Sri Lanka.

In addition, the Committee may perform such other functions as are necessary or appropriate for the discharge of its duties and responsibilities.

ACTIVITIES OF THE BIRMC IN FY 2025/26

- Reviewed the business strategy of the Company in the light of the developments in the economy;
- Reviewed the asset quality covering non-performing advances, product-wise credit quality, impairment coverage and compared against industry and peers.
- Reviewed the impact on net interest income due to macro-economic conditions and changes to the economic environment.
- Reviewed the impact of risks to the Company, including credit, market, liquidity, operational, strategic, compliance and technology and make recommendations on the risk strategies and the risk appetite to the Board.
- Assessed the Company's compliance with laws, regulations and regulatory guidelines and internal policies in all areas of business operations.
- Approved the risk-based compliance plan
- Reviewed the gap analysis for new regulatory requirements and the modus of compliance
- Reviewed the compliance review reports assessing the compliance with regulatory requirements
- Reviewed the internal controls relating to the Company's operations and made appropriate changes to the systems and controls.
- Reviewed the Company's risk appetite against the tolerable Risk Appetite including individual and aggregate level and types of risk that the company will accept, or avoid in order to achieve its strategic business objectives
- Approved the Internal Capital Adequacy Assessment Process (ICAAP) to determine the level of capital that the Company shall maintain against all risks and ensure that capital is adequate to support possible shocks that may arise
- Reviewed the updated risk register which was submitted to the BIRMC on a quarterly basis and submitted a risk assessment report for the upcoming Board meeting seeking the Board's views, concurrence and/or specific directions
- Assessed the business lines and their impact on the organisation's operational effectiveness.
- Reviewed the effectiveness of the strategies in place to minimise the liquidity risk arising from maturity mismatches.
- Reviewed the operational and legal risks faced by the Company and assessed the effectiveness and sufficiency of mitigation actions initiated.
- Reviewed the Statutory Examination Report of the Department of Supervision of Non-Bank Financial Institutions of CBSL and reviewed and recommended action to respond to the observations raised therein within the agreed timeliness.
- Approved the Business Continuity Plan for the Company

In relation to the above activities, the Committee proposed modifications to internal control systems and processes for implementation by the Management.

COMMITTEE MEETINGS

The Committee held six (06) Meetings during the year under review to discuss and make recommendations relating to risk exposure of the Company. The attendance of the Members is given in page 141 of the Annual Report. The Minutes of the BIRMC Meetings and its recommendations were forwarded to the Board after each meeting.

On behalf of the Board Integrated Risk Management Committee,

Darshana Ratnayake
Chairman
Board Integrated Risk Management Committee

29 May 2026

Board Human Resources and Remuneration Committee Report

The Board Human Resources and Remuneration Committee (BHRRC) plays a pivotal role in assisting the Board in the oversight of the Company's human capital, remuneration and talent management strategies. The Committee is responsible for ensuring that the Company's human resource policies, remuneration frameworks and governance practices are robust, transparent and aligned with the strategic priorities of Janashakthi Finance PLC.

In carrying out its responsibilities, the BHRRC oversees the development and implementation of people-related strategies, succession planning initiatives and compensation structures, ensuring they support the attraction, retention and motivation of high-performing talent. The Committee also ensures compliance with applicable regulatory requirements, corporate governance standards and industry best practices, while promoting a performance-driven culture that contributes to the sustainable growth and long-term success of the Company.

COMPOSITION OF THE COMMITTEE

As of 31 March 2026, the members of the Committee were as follows:

Name of Director	Directorship	Membership in Committee
R.M. Darshana Ratnayake	Independent Non-Executive Director	Chairman
Rajendra Theagarajah	Non-Independent Non-Executive Director	Member
Nalin Brian Karunaratne	Independent Non-Executive Director	Member

The profiles of the Directors are given on pages 84 to 87.

COMMITTEE MEETINGS AND INVITEES

In compliance with regulatory requirements, the Board Human Resources and Remuneration Committee convened five meetings during the year under review. Details of the attendance of Committee members are provided on page 141.

The Chief Executive Officer and the Head of Human Resources attended meetings of the Committee by invitation, as and when required.

The Company Secretary acted as the Secretary to the Committee.

The Committee regularly reported its proceedings and recommendations to the Board of Directors, which duly considered and approved the recommendations submitted during the year under review.

The composition of the Committee complied with the requirements stipulated under the Listing Rules of the Colombo Stock Exchange. Profiles of the Committee members are provided on pages 84 to 87 of this Annual Report.

HUMAN RESOURCES AND REMUNERATION GOVERNANCE

The Board Human Resources and Remuneration Sub-Committee is responsible for overseeing the remuneration framework and employment terms of Directors and the Chief Executive Officer, ensuring that compensation practices are performance-driven, market-aligned and consistent with the Company's strategic objectives. The Committee also provides oversight on human resource and governance matters relating to remuneration, talent management and employee performance.

REMUNERATION POLICY OF THE COMPANY

The Company's Remuneration Policy is structured to attract, motivate and retain high-caliber employees by providing equitable, market-competitive and performance-linked rewards. The policy aligns compensation with individual achievements and organizational objectives, thereby supporting strategic priorities and enhancing long-term stakeholder value.

SCOPE OF RESPONSIBILITY AND GOVERNANCE OVERSIGHT

The BHRRC discharged its responsibilities in accordance with the following guiding principles:

- Establishing and reviewing the criteria for appointments and promotions to Key Management Personnel (KMP) positions, including the Chief Executive Officer, taking into consideration the qualifications, experience, skills, competencies and leadership attributes required for such roles.
- Ensuring that all appointments, remuneration practices and related human resource matters are aligned with applicable legal and regulatory requirements, including the provisions of Finance Business Act Direction No. 05 of 2021 and other relevant regulatory guidelines.
- Providing oversight, guidance and policy direction on human resource management matters to support the achievement of the Company's strategic objectives.
- Ensuring that performance-based remuneration frameworks promote sustainable growth and align the interests of employees with those of Janashakthi Finance PLC and its key stakeholders.
- Fostering a performance-driven culture by linking a meaningful component of remuneration to individual, team and organizational performance.
- Encouraging a culture of continuous performance evaluation through regular performance reviews, constructive feedback and employee development initiatives to support the achievement of business and career objectives.
- Supporting succession planning and talent management initiatives to develop a strong leadership pipeline capable of filling critical and key management positions within Janashakthi Finance PLC.

ACTIVITIES DURING THE FY 2025/26

(1) Oversight of Performance Management and Appraisals:

Reviewed the performance evaluations of Key Management Personnel (KMPs) to ensure alignment with organizational objectives and overall Company performance, while promoting greater objectivity and consistency in the appraisal process. and greater objectivity, addressed concerns on inflated ratings by promoting more realistic and differentiated assessments, and encouraged the use of structured tools such as the bell curve and cross-departmental calibration.

(2) Review and Approval of Salary Increments and Compensation:

Evaluated and recommended annual salary increments for staff, senior management, and the CEO, ensuring they were performance-based and aligned with company affordability, reviewed role- and market-based adjustments for key positions, and addressed salary anomalies while discouraging uniform increments without performance differentiation.

(3) Strengthening Performance Evaluation Frameworks:

Directed enhancements to the performance management framework by aligning evaluations with organizational performance, improving transparency, and incorporating structured KPIs and competency assessments, while promoting awareness initiatives to ensure a fair, consistent, and robust evaluation process.

(4) Organizational Structure and Workforce Planning:

Reviewed and approved changes to the company's organigram and reporting lines, supported restructuring of business units and functional realignments, and oversaw succession planning to ensure leadership continuity and talent development.

Board Human Resources and Remuneration Committee Report

(5) Governance of HR Policies and Employee Frameworks:

Reviewed and guided the implementation of key HR policies, including bonus schemes, reward and recognition programs, and referral and conflict-of-interest frameworks, while ensuring compliance with regulatory requirements and best practices.

(6) Employee Compensation Structure and Benefits:

Reviewed and approved minimum salary revisions, performance-based incentives, and sales reward schemes, ensuring compensation structures remained competitive, equitable, and performance-linked.

(7) Oversight of Implementation and Follow-ups:

Monitored the execution of prior decisions and tracked action items, ensuring timely implementation of organizational changes, evaluation cycles, and salary adjustments, while addressing gaps where identified.

(8) Annual Performance Evaluation of the Board Human Resources & Remuneration Committee

During the year under review, the Committee conducted an evaluation of its performance, with all members of the Board Sub-Committee participating in the assessment.

The evaluation assessed the Committee's effectiveness in fulfilling its governance responsibilities, engagement with Management and the adequacy of its meeting processes and procedures. The results confirmed the Committee's effective functioning and its contribution to the Board, while also identifying areas for continuous improvement.

DIRECTORS' REMUNERATION

Details of the remuneration paid to Directors during the financial year ended 31 March 2026 are disclosed on page 251 of this Annual Report.

R.M. Darshana Ratnayake

Chairman

Board Human Resources and Remuneration Committee

31 May 2026

Board Nominations and Governance Committee Report

The Board Nominations and Governance Committee (BNGC) of Janashakthi Finance PLC operates under its Board-approved Charter and in accordance with the applicable directions and regulatory requirements issued by the Central Bank of Sri Lanka (CBSL) and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee consists exclusively of Non-Executive Directors, and is chaired by an Independent Director, ensuring objective oversight and adherence to sound corporate governance practices.

The Committee applies fit and proper, independence, and diversity standards in recommending appointments to the Board and the appointment of the Chief Executive Officer (CEO); leads annual Director performance evaluations and succession planning; and monitors Directors' tenure and compliance with the applicable regulatory requirements and independence criteria.

COMPOSITION OF THE COMMITTEE AS OF 31 MARCH 2026

As of 31 March 2026, the members of the Committee were as follows:

Name of Director	Directorship	Membership in Committee
Nalin Karunaratne	Independent Non-Executive Director	Chairman
Prakash Schaffter	Non-Independent Non-Executive Director	Member
Manohari Abeyesekera	Independent Non-Executive Director	Member
Daniel Alphonsus	Independent Non-Executive Director	Member

The composition of the Committee remained fully compliant with the applicable requirements stipulated under the Listing Rules of the Colombo Stock Exchange and the relevant CBSL directions. Profiles of the Committee members are presented on pages 84 to 87 of this Annual Report.

COMMITTEE MEETINGS

The Committee has convened three meetings during the year under review, as required to discharge its responsibilities effectively.

Details of the attendance of Committee members at these meetings are provided on page 141.

The Chief Executive Officer, Head of Compliance and Head of Human Resources attended meetings by invitation when required, while the Company Secretary acted as the Secretary to the Committee.

During the year, the Committee discharged its duties effectively and submitted its recommendations to the Board for consideration and approval. Recommendations requiring Board approval were duly submitted to the Board for its consideration.

The Board Nominations and Governance Committee focuses on the following key objectives:

- Ensuring a formal and transparent process for the nomination and appointment of Board Directors and senior management in line with the applicable governance framework.
- Assessing fitness, propriety, integrity, competence, and diversity of candidates for Board and Key Responsible Person (KRP) positions in accordance with CBSL requirements.
- Maintaining an effective Board composition with an appropriate balance of skills, experience, diversity, independence, and tenure.
- Monitoring compliance with applicable regulatory requirements relating to Directors' tenure, independence, and retirement age.
- Overseeing succession planning for Directors and senior executives to ensure leadership continuity.
- Monitoring compliance with regulatory and governance requirements, including Board independence, female representation, and the separation of the roles of the Chairperson and the CEO.

Board Nominations and Governance Committee Report

- Ensuring timely and transparent disclosure of Board and senior management appointments and changes in accordance with the CSE Listing Rules.
- Reporting material governance gaps or instances of non-compliance to the Board and recommending appropriate remedial actions.

KEY ACTIVITIES OF THE NOMINATION & GOVERNANCE COMMITTEE DURING FY 2025/26

- Fit and Proper Assessments: Reviewed and ensured compliance with regulatory requirements on the fitness and propriety of Directors and Key Responsible Persons (KRP) , and facilitated timely submissions to the Central Bank of Sri Lanka.
- Governance Oversight and Regulatory Compliance: Guided Management on governance matters, including communications with regulators, the handling of sensitive matters, and ensuring transparency and adherence to regulatory expectations.
- Organizational Structure and Leadership Planning: Reviewed and recommended changes to the organizational structure, including senior role configurations and role grading, ensuring alignment with business complexity and governance requirements.
- Board and Director Matters: Oversaw director-related processes including re-elections, annual self-assessments, and evaluation of the Chairperson, the Board and Board Committees.
- Appointments and Succession Oversight: Reviewed matters relating to the appointment and approval of KRPs, including regulatory approvals and governance procedures.
- Policy and Process Improvements: Recommended enhancements to governance frameworks, including assessment processes, reporting lines, and documentation standards, to strengthen overall governance practices.
- Monitoring and Follow-up: Tracked implementation of prior decisions, ensured timely completion of regulatory submissions, and followed up on outstanding governance and compliance matters.

NOMINATION, RE-ELECTION, AND BOARD DIVERSITY

- The Company has established a formal and transparent policy and process for the nomination and appointment of Directors. In evaluating prospective appointments and reappointments, the Committee considers the candidate's qualifications, skills, experience, integrity, fitness and propriety, independence, diversity, and ability to allocate sufficient time to discharge the responsibilities of the role effectively.
- All Directors are required to submit themselves for re-election at regular intervals and at least once every three years, in accordance with the applicable regulatory requirements and the Articles of Association of the Company.
- The Committee recognises the importance of maintaining an appropriately balanced Board and considers diversity in its broadest sense, including diversity of skills, professional experience, age, gender, and perspective, when evaluating the composition of the Board.
- Details of the Directors retiring by rotation and offering themselves for re-election at the forthcoming Annual General Meeting are provided on pages 286 to 287 of this Annual Report.

PERFORMANCE EVALUATIONS

During the year under review, the Committee reviewed the processes adopted for the periodic evaluation of the performance of the Board, its committees, and the Chief Executive Officer. The outcomes of the evaluations were considered in identifying opportunities for continuous improvement and strengthening governance effectiveness.

INDEPENDENCE AND REGULATORY COMPLIANCE

The Committee reviewed the independence of the Independent Non-Executive Directors against the applicable regulatory criteria and was satisfied that the relevant Directors met the required independence criteria as of 31 March 2026.

The Committee also monitored compliance with the applicable corporate governance requirements and reported any material matters requiring attention to the Board. The Company remained compliant with the applicable corporate governance requirements during the year under review.

* Annual Performance Evaluation of the Nomination & Governance Committee

During the year under review, the Committee conducted a performance evaluation covering governance oversight, engagement with Management, and meeting effectiveness. The evaluation confirmed the Committee's effective functioning and identified areas for continuous improvement.

Nalin Karunaratne

Chairman

Board Nominations & Governance Committee

31 May 2026

FINANCIAL STATEMENTS

TRUST IN STRENGTH, CLARITY IN ASCENT

Strength made visible through trusted financial clarity

Financial strength becomes meaningful when it inspires trust. It reflects disciplined performance, responsible stewardship, and clarity in execution.

With transparency as our anchor, our financial foundation strengthens confidence illuminating the path ahead as we move decisively toward higher ground.

Directors' Statement on Internal Control

RESPONSIBILITY

The Board of Directors ("the Board") of Janashakthi Finance PLC ("the Company") is responsible for maintaining an adequate and effective system of Internal Controls over financial reporting and for reviewing its effectiveness on an ongoing basis. The system of internal control is designed to manage, rather than eliminate, the risk of material misstatement in financial reporting and can therefore provide only reasonable, and not absolute, assurance regarding the reliability of financial reporting, and the preparation of financial statements in accordance with Sri Lanka Accounting Standards and applicable regulatory requirements. The Board has established an ongoing process of identifying, evaluating and managing significant risks faced by the Company. This process includes periodic reviews of the effectiveness of internal controls, financial reporting process, information systems and governance arrangements. The Internal Audit Department of the Company independently reviews the adequacy and effectiveness of key controls and reports significant findings to the Board Audit Committee.

REVIEW OF CONTROLS OVER FINANCIAL REPORTING

The Board, through the Board Audit Committee and management, has continued to review the design and operating effectiveness of the Company's internal control framework over financial reporting during the year ended 31 March 2026. This review included:

- Assessment of controls over significant financial reporting processes and disclosures
- Review of internal audit findings and management responses
- Monitoring of compliance with Board approved policies and procedures
- Evaluation of controls over financial reporting systems and data integrity
- Review of significant accounting estimates, judgements and financial statement disclosures.
- Consideration of observations raised by management, internal audit, external auditors and regulatory authorities.

MATTER IDENTIFIED DURING THE YEAR

During the year ended 31 March 2026, through the audit process, management identified differences between certain balances recorded in the general ledger and balances generated from the Company's front-end information systems. As disclosed in Note 19.2 to the financial statements, these differences arose primarily from historical system mapping errors and manual journal entries recorded following a system migration in September 2023. As a result, an unreconciled debit balance amounting to LKR 270,542,779 was recognized and a full provision against this balance was made pending completion of a detailed reconciliation and root-cause analysis.

The Board acknowledges that this matter indicates certain weaknesses in internal controls over financial reporting that existed during the financial years post system migration. However, the board is satisfied that the general ledger balances except for the unreconciled debit balance are complete and accurate. Management carried out a comprehensive examination of the balances reported in these financial statements to ensure the rest of the balances are accurate.

REMEDIATION ACTIONS

Management has initiated a comprehensive remediation programme to address the aforementioned matter relating to the unreconciled debit balance with progress being monitored by the Board Audit Committee. The programme includes:

- Completion of a detailed reconciliation of unreconciled debit balance;
- Identification and correction of historical mapping and processing errors;
- Review and strengthening of system interface controls;
- Enhancement of controls over the preparation, approval and posting of manual journal entries;
- Implementation of strengthened reconciliation procedures between front-end systems and the general ledger;
- Increased management oversight and monitoring of financial reporting controls; and
- Independent validation of corrective actions through Internal Audit.

The Board will continue to monitor the progress of these actions until the reconciliation process has been completed and the underlying causes have been fully addressed.

Directors' Statement on Internal Control

CONFIRMATION

Based on process established by the Board reviews performed during the year, the Board is satisfied that the Company's internal control framework continues to provide a structured basis for managing risks associated with financial reporting. While weaknesses in internal control over financial reporting were identified in relation to the unreconciled debit balance disclosed in Note 19.2, the Board is satisfied that the financial information and balances presented in the financial statements are reliable in all material respects. Based on the assurances and information made available to it, the Board believes that the Company's financial reporting framework has provided reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Sri Lanka Accounting Standards and applicable regulatory requirements of the Central Bank of Sri Lanka.

EXTERNAL AUDITORS' CERTIFICATION

The external Auditors, Messrs. KPMG, have reviewed the above Directors' statement on Internal Control over Financial Reporting included in this Annual Report of the Company for the year ended 31 March 2026 and have reported to the board in accordance with the requirements of the Finance Business Act Direction No. 05 of 2021.

Their report on the statement of Internal Control over Financial Reporting is given on pages 185 - 186 of this Annual Report.

By order of the Board;

Rajendra Theagarajah
Chairman

Manohari Abeyesekera
Chairperson Audit Committee

07 September 2026

Independent Auditors' Assurance Report on the Directors' Statement on Internal Control

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE BOARD OF DIRECTORS OF JANASHAKTHI FINANCE PLC

Report on the Directors' Statement on Internal Control

We were engaged by the Board of Directors of Janashakthi Finance PLC ("the Company") to provide assurance on the Director's Statement on Internal Control ("the Statement") included in the Annual Report for the year ended 31 March 2026.

Management's responsibility

Management is responsible for the preparation and presentation of the Statement in accordance with the "Guidance for Directors of License Finance Company/Finance Leasing Company on the Directors' Statement on Internal Control" issued in compliance with Finance Business Act Direction No. 05 of 2021 on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior

The firm applies Sri Lanka Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements

Our Responsibilities

Our responsibility is to assess whether the Statement is both supported by the documentation prepared by or for directors and appropriately reflects the process the directors have adopted in reviewing the design and effectiveness of the internal control of the Company.

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements SLSAE 3051, Assurance Report for Licensed Finance Companies on Directors' Statement on Internal Control, issued by the Institute of Chartered Accountants of Sri Lanka.

This standard requires that we plan and perform procedures to obtain limited assurance about whether Management has prepared, in all material respects, the Statement on Internal Control.

Independent Auditors' Assurance Report on the Directors' Statement on Internal Control

KPMG

For purposes of this engagement, we are not responsible for updating or reissuing any reports, nor have we, in the course of this engagement, performed an audit or review of the financial information.

Summary of work performed

Our engagement has been conducted to assess whether the Statement is both supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the system of internal control for the Company.

To achieve this objective, appropriate evidence has been obtained by performing the following procedures:

(a) Enquired the Directors to obtain an understanding of the process defined by the Board of Directors for their review of the design and effectiveness of internal control and compared their understanding to the Statement made by the Directors in the annual report.

(b) Reviewed the documentation prepared by the Directors to support their Statement made.

(c) Related the Statement made by the Directors to our knowledge of the Company obtained during the audit of the financial statements.

(d) Reviewed the minutes of the meetings of the Board of Directors and of relevant Board Committees.

(e) Attended meetings of the Audit Committee at which the annual report, including the Statement on Internal Control, is considered and approved for submission to the Board of Directors.

(f) Considered whether the Director's Statement on Internal Control covers the year under review and that adequate processes are in place to identify any significant matters arising.

(g) Obtained written representations from Directors on matters material to the Statement on Internal Control where other sufficient appropriate audit evidence cannot reasonably be expected to exist.

SLSAE 3051 does not require us to consider whether the Statement covers all risks and controls, or to form an opinion on the effectiveness of the Company's risk and control procedures. SLSAE 3051 also does not require us to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the Statement has been prepared.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Statement included on pages 183 and 184 of this annual report is inconsistent with our understanding of the process the Board of Directors have adopted in the review of the design and effectiveness of internal control system over the financial reporting of the Company.

KPMG
CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
07 September 2026

Statement of Directors' Responsibility

The Companies Act No. 7 of 2007 places responsibility on the Directors to maintain proper accounting records and to prepare Financial Statements that give a true and fair view of the Company's financial position, performance, and cash flows for the financial year.

Pursuant to Sections 150(1) and 151 of the Companies Act No. 7 of 2007, the Directors are responsible for ensuring that Financial Statements are prepared for each financial year and that they present a true and fair view of the Company's financial position as at the end of the financial year and of its financial performance for the year then ended. The Directors are also responsible for ensuring that such Financial Statements are completed within six months of the balance sheet date, or within any extended period approved by the Registrar General of Companies, certified by the person responsible for their preparation as being in compliance with the requirements of the Companies Act, and dated and signed on behalf of the Board by two Directors of the Company.

The Directors confirm that the Financial Statements have been prepared and presented in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS), the directions and regulations issued by the Central Bank of Sri Lanka under the Finance Business Act No. 42 of 2011, the Companies Act No. 7 of 2007, and the applicable disclosure requirements of the Listing Rules of the Colombo Stock Exchange. The Directors further confirm that the Financial Statements are consistent with the underlying accounting records of the Company.

The Directors have taken all reasonable steps to safeguard the assets of the Company and have established and maintained appropriate systems of internal control and accounting records designed to prevent and detect fraud, errors, and other irregularities. These systems are subject to continuous review, evaluation, and enhancement to ensure their ongoing effectiveness.

The Board has carried out a review of the Company's internal control framework, including controls over material business risks, and has obtained reasonable assurance regarding the effectiveness of such controls through internal assurance mechanisms of the Company, including reports from Management, Internal Audit, and Board Committees.

In preparing the Financial Statements, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently, that judgments and estimates made are reasonable and prudent, and that all applicable accounting standards and regulatory requirements are complied with.

The Directors have taken appropriate measures to ensure that the Company maintains proper accounting records and an effective financial reporting system. The financial reporting process is regularly reviewed by the Board of Directors through its meetings and is subject to oversight by the Board Audit Committee to ensure the integrity and reliability of the Company's financial reporting.

The Board of Directors has established an effective system of internal controls and risk management to identify, assess, and manage the significant risks faced by the Company. Oversight of these processes is primarily exercised through the Board Audit Committee and the Integrated Risk Management Committee.

The Directors have taken appropriate measures to ensure the fair treatment of all stakeholders, including depositors, customers, employees, shareholders, and regulators.

Based on their assessment of the Company's financial position and available resources, the Directors are satisfied that the Company has adequate resources to continue its operations for the foreseeable future. Accordingly, the Financial Statements have been prepared on a going concern basis. The Directors have also considered the Company's solvency and liquidity position in arriving at the conclusion that the going concern basis of accounting remains appropriate.

The Financial Statements have been certified by the Head of Finance, the officer responsible for their preparation, and approved and signed by two Directors in compliance with Section 150(1) of the Companies Act No. 7 of 2007.

The Financial Statements have been audited by M/s KPMG Chartered Accountants – Sri Lanka, who have expressed their independent opinion thereon in the Independent Auditor's Report included in this Annual Report.

Statement of Directors' Responsibility

Based on the Compliance Officer's Report, the Directors confirm that, to the best of their knowledge and belief, the Company has materially complied with all applicable laws and regulations except for the shortfall in the total capital ratio upon reconciliation of general ledger balance/s and has paid, or adequately provided for, all taxes, duties, levies, employee-related statutory contributions, and other statutory obligations due as at the reporting date.

For and on behalf of the Board

Ayesha Jeewanti
Secretary to the Board

07 September 2026
Colombo

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF JANASHAKTHI FINANCE PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of Janashakthi Finance PLC ("the Company"), which comprise the statement of financial position as at 31 March 2026, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Qualified Opinion

As disclosed in Note 19.2 to these financial statements, the Company has reported a debit balance of LKR 270 million as an unreconciled balance included under Other Assets in the statement of financial position as at 31 March 2026. The Management has made full provision against the balance in relation to the unreconciled balance in the profit or loss as at reporting date. However, we were unable to obtain sufficient appropriate audit evidence regarding the nature, accuracy, classification and recoverability of the unreconciled debit balance, and the accuracy, completeness and appropriateness of the related provision recognized during the year. The Company is in the process of reconciling unreconciled debit balance, but was not able to do so prior to the approval of the financial statements. Accordingly, we were not able to determine whether any adjustments might be necessary to the amounts shown in the financial statements as at and for the years ended 31 March 2026 and 31 March 2025.

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Restatement of comparative information

We draw attention to Note 39 to the financial statements which indicate that the comparative information for the year ended 31 March 2025, has been restated and presented as comparatives in these financial statements. Our opinion is not modified in respect of this matter.

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Other Matter relating to comparative information

The financial statements of Janashakthi Finance PLC as at and for the years ended 31 March 2025 and 31 March 2024 (from which the statement of financial position as at 01 April 2024 has been derived), excluding the adjustments described in Note 39 to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 May 2025 and 10 June 2024 respectively.

As part of our audit of the financial statements as at and for the year ended 31 March 2026, we audited the adjustments described in Note 39 that were applied to restate the comparative information presented as at and for the year ended 31 March 2025 and the statement of financial position as at 01 April 2024. We were not engaged to audit, review, or apply any procedures to the financial statements for the years ended 31 March 2025 and 31 March 2024 and to the statement of financial position as at 01 April 2024, other than with respect to the adjustments described in Note 39 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 39 are appropriate and have been properly applied.

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.

<table>
<tr><th>Risk Description</th><th>Our Responses</th></tr>
<tr><td>Allowances for Expected Credit Losses of Loans and Advances at Amortized Cost.

As disclosed in Notes 09 and 17 to the financial statements, allowances for expected credit losses of financial assets amounting to 1.3 Billion arising from loans and receivables of LKR 34 Billion are determined by management based on the accounting policies described in Note 3.1.11.

A high degree of complexity and judgment is involved in estimating Expected Credit Losses (ECL) on loans and receivables to customers. Collective impairment is calculated using internally developed statistical models which are inherently complex, and significant judgment is required in developing these models.

This involves a number of key inputs and assumptions in applying the requirements of SLFRS 9, including the selection and incorporation of forward-looking information, past due data, and historical loss parameters.</td><td>Our audit procedures to assess the allowances for ECL included the following:

Assessing the adequacy of collective impairment by:
▸ Assessing the accuracy of the data used in the ECL models by checking a sample of data fields such as account balance, days past due, interest rates to relevant source systems;
▸ Evaluating the appropriateness of the accounting policies relating to ECL and the underlying methodology applied in accordance with the requirements of SLFRS 9, with the involvement of our Financial Risk Management (FRM) specialists and based on our business understanding.

Working with Financial Risk Management (FRM) specialists to:
▸ Assess the accuracy of the ECL model estimates by re-performing, for a sample of loans, and comparing to the amount recorded by the Company;
▸ Examine the model design and calculation approach compared with industry standards.</td></tr>
</table>

KPMG

Risk Description	Our Responses
Some of these assumptions and inputs are heavily dependent upon the macroeconomic environment; Accordingly, the impairment allowance on loans and receivables at amortised cost is considered a key audit matter due to its significance to the financial statements and the estimation uncertainty associated with the assumptions and judgments applied by management in determining the impairment allowance.	▸ Evaluating the completeness of customers/facilities assessed individually based on the established criteria, and verifying the accuracy of the impairment allowance for such identified individually significant exposures. ▸ Assessing the appropriateness of estimated overlays applied by management for model limitations, and independently determining the staging of loans based on the defined criteria for collectively assessed exposures. ▸ Assessing the appropriateness of key parameters and assumptions, particularly those relating to the macroeconomic scenarios used in the expected credit loss model.

Risk Description	Our Responses
impairment of goodwill and brand value	**Our audit procedures included:**
The Company performs an impairment review of goodwill and brand value at least annually, or more frequently when there are indicators of impairment, in accordance with Sri Lanka Accounting Standards. Goodwill and brand value were initially recognised in the financial statements following the acquisition and amalgamation of the former Orient Finance PLC by the Company (formerly Bartleet Finance PLC) during the financial year ended 31 March 2016. In accordance with LKAS 36 – Impairment of Assets, the Company is required to perform an annual impairment test for goodwill and brand value. The impairment assessment involves comparing the carrying amount of these assets with their recoverable amount. This area was considered significant to our audit due to the materiality of the carrying values of goodwill and brand value, which amounted to LKR 565 million and LKR 236 million respectively as at 31 March 2026, and the significant level of judgment involved in the Directors' impairment assessment.	▸ Evaluating management's competence and the level of expertise applied in developing assumptions, gathering reliable data, and performing the impairment assessment. ▸ Assessing the appropriateness of the methodologies used by management in evaluating the impairment of goodwill and brand value. ▸ Challenging the key inputs and assumptions applied by the management in performing the impairment assessment, taking into consideration prevailing macroeconomic conditions and their impact on key variables. ▸ Assessing the adequacy of the financial statements disclosures including disclosures of key assumptions and judgments.

Independent Auditor's Report

KPMG

Risk Description	Our Responses
Valuation of Investment Property	**Our audit procedures included;**
As at 31 March 2026 the Company's Investment Properties carried at fair value amount to LKR 729 million. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to LKR 23.5 million. Management's assessment of fair value of investment property is based on valuations performed by a qualified independent property valuer in accordance with recognized industry standards. We identified fair valuation of Investment properties as a key audit matter due to the use of significant estimates such as per perch price and value per square foot involves judgement in assessing the fair value of the investment property.	▸ Assessing the objectivity, independence, competence and qualifications of the external valuer engaged by the management. ▸ Engaging our own internal experts where applicable to assess the reasonability of the valuation technique, per square-feet value, assumptions and methods used in the valuation by comparing the same with evidence of current market values. ▸ Assessing the adequacy of disclosures made in relation to fair value of investment property in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions used.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

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 judgment and maintain professional skepticism 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.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, except for the effects of matters described in the Basis for Qualified Opinion Section of our report, 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 FCA 3732.

KPMG
CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
07 September 2026

Income Statement

For the year ended 31 March	Note	2026 Rs.	Restated 2025 Rs.
Income	4	6,410,498,907	4,725,585,483
Interest income	5	6,134,764,858	4,463,848,627
Interest expenses	6	(2,987,450,408)	(2,327,348,519)
Net interest income		3,147,314,451	2,136,500,109
Fee and commission income	7	166,499,075	161,223,502
Other operating income	8	109,234,974	100,513,354
Total operating income		3,423,048,499	2,398,236,965
Impairment charges for loans and receivables at amortised cost	9	(309,730,273)	(90,742,235)
Net operating income		3,113,318,227	2,307,494,730
Operating expenses			
Personnel expenses	10	(962,133,370)	(809,980,988)
Depreciation and amortisation		(267,908,622)	(210,828,794)
Other operating expenses	11	(1,312,355,956)	(792,197,874)
Operating profit before Value Added Tax		570,920,279	494,487,074
Tax on financial services		(244,890,265)	(176,104,254)
Profit before income tax		326,030,013	318,382,820
Income tax expense	12	(261,331,181)	(86,241,785)
Profit for the year		64,698,832	232,141,035
Earnings per share : Basic / Diluted (Rs)	13.1	0.31	1.10

Figures in brackets indicate deductions.

The accounting policies and notes on pages 201 to 268 form an integral part of these Financial Statements.

Statement of Other Comprehensive Income

For the year ended 31 March	Note	2026 Rs.	Restated 2025 Rs.
Profit for the year		64,698,832	232,141,035
Other comprehensive income			
Other comprehensive income to be re-classified to profit or loss in subsequent periods			
Fair value (loss)/gain on investment in treasury bonds		(19,878,061)	6,718,438
Deferred tax effect on above		5,963,418	(2,015,531)
		(13,914,643)	4,702,906
Other comprehensive income not to be re-classified to profit or loss in subsequent periods			
Actuarial (loss) /gain on retirement benefit plan	30.1	(20,669,050)	590,638
Deferred tax effect on above	21	6,200,715	(177,191)
		(14,468,335)	413,447
Other comprehensive (expense) / income for the year net of tax		(28,382,978)	5,116,353
Total comprehensive income for the year net of tax		36,315,854	237,257,387

Figures in brackets indicate deductions.

The accounting policies and notes on pages 201 to 268 form an integral part of these Financial Statements.

Statement of Financial Position

For the year ended 31 March	Note	2026 Rs.	Restated 2025 Rs.	Restated 2024 Rs.
ASSETS				
Cash and cash equivalents	15	**692,251,020**	492,275,401	420,293,003
Financial assets - fair value through other comprehensive income	16	**1,560,881,964**	1,144,263,733	932,991,845
Loans and receivables at amortised cost	17	**32,805,598,434**	22,250,761,772	15,841,739,768
Placements with banks and other financial institutions at amortised cost	18	**163,923,256**	452,604,465	342,772,502
Other assets	19	**305,979,849**	365,198,882	615,628,219
Real estate stock	20	**17,667,183**	21,414,298	10,968,258
Deferred tax asset	21	**281,417,315**	315,893,978	366,568,600
Intangible assets	22	**853,931,257**	866,579,764	813,111,401
Property, plant and equipment	23	**517,484,315**	315,392,993	143,654,164
Right-of-use of assets	24	**417,738,781**	420,440,539	219,423,692
Investment properties	25	**729,000,000**	717,450,000	692,400,000
Total assets		**38,345,873,374**	27,362,275,824	20,399,551,452
LIABILITIES				
Due to banks - bank overdrafts	15	**843,883,943**	699,093,409	233,790,663
Deposits from customers	26	**18,194,649,685**	15,903,812,018	13,556,431,013
Interest bearing borrowings	27	**13,513,765,462**	5,901,388,374	2,115,120,468
Lease liability	28	**462,310,747**	450,732,857	237,016,173
Other liabilities	29	**1,624,198,865**	757,644,842	858,273,406
Retirement benefits obligation	30	**99,842,571**	78,698,078	65,270,872
Total liabilities		**34,738,651,274**	23,791,369,578	17,065,902,594

For the year ended 31 March	Note	2026 Rs.	Restated 2025 Rs.	Restated 2024 Rs.
EQUITY				
Stated capital	31	**2,431,879,039**	2,431,879,039	2,431,879,039
Statutory reserve fund	32.1	**408,005,099**	404,770,158	393,163,106
Regulatory Loss Allowance reserve	32.2	**-**	193,959,912	-
Revaluation reserve	33	**141,120,773**	141,120,773	141,120,773
Retained earnings		**626,217,189**	399,176,364	367,485,940
Total equity		**3,607,222,100**	3,570,906,247	3,333,648,858
Total equity and liabilities		**38,345,873,374**	27,362,275,824	20,399,551,452
Net assets per share		**17.09**	16.92	15.79

Figures in brackets indicate deductions.

The accounting policies and notes on pages 201 to 268 form an integral part of these Financial Statements.

The Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Ivon Brohier
Chief Financial Officer

Sithambaram Sri Ganendran
Chief Executive Officer

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.

Rajendra Theagarajah
Chairman

Prakash Schaffter
Director

Colombo
07 September 2026

Statement of Changes in Equity

	Note	Stated capital Rs.	Statutory reserve fund Rs.	Revaluation reserve Rs.	Non - distributable regulatory loss allowance reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 01 April 2024		2,431,879,039	393,163,106	141,120,773	-	636,767,340	3,602,930,258
Impact of Restatement		-	-	-	-	(269,281,399)	(269,281,399)
Balance as at 31 March 2024 (Restated)		2,431,879,039	393,163,106	141,120,773	-	367,485,940	3,333,648,858
Profit for the year (Restated)		-	-	-	-	232,141,035	232,141,035
Transfer to statutory reserve	32.1	-	11,607,052	-	-	(11,607,052)	-
Transfer to regulatory loss allowance reserve	32.2	-	-	-	193,959,912	(193,959,912)	-
Other comprehensive income net of taxes		-	-	-	-	5,116,353	5,116,353
Balance as at 31 March 2025 (Restated)		2,431,879,039	404,770,158	141,120,773	193,959,912	399,176,364	3,570,906,246
Balance as at 1 April 2025 (Restated)		**2,431,879,039**	**404,770,158**	**141,120,773**	**193,959,912**	**399,176,364**	**3,570,906,246**
Profit for the year		**-**	**-**	**-**	**-**	**64,698,832**	**64,698,832**
Transfer to statutory reserve	**32.1**	**-**	**3,234,942**	**-**	**-**	**(3,234,942)**	**-**
Transfer to regulatory loss allowance reserve	**32.2**	**-**	**-**	**-**	**(193,959,912)**	**193,959,912**	**-**
Other comprehensive income net of taxes		**-**	**-**	**-**	**-**	**(28,382,978)**	**(28,382,978)**
Balance as at 31 March 2026		**2,431,879,039**	**408,005,099**	**141,120,773**	**-**	**626,217,189**	**3,607,222,100**

Figures in brackets indicate deductions.

The accounting policies and notes on pages 201 to 268 form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 March	2026 Rs.	2025 Rs.
Cash flows from operating activities		
Profit before income tax	**326,030,013**	318,382,820
Adjustment for:		
Depreciation and amortisation	**267,908,622**	210,828,795
Profit on disposal of property, plant and equipment	**-**	(366,800)
Impairment charges for loans and receivables at amortised cost	**309,730,273**	90,742,235
Finance expenses	**2,987,450,408**	2,327,348,517
Fair value gain on investment properties	**(23,550,000)**	(25,050,000)
Investment income	**(151,487,417)**	(169,005,387)
Provision for gratuity	**20,897,593**	20,438,428
Operating profit before working capital changes	**3,736,979,492**	2,773,318,608
Increase in loans and receivables to customers	**(10,871,176,261)**	(6,717,308,085)
Decrease / (increase) in other assets	**60,271,673**	425,284,956
Increase in deposits from customers	**2,239,045,328**	2,347,381,006
Decrease / (increase) in other liabilities	**676,263,827**	(34,341,544)
	(4,158,615,941)	(1,205,665,059)
Rent paid	**(143,991,005)**	(104,848,684)
Interest paid	**(1,893,297,170)**	(1,967,448,551)
Gratuity paid	**(20,422,150)**	(5,829,946)
Income tax paid	**(31,034,061)**	-
Net cash (used in) / generated from operating activities	**(6,247,360,326)**	(3,283,792,240)
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	**(339,156,983)**	(307,776,469)
Proceeds from sale of property, plant and equipment	**-**	366,800
Proceeds from sale of investment property	**7,500,000**	-
Proceeds from real estate	**3,747,115**	-
Expenses incurred for real estate stock	**-**	(163,000)
Net change in financial assets - FVTOCI	**(436,496,292)**	(211,250,396)
Net change in investments with bank and other financial institutions	**288,681,209**	(82,420,246)
Investment income received	**159,998,424**	150,716,981
Net cash (used in) / generated from investing activities	**(315,726,527)**	(450,526,330)

Statement of Cash Flows

For the year ended 31 March	2026 Rs.	2025 Rs.
Cash flows from financing activities		
Interest bearing borrowings obtained	16,952,714,718	9,588,200,431
Repayment of interest bearing borrowings	(9,464,059,977)	(5,897,197,101)
Interest paid on borrowings	(870,382,803)	(350,005,108)
Net cash generated from / (used in) financing activities	6,618,271,938	3,340,998,222
Net change in cash and cash equivalents	55,185,085	(393,320,348)
Cash and cash equivalents at the beginning of the year	(206,818,008)	186,502,340
Cash and cash equivalents at the end of the year	(151,632,923)	(206,818,008)
Note A		
Analysis of cash and cash equivalents at the end of the year		
Cash in hand	493,700,888	406,818,347
Cash at bank	198,550,132	85,457,054
Bank overdrafts	(843,883,943)	(699,093,409)
	(151,632,923)	(206,818,008)

Figures in brackets indicate deductions.

The accounting policies and notes on pages 201 to 268 form an integral part of these Financial Statements.

Material Accounting Policy Information

1. REPORTING ENTITY

1.1 Corporate information

Janashakthi Finance PLC (formerly known as Orient Finance PLC) ("the Company") is a Public Limited Company incorporated and domiciled in Sri Lanka under the Companies Act No. 07 of 2007. The Company is approved under the Finance Lease Act No. 56 of 2000 and Finance Business Act No. 42 of 2011 and is listed in the Colombo Stock Exchange.

The registered office and principal place of business of the Company is located at No. 338, T. B. Jayah Mawatha, Colombo 10.

1.2 Principal activities and nature of operations

The principal activities of the Company comprise finance leasing, alternative finance business, mobilization of deposits and gold loans.

1.3 Parent entity and ultimate parent entity

The Company's immediate parent undertaking and controlling party is Janashakthi PLC which is incorporated in Sri Lanka, and the ultimate parent undertaking and controlling party is Schaffters (Pvt) Ltd, a company incorporated in Sri Lanka.

1.4 Directors' responsibility statement

The Board of Directors acknowledges the responsibility in relation to the Financial Statements, as set out in the 'Directors' Responsibility for Financial Reporting, 'Annual Report of the Board of Directors' and in the statement appearing with the Statement of Financial Position of the Annual Report.

1.5 Date of authorisation

The Financial Statements of the Company for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 7 September 2026.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Financial Statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of the Companies Act No. 07 of 2007 and the Finance Business Act No. 42 of 2011 and amendments thereto, and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange. The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards ("SLFRS");
- Sri Lanka Accounting Standards ("LKAS");
- Statements of Recommended Practices (SoRPs);
- Statement of Alternate Treatment (SoATs) and
- Financial Reporting Guidelines issued by the CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com

2.2 Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:

Item	Basis of measurement
Financial assets measured at fair value through other comprehensive income	Fair value
Retirement benefits obligation	Liability is recognized as the present value of the retirement benefits obligation plus unrecognized actuarial gains less unrecognized past service cost and unrecognized actuarial losses.
Investment property: Land and Buildings	Fair value
Real Estate	Fair value

2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee unless stated otherwise.

2.4 Presentation of Financial Statements

These Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007 and amendments thereto

(Companies Act), the Finance Business Act No. 42 of 2011 and the directions, rules and regulations issued thereunder by the Central Bank of Sri Lanka (CBSL), and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange (CSE).

The formats used in the preparation and presentation of the Financial Statements and the disclosures made therein also comply with the specified formats prescribed by the CBSL for Licensed Finance Companies. The Company has published annual and quarterly financial information and other disclosures in the Annual Report, Press and the Website in compliance with the applicable regulatory requirements and CBSL directions.

The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

No adjustments have been made for inflationary factors affecting the Financial Statements.

An analysis on recovery or settlement within 12 months and more than 12 months from the reporting date is presented in Note 35 on page 250.

2.5 Materiality and aggregation

In compliance with LKAS 01 on "Presentation of Financial Statements", each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or functions are presented separately, unless they are immaterial.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is legally an enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless it is required or permitted by any accounting standard or interpretation, and as specifically disclosed in the notes to the Financial Statements.

2.6 Comparative information

Comparative information, including quantitative, narrative and descriptive information, is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to facilitate inter-period comparability.

The presentation and classification of items in the Financial Statements of the previous period are amended, where necessary, to conform to the current year's presentation and classification. Where applicable, comparative figures are restated and presented as restated to reflect the effects of prior period errors, or other adjustments in accordance with the requirements of the applicable Sri Lanka Accounting Standards. The nature and effect of any material restatements are disclosed in the relevant notes to the Financial Statements.

2.7 Going concern

The Financial Statements of the Company have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business.

In assessing the appropriateness of the going concern basis, the Board of Directors has considered the Company's current and forecast financial position, cash flow projections, liquidity position, funding arrangements, business plans, expected recoveries, capital position and the continuing support available to the Company.

As at 31 March 2026, the Company's reported Total Capital Ratio was temporarily below the minimum regulatory requirement stipulated by the Central Bank of Sri Lanka for Licensed Finance Companies. Prior to the recognition of the year-end reconciliation adjustments, the Company's capital adequacy position was above the applicable minimum regulatory requirement. The shortfall as at the reporting date arose as a direct consequence of the recognition of these adjustments, which reduced the Company's regulatory capital base and resulted in the reported Total Capital Ratio falling below the regulatory minimum. Further details are set out in Note 47.3 to these Financial Statements.

The Directors have assessed the implications of the resulting regulatory capital shortfall together with the Company's liquidity position, cash flow forecasts, funding arrangements and planned remedial measures. The Company continues to maintain adequate liquidity and cash flows to meet its obligations as they fall due. Management has also initiated measures to restore the Total Capital Ratio above the regulatory minimum, as further described in Note 47.3, and continues to engage with the Central Bank of Sri Lanka, where required.

Having considered the above factors, including the circumstances giving rise to the capital shortfall and the remedial measures being undertaken, the Directors have concluded that the regulatory capital shortfall as at 31 March 2026 does not, in itself, give rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Accordingly, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future, and the Financial Statements have been prepared on a going concern basis.

2.8 Significant accounting judgments, estimates and assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (LKAS and SLFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying the accounting policies that have the most significant effect on the amounts recognized in the Financial Statements of the Company are as follows:

2.8.1 Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

2.8.2 Classification of financial assets and liabilities

As per SLFRS 9, the significant accounting policies of the Company provide scope for financial assets to be classified and subsequently measured into different categories, namely, at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL) based on the following criteria:

- the entity's business model for managing the financial assets as set out in Note 3.1.3.1.
- the contractual cash flow characteristics of the financial assets as set out in Note 3.1.3.2.

2.8.3 Impairment losses on financial assets

The measurement of impairment losses under SLFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are based on the assumptions about a number of factors and the actual results may differ, resulting in future changes to the allowance.

Refer Notes 9 and 17 for more details relating to impairment loss assessment on financial assets.

2.8.4 Impairment of goodwill and brand name

Impairment exists when the carrying value of goodwill and brand name exceeds their recoverable amount, which is the higher of fair value less costs of disposal and value in use. The Company has assessed the carrying value of goodwill and brand name using the Residual Income (RI) approach, which estimates the value attributable to the respective assets based on the future economic benefits expected to be generated by the business.

The assessment involves consideration of the Company's projected financial performance, expected future cash flows, profitability, growth rates and other relevant assumptions. The carrying value is sensitive to changes in the key assumptions and estimates used in determining the recoverable amount, including projected earnings, growth rates and the applicable discount rate.

The key assumptions and estimates used in the assessment of the carrying value of goodwill and Brand Value are disclosed and further explained in Note 22 to the Financial Statements.

2.8.5 Defined benefit obligations

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making various assumptions determining the discount rates, future salary increases, mortality rates, etc. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka government bonds with extrapolated maturities corresponding to the expected duration of the defined benefits obligation.

The mortality rate is based on publicly available mortality tables. Future salary increases are based on expected future inflation rates and the expected future salary increase rate of the Company.

2.8.6 Useful economic lives of property, plant and equipment

Useful economic lives of property, plant and equipment are estimated as disclosed in Note 3.3.4 to the Financial Statements.

2.8.7 SLFRS 16 – Leases

2.8.7.1 Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include the extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

2.8.7.2 Estimating the incremental borrowing rate

As the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (“IBR”) to measure the lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Company “would have to pay’’, which requires estimation when no observable rates are available (or when they need to be adjusted to reflect the terms and conditions of the lease). The Company estimates the IBR using observable input when available and is required to make certain entity-specific adjustments.

2.9 Changes in Accounting Policies

The Company has consistently applied the accounting policies to all periods presented in these Financial Statements, except for the changes arising out of amendments to Accounting Standards as set out below:

2.10 Changes to already existing accounting standards

The Company applied certain standards and amendments for the first time, which are effective for annual periods beginning on or after 01 January 2026.

Accounting standard	Description
Amendments to SLFRS 9 and SLFRS 7 – Classification and Measurement of Financial Instruments	Clarifies requirements relating to classification and measurement of financial instruments and introduces related disclosure requirements.
Annual Improvements to SLFRS– Volume 11	Provides minor clarifications and corrections to SLFRS 1, SLFRS 7, SLFRS 9, SLFRS 10 and LKAS 7.

The above amendments do not materially impact the financial performance and financial position of the Company.

2.10.1 New accounting standards, amendments and interpretations issued but not yet effective

The Institute of Chartered Accountants of Sri Lanka has issued the following new Sri Lanka Accounting Standards which will become applicable for financial periods beginning on or after 01 January 2027 or at a later date.

The new and amended standards that are issued but are not yet effective at the date of issuance of these Financial Statements are disclosed below.

Accounting standard	Description	Effective date
SLFRS 18 – Presentation and Disclosure in Financial Statements	Replaces LKAS 1 and introduces new requirements for presentation of the statement of profit or loss, defined subtotals, management-defined performance measures and improved aggregation and disaggregation of information.	01 January 2027
SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information	Establishes general requirements for the disclosure of sustainability-related financial information about sustainability-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, access to finance or cost of capital.	1 January 2027
SLFRS S2 – Climate-related Disclosures	Establishes specific requirements for the disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect an entity's cash flows, access to finance or cost of capital.	1 January 2027

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements of the Company unless otherwise it is indicated.

3.1 Financial instruments – Initial recognition, classification and subsequent measurement

3.1.1 Date of recognition

The Company initially recognises loans and advances, deposits and subordinated liabilities, etc., on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

3.1.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their cash flow characteristics and the business model for managing the instruments. Refer Note 3.1.3 and 3.1.4 for further details on classification of financial instruments.

A financial asset or financial liability is measured initially at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue, except in the case of financial assets and financial liabilities at fair value through profit or loss as per SLFRS 9 and trade receivables that do not have a significant financing component as defined by SLFRS 15.

Transaction costs in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with through the income statement.

Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition as defined in SLFRS 15.

When the fair value of financial instruments (except trade receivables that do not have a significant financing component) at initial recognition differs from the transaction price, the Company accounts for the Day 1 profit or loss, as described below:

3.1.2.1 "Day 1" profit or loss

When the transaction price of the instrument differs from the fair value at origination and fair value is based on a valuation technique using only the inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gains/(losses) from trading. In those cases, where the fair value is based on models for which some inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

3.1.3 Classification and subsequent measurement of financial assets

As per SLFRS 9, the Company classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms measured at one of the following:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

The subsequent measurement of financial assets depends on their classification.

3.1.3.1 Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level and not assessed on instrument-by-instrument basis because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods and the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the 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.

3.1.3.2 Assessment of whether contractual cash flows are solely the payments of principal and interest (SPPI test)

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

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/ discount).

"Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as the profit margin.

In contrast, contractual terms that introduce a more than deminimising 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 the payments of principal and interest on the principal amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

In assessing whether the contractual cash flows are solely the payments of principal and interest on principal amount outstanding, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains such a contractual term that could change the timing or amount of contractual cash flows that it would not meet this condition. In making the assessment, the Company considers the following.

- contingent events that would change the amount and timing of cash flows
- leverage features
- prepayment and extension terms
- terms that limit the Company's claim to cash flows from specified assets
- features that modify consideration of the time value of money

Refer Notes 3.1.3.3 and 3.1.3.4 below for details on different types of financial assets recognised in the Statement of Financial Position (SOFP).

3.1.3.3 Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely the payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are given in Notes 3.1.3.3.1 to 3.1.3.3.4 below.

3.1.3.3.1 Loans and advances to customers

Loans and advances to customers include loans and advances, and lease and hire purchase receivables of the Company.

Details of “Loans and advances to customers” are given in Note 17.

3.1.3.3.2 Investment in reverse repurchase agreement against the treasury bills and bonds

When the Company purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a similar asset) at a fixed price on a future date (reverse repo), the agreement is accounted for as a financial asset in the SOFP reflecting the transaction’s economic substance as a loan granted by the Company. Subsequent to initial recognition, these securities issued are measured at amortised cost using the EIR with the corresponding interest income/receivable being recognised as interest income in profit or loss.

Details of “Investment in reverse repurchase agreement against the treasury bills and bonds” are given in Note 16.

3.1.3.3.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, placements with banks and loans at call and at short notice that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. They are brought to the Financial Statements at their face values or the gross values, where appropriate. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Details of “Cash and cash equivalents” are given in Note 15.

3.1.3.3.4 Investments with banks and other financial institutions

Details of “Investments with banks and other financial institutions” are given in Note 18.

3.1.3.4 Financial assets measured at FVOCI

Financial assets at FVOCI include debt and equity instruments measured at fair value through other comprehensive income.

3.1.3.4.1 Debt instruments measured at FVOCI

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the asset’s cash flows represent payments that are solely the payments of principal and interest on principal outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and ECL and reversals are recognised in profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

These instruments comprise Government Securities that had previously been classified as available for sale.

Details of “Debt instruments at FVOCI” are given in Note 16.

3.1.3.4.2 Equity instruments designated at FVOCI

Upon initial recognition, the Company elects to classify irrevocably some of its equity investments held for strategic and statutory purposes as equity instruments at FVOCI.

Details of “Equity instruments at FVOCI” are given in Note 16.

3.1.4 Classification and subsequent measurement of financial liabilities

As per SLFRS 9, the Company classifies financial liabilities other than financial guarantees and loan commitments into one of the following categories

- Financial liabilities at fair value through profit or loss, and within this category as –
  - Held-for-trading; or
  - Designated at fair value through profit or loss
- Financial liabilities measured at amortised cost

The subsequent measurement of financial liabilities depends on their classification.

3.1.4.1 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. The Company does not have any financial liabilities at fair value through profit or loss.

3.1.4.2 Financial liabilities at amortised cost

Financial liabilities issued by the Company that are not designated at FVTPL are classified as financial liabilities at amortised cost under "Deposits from customers", "Due to banks" or "Other borrowings" as appropriate, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity shares. The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised 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 amortisation is included in "Interest expense" in the income statement. Gains and losses are also recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process.

3.1.5 Reclassification of financial assets and liabilities

As per SLFRS 9, Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Company changes its objective of the business model for managing such financial assets which may include the acquisition, disposal or termination of a business line.

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

3.1.5.1 Measurement of reclassification of financial assets

3.1.5.1.1 Reclassification of Financial Instruments at 'Fair value through profit or loss'

- To Fair value through other comprehensive income

The fair value on reclassification date becomes the new gross carrying amount. The EIR is calculated based on the new gross carrying amount. Subsequent changes in the fair value are recognised in OCI.

- To Amortised cost

The fair value on reclassification date becomes the new carrying amount. The EIR is calculated based on the new gross carrying amount.

3.1.5.1.2 Reclassification of Financial Instruments at 'Fair value through other comprehensive income'

- To Fair value through profit or loss

  The accumulated balance in OCI is reclassified to profit and loss on the reclassification date.

- To Amortised Cost

  The financial asset is reclassified at fair value. The cumulative balance in OCI is removed and used to adjust fair value on the reclassification date. The adjusted amount becomes the amortised cost.

  EIR determined at initial recognition and the gross carrying amount is not adjusted as a result of reclassification.

3.1.5.1.3 Reclassification of Financial Instruments at "Amortised Cost"

- To Fair value through other comprehensive income

  The asset is remeasured to fair value, with any difference recognised in OCI. EIR determined at initial recognition is not adjusted as a result of reclassification.

- To Fair value through profit or loss

  The fair value on the reclassification date becomes the new carrying amount. The difference between the amortised cost and fair value is recognised in profit and loss.

3.1.6 Derecognition of financial assets and financial liabilities

3.1.6.1 Financial assets

The Company derecognises a financial asset (or where applicable a part thereof) when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all risks and rewards of ownership nor retains the control of the financial asset.

3.1.6.2 Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

3.1.7 Modification of financial assets and financial liabilities

3.1.7.1 Financial assets

If the terms of a financial asset are modified, the Company evaluates to ascertain whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

As per SLFRS 9, if the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

3.1.7.2 Financial liabilities

Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

3.1.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if, there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted or required by SLFRSs, or for gains and losses arising from a group of similar transactions, such as those arising from the Company's trading activities.

The Company does not offset financial assets and financial liabilities unless the above criteria are satisfied.

3.1.9 Amortised cost and gross carrying amount

The "amortised cost" of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the EIR method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL allowance.

The "gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any ECL allowance.

3.1.10 Fair value of financial instruments

Fair value measurement of financial instruments including the fair value hierarchy is explained in Note 46.

3.1.11 Identification and measurement of impairment of financial assets

3.1.11.1 Overview of the ECL principle

As per SLFRS 9, the Company records an allowance for expected credit losses for loans and advances to customers, debt and other financial instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income and loan commitments.

SLFRS 9 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition.

- **Stage 1:** A financial asset that is not originally credit-impaired on initial recognition is classified in Stage 1. Financial instruments in Stage 1 have their ECL measured at an amount equal to the proportion of lifetime expected credit losses

(LTECL) that result from default events possible within the next 12 months (12M ECL).

- **Stage 2:** If a significant increase in credit risk (SICR) since origination is identified, it is moved to Stage 2 and the Company records an allowance for LTECL. Refer Note 3.1.11.2 for description on how the Company determines when a significant increase in credit risk has occurred.
- **Stage 3:** If a financial asset is credit-impaired, it is moved to Stage 3 and the Company recognises an allowance for LTECL, with probability of default at 100%. Refer Note 3.1.11.3 for a description on how the Company defines credit impaired and default.
- Purchased or originated credit impaired (POCI) financial assets: Financial assets which are credit impaired on initial recognition are categorised within Stage 3 with a carrying value already reflecting the lifetime expected credit losses. The Company does not have POCI loans as at the reporting date.

The key judgments and assumptions adopted by the Company in addressing the requirements of SLFRS 9 are discussed below:

3.1.11.2 Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information based on the Company's historical experience, expert credit assessment and forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred by comparing:

- the remaining lifetime PD at the reporting date; with
- the remaining lifetime PD estimated at the time of initial recognition of the exposure, adjusted where appropriate for changes in prepayment expectations.
- The Company uses three criteria for determining whether there has been a significant increase in credit risk:
- a quantitative test based on movement in PD;
- qualitative indicators; and
- a backstop of 30 days past due.

The Company individually reviews, at each reporting date, loans and advances above a predefined threshold to identify whether credit risk has increased significantly since origination. Such indicators include, inter alia:

- reasonable and supportable forecasts of future economic conditions affecting the performance of customers, portfolios or instruments;
- significant changes in geographical locations or natural catastrophes affecting customers or instruments;
- significant reduction in the value of collateral and/or doubtful realisability of collateral;
- litigation significantly affecting the performance of the credit facility;
- modification of terms resulting in concessions, including extensions, deferment of payments or waiver of covenants;
- the customer being deceased or insolvent; and
- inability of the Company to contact or locate the customer.

Credit risk grades

The Company allocates each exposure to a credit risk grade based on quantitative and qualitative information that is predictive of the risk of default, together with experienced credit judgement. The credit risk grades vary depending on the nature of the exposure and product. The grades are calibrated such that the risk of default increases as the credit risk grade deteriorates.

Post-model adjustments

The Company considers whether post-model adjustments are required where material or emerging risks are not adequately captured by the ECL models. Such adjustments are based on reasonable and supportable information and management judgement, including relevant economic, portfolio, industry, regulatory and model-related factors. Post-model adjustments are reviewed and reassessed at each reporting date.

3.1.11.3 Definition of default and credit impaired assets

The Company considers loans and advances to customers as defaulted when:

- The borrower is unlikely to pay its obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The borrower becomes 90 days past due on its contractual payments.

In addition, the Company classifies the financial investments under stage 3 when the external credit rating assigned to the particular investment is in “default”.

In assessing whether a borrower is in default, the Company reviews its individually significant loans and advances above a predefined threshold at each reporting date. The Company considers non-performing credit facilities/customers with one or more of indicators set out in Note 3.1.11.2 above as credit impaired.

3.1.11.4 Movement between the stages

Financial assets can be transferred between the different categories (other than POCI) depending on their relative change in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described in Note 3.1.11.2. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above.

3.1.11.5 Grouping financial assets measured on collective basis

The Company calculates ECLs either on a collective or an individual basis. Asset classes where the Company calculates ECL on individual basis include credit impaired facilities of individually significant customers.

Those financial assets for which the Company determines that no provision is required under individual impairment are then collectively assessed for ECL. For the purpose of ECL calculation on a collective basis, financial assets are grouped on the basis of similar risk characteristics. Loans and advances to customers are grouped into homogeneous portfolios based on a combination of product and customer characteristics.

3.1.11.6 The calculation of Expected Credit Loss Principle (ECL)

The Company calculates ECL based on 3 probability weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the 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 calculation 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 derecognised and is still in the portfolio.
- **EAD:** Exposure At Default is the estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of the principal and interest, whether scheduled by contract or otherwise, expected draw down on committed facilities and accrued financing income from missed payments.
- **LGD:** 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 lenders would expect to receive, including realisation of any collateral.

Forward-looking information

The Company incorporates forward-looking information into both its assessments as to whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

The Company has identified key drivers of credit risk both quantitatively and qualitatively for various portfolio segments. Quantitative economic factors are based on economic data and forecasts published by CBSL and supranational organisations such as IMF.

Quantitative drivers of credit risk	Qualitative drivers of credit risk
GDP growth	Status of industry business
Unemployment rate	Regulatory impact
Interest rate (AWPLR)	Government policies
Rate of inflation	
Exchange rate	

At 31 March 2026

Economic scenario	GDP change	Interest rates	Unemployment rate
Central – 5-year average	4.00%	7.75%	4.25%
Central – Peak*	5.00%	8.50%	5.00%
Upside – 5-year average	4.75%	7.25%	3.75%
Upside – Peak*	5.50%	8.00%	4.25%
Downside – 5-year average	2.00%	10.00%	6.50%
Downside – Trough*	1.00%	12.00%	8.00%

At 31 March 2025

Economic scenario	GDP change	Interest rates	Unemployment rate
Central – 5-year average	3.50%	8.00%	4.50%
Central – Peak*	4.50%	8.50%	5.00%
Upside – 5-year average	4.25%	7.50%	4.00%
Upside – Peak*	5.00%	8.00%	4.50%
Downside – 5-year average	2.00%	9.50%	6.50%
Downside – Trough*	1.00%	11.00%	8.00%

3.1.12 Write-off of loans and advances

Loans and advances, together with the related impairment allowance, are normally written off, either partially or in full, when there is no realistic prospect of recovery. Where loans and advances are secured, write-off is generally made after considering and realising the available security and recognising any proceeds from the realisation of such security.

3.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among the market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Level 1

When available, the Company measures fair value of an instrument using the active quoted prices or dealer price quotations (assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price), without any deduction for transaction costs. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

Level 2

If a market for a financial instrument is not active, then the Company establishes fair value using a valuation technique. Valuation techniques include using the recent arm's length transactions between the knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses, credit models, option pricing models and other relevant valuation models.

The chosen valuation technique makes the maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that the market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Company calibrates valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument, i.e. without modification or repackaging, or based on a valuation technique whose variables include only data from observable markets.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Level 3

Certain financial instruments are recorded at fair value using the valuation techniques in which the current market transactions or observable market data are not available. Their fair value is determined by using the valuation models that have been tested against prices or inputs to actual market transactions and also using the best estimate of the most appropriate model assumptions. Models are adjusted to reflect the spread for bid and ask prices to reflect costs to close out positions, credit and debit valuation adjustments, liquidity spread and limitations in the models. Also, profit or loss calculated when such financial instruments are first recorded ('Day 1' profit or loss) is deferred and recognised only when the inputs become observable or on derecognition of the instrument.

3.3 Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the supply of services, or for administrative purposes and are expected to be used for more than a one year period.

3.3.1 Recognition

Property, plant and equipment are tangible items that are held for use in the production or supply of services, for rental to others or for administrative purposes and are expected to be used during more than one period. The Company applies the requirements of the Sri Lanka Accounting Standard - LKAS 16 (Property, Plant and Equipment) in accounting for these assets. Property, plant and equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be reliably measured.

3.3.2 Measurement

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit and loss.

Purchased software that is integrated to the functionality of the related equipment is capitalised as intangible assets.

3.3.3 Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day-to-day servicing of property, plant and equipment is recognised in profit or loss as incurred. When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

3.3.4 Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease terms and other useful lives unless it is reasonably certain that the Company will obtain the ownership by the end of the lease period.

The estimated useful lives are as follows:

Furniture and fittings	4 years
Office equipment	4 years
Computer equipment	4 years
Motor vehicles	4 years

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognised.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

3.4 Investment properties

Investment properties are the properties held either to earn rental income or for capital appreciation or for both. They are not properties held for sale in the ordinary course of business, used in the production or supply of goods or service or for administrative services.

3.4.1 Basis of recognition

Investment property is recognised if it is probable that future economic benefits that are associated with the investment property will flow to the Company and if the cost of the investment property can be measured reliably.

3.4.2 Measurement

An investment property is measured initially at its cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. The carrying amount includes the cost of replacing part of an existing Investment Property at the time that the cost is incurred if the recognition criteria are met, and excludes the cost of day-to-day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise. The Company revalues investment property at least once in three years.

3.4.3 Derecognition

Investment Properties are derecognised when either they have been disposed of or when the Investment Property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising on the retirement or disposal of an Investment Property are recognised in the income statement in the year of retirement or disposal.

3.5 Leases

3.5.1 Right-of-Use Assets – Company as a lessee

a) Basis of recognition

The Company applies Sri Lanka Accounting Standard SLFRS 16 "Leases" (SLFRS 16) in accounting for all leasehold rights except for short-term leases, which are held for use in the provision for services.

b) Basis of measurement

The Company recognizes the 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 amortisation 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 recognised, initial direct cost incurred and the lease payments made at, or before the commencement date less any lease incentives received.

c) Depreciation

Right-of-use assets are depreciated over the lease term of the assets as there is no reasonable certainty that the Company will obtain the ownership of such assets by the end of the lease term.

3.5.2 Lease liability

At the commencement date of the lease, the Company recognises lease liabilities, measured at present value of lease payments to be made over the lease term. The present value of lease commitments has been calculated using the weighted average incremental borrowing rate.

Details of "Right-of-use asset" and "Lease liability" are given in Notes 24 and 28 respectively.

3.5.3 Operating leases – Company as a lessor

As per SLFRS 16, a lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. The Company recognises lease payments from operating leases as income on a straight-line basis. Initial direct costs incurred in negotiating the operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.6 Intangible assets

3.6.1 Goodwill

Goodwill arising on a business combination is initially measured at cost, being the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is subsequently measured at cost less accumulated impairment losses and is not amortised.

For impairment testing, goodwill is allocated to the cash-generating unit ("CGU"), or group of CGUs, expected to benefit from the synergies of the business combination. The CGU to which goodwill is allocated is tested for impairment annually and whenever there is an indication that it may be impaired.

An impairment loss is recognised in profit or loss immedialty when the carrying amount of the CGU exceeds its recoverable amount, being the higher of value in use and fair value less costs of disposal. An impairment loss is allocated first to goodwill and then to the other assets of the CGU on a pro rata basis. Impairment losses recognised on goodwill are not reversed.

3.6.2 Brand value

Brand value acquired in a business combination is recognised separately from goodwill at fair value on the acquisition date and is subsequently measured at cost.

The brand value is assessed for impairment whenever there is an indication that it may be impaired. Where it does not generate independent cash inflows, it is tested as part of the related CGU. Any impairment loss recognised for brand value is reversed when the recoverable amount subsequently increases, limited to the carrying amount that would have been determined, had no impairment loss been recognised.

3.6.3 Computer software

Costs incurred to acquire computer software that is not an integral part of the related hardware are recognised as intangible assets when it is probable that the expected future economic benefits attributable to the software will flow to the Company and the cost can be measured reliably. Computer software is initially measured at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is capitalised only when the recognition criteria for development expenditure are met; all other expenditure is recognised in profit or loss as incurred.

Computer software is amortised on a straight-line basis over its estimated useful life from the date on which it is available for use. The estimated useful life and amortisation method are reviewed at each reporting date, and any change is accounted for prospectively as a change in accounting estimate. Computer software is assessed for impairment whenever there is an indication that its carrying amount may not be recoverable.

Useful lifetime of Intangible assets as follows,

Class of intangible asset	Years
Computer software	4

3.6.4 Derecognition of intangible assets

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the income statement.

3.7 Impairment of non-financial assets

3.7.1 Recognition

The carrying values of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

For the assets that have indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

3.7.2 Calculation of recoverable amount

The recoverable amount is the greater of their fair value less cost to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessment of their time value of money and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3.7.3 Reversal of impairment

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.8 Deposits due to customers

These include term deposits and certificates of deposits. Subsequent to initial recognition, deposits are measured at their amortised cost using the effective interest method, except where the Company designates liabilities at fair value through profit or loss. They are stated in the statement of financial position at the amount payable. Interest paid/payable on these deposits based on the effective interest rate is charged to the income statement.

3.9 Other liabilities

Other liabilities are recorded at amounts expected to be payable at the reporting date.

3.10 Employee benefits

3.10.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by the employees.

3.10.1.1 Employees' Provident Fund (EPF)

The Company and employees contribute 12% and 8% respectively on the salary of each employee to the approved Provident Fund.

3.10.1.2 Employees' Trust Fund (ETF)

The Company contributes 3% of the salary of each employee to the Employees' Trust Fund.

3.10.2 Defined benefit plans

3.10.2.1 Retirement benefit obligations

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted.

The calculation is performed by a qualified actuary using a "Projected Unit Credit" method. For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximated estimate provided by the qualified actuary is used. The assumptions based on which the results of actuarial valuation were determined are included in the Note 30 to the Financial Statements.

The Company recognises all actuarial gains and losses arising from the defined benefit plan and all expenses related to defined benefit plans in the income statement and actuarial gains and losses in the other comprehensive income.

This retirement benefit obligation is not externally funded.

However, according to the payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

3.10.3 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.11 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the provision can be measured reliably in accordance with the Sri Lanka Accounting Standard - LKAS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'.

The amount recognised is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at that date. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined based on the present value of those cash flows.

3.12 Capital commitments and contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

Capital commitment and contingent liabilities of the Company are disclosed in the respective notes to the Financial Statements.

3.13 Events occurring after the reporting date

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the Financial Statements are authorised for issue.

In this regard, all material events that occurred after the reporting period have been considered and appropriate disclosures are made in the Financial Statements, where necessary.

3.14 Income statement

3.15.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are ascertained before revenue is recognised.

3.15.1.1 Interest income and interest expense

Interest income and expense are recognised in the Income Statement using the effective interest rate (EIR) method.

As per SLFRS 9, the interest income and expense presented in the Income Statement include:

- Interest on financial assets measured at amortised cost calculated using EIR method;
- Interest on financial liabilities measured at amortised cost calculated using EIR method.

As per SLFRS 09, the interest income and expense recognised in the Income Statement included:

- Interest on loans and receivables calculated using EIR method;
- Interest on financial liabilities measured at amortised cost calculated using EIR method.

Effective Interest Rate (EIR)

The EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the EIR for financial instruments other than credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses (ECLs). For credit-impaired financial assets which are classified under Stage 3, a credit-adjusted EIR is calculated using the estimated future cash flows including ECLs. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost.

The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted EIR to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.15.1.2 Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

3.15.1.3 Fees and commission income and expense

Fees and commission income and expense that are integral to the EIR on a financial asset or liability are included in the measurement of the EIR. Other fees and commission income are recognised as the related services are performed.

3.15.1.4 Interest on overdue rentals

Overdue interest is charged on loans and advances which are not paid on the due date and accounted for on cash basis.

3.15.1.5 Profit or loss on disposal of property, plant and equipment

Profits or losses resulting from disposal of property, plant and equipment have been accounted for in the income statement.

3.15.1.6 Recovery of bad and doubtful debts written off

Recovery of amounts written off as bad and doubtful debts are recognised on a cash basis.

3.15.2 Expenditure

All expenditure incurred in running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to revenue in arriving at the profit/(loss) for the year.

Expenditure incurred for the purpose of acquiring, expanding or improving the assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

The profit earned by the Company before taxation as shown in the Income Statement is after making provision for all known liabilities and for the depreciation of property, plant and equipment.

3.16 Taxes

3.16.1 Income tax expense

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognised directly in the income statement except to the extent that it relates to items recognised directly in equity, in which case, it is recognised in equity.

Current taxes

Current tax assets and liabilities consist of amounts expected to be recovered from, or paid to the taxation authorities in respect of the current as well as prior years. The tax rates and tax laws used to compute the amounts are those that are enacted or substantially enacted by the reporting date. Accordingly, provision for taxation is made on the basis of the accounting profit for the year as adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto, at the rates specified in the Note 12 to the Financial Statements. This note also includes the major components of tax expense, the effective tax rates and a reconciliation between the profit before tax and tax expense as required by the Sri Lanka Accounting Standard – LKAS 12 on 'Income Taxes'.

Deferred tax

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted by the reporting date.

Deferred tax assets including those related to temporary tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.16.2 Value Added Tax on financial services

VAT on financial services is calculated in accordance with the amended VAT Act No.07 of 2003. The base for the computation of VAT on financial services is the accounting profit before income tax is adjusted for the economic depreciation and emoluments of employees computed on prescribed rate.

3.16.3 Crop Insurance Levy (CIL)

As per the provisions of Section 14 of the Finance Act No. 12 of 2013, the CIL was introduced with effect from April 01, 2013 and is payable to the National Insurance Trust Fund. Currently, the CIL is payable at 1% of the profit after tax.

3.16.4 Social Security Contribution Levy (SSCL)

Social Security Contribution Levy (SSCL) was imposed with effect from October 01, 2022, at the rate of 2.5% by the Social Security Contribution Levy Act No. 25 of 2022 (SSCL Act).

3.17 Earnings per share /Diluted EPS

The Financial Statements present basic earnings per share (EPS) for its ordinary shareholders. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

3.18 Cash flow statement

The cash flow statement has been prepared using the "indirect method". Interest paid is classified as operating cash flows, interest and dividend received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting the cash flow statement.

3.19 Regulatory Requirements

3.19.1 Deposit insurance scheme

In terms of the Finance Companies Direction No 02 of 2010 "Insurance of Deposit Liabilities" issued on 27 September 2010, all registered finance companies are required to insure their deposit liabilities in the deposit insurance scheme operated by the Monetary Board in terms of Sri Lanka Deposit Insurance Scheme Regulations No 01 of 2010, issued under Sections 32A to 32E of the Monetary Law Act with effect from 01 October 2010. Deposits to be insured include demand, time and savings deposit liabilities and exclude the following.

- deposit liabilities to member institutions
- deposit liabilities to Government of Sri Lanka
- deposit liabilities to shareholders, directors, key management personnel and other related parties as defined in Finance Companies Act Direction No 03 of 2008 on Corporate Governance of registered finance companies
- deposit liabilities held as collateral against any accommodation granted
- deposit liabilities falling within the meaning of dormant deposits in terms of the Finance Companies Act, funds of which have been transferred to the Central Bank of Sri Lanka

Registered finance companies are required to pay a premium of 0.15% on eligible deposit liabilities as at the end of the month to be payable within a period of 15 days from the end of the respective month.

3.20 Reserves

3.20.1 Statutory reserve fund

The statutory reserve fund is maintained in terms of a licensed finance Company (Capital Funds) direction No.01 of 2003. Accordingly, the Company should transfer funds out of net profits of each year in the following manner, after due provision has been made for taxation and bad and doubtful debts.

- If capital funds are not less than twenty five percent of total deposit liabilities, a sum equal to not less than five percent of the net profits
- If capital funds are less than twenty five percent of total deposit liabilities but not less than ten percent thereof, a sum equal to not less than twenty percent of the net profits
- If capital funds are less than ten percent of total deposit liabilities, a sum equal to not less than fifty percent of the net profits

3.20.2 Fair value / Available for sale reserve

This has been created in order to account the fair value changes of financial assets at Fair Value Through Other Comprehensive Income / Available for sale financial assets.

3.20.3 Non distributable regulatory loss allowance reserve

As per the section 7.1.3 of the Finance Business Act Direction 1 of 2020, issued by the Central Bank of Sri Lanka (CBSL), a licensed finance company shall maintain an additional loss allowance in a non-distributable regulatory loss allowance reserve through an appropriation of its retained earnings, where the loss allowance for expected credit loss as per SLFRS 9 falls below the regulatory provision determined by the CBSL. Accordingly, the Company has recognised the regulatory loss allowance reserve in the statement of changes in equity. When the loss allowance for expected credit loss as per SLFRS 9 exceeds the regulatory provision, the Company transfers the excess amount to retained earnings.

3.21 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company's management to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

For each of the strategic divisions, the Company's management monitors the operating results separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses which, in certain respects, are measured differently from operating profits or losses in the Financial Statements. Income taxes are managed on a Company basis and are not allocated to operating segments.

3.22 Number of Employees

The number of employees of the Company as at 31 March 2026 is 616 (2025 - 650).

Notes to the Financial Statements

4. INCOME

For the year ended 31 March	2026 Rs.	2025 Rs.
Interest income (Note 5)	6,134,764,858	4,463,848,627
Fee and commission income (Note 7)	166,499,075	161,223,502
Other operating income (Note 8)	109,234,974	100,513,354
	6,410,498,907	4,725,585,483

5. INTEREST INCOME

For the year ended 31 March	2026 Rs.	2025 Rs.
Finance lease	3,561,820,378	2,910,085,973
Factoring	-	1,828,201
Loans	390,030,580	79,264,463
Gold loans	2,031,426,483	1,303,664,603
Income on investments	151,487,417	169,005,387
	6,134,764,858	4,463,848,627

6. INTEREST EXPENSES

For the year ended 31 March	2026 Rs.	2025 Rs.
Interest expense on		
Borrowings	1,040,026,611	468,843,963
Customer deposits	1,814,034,801	1,792,931,632
Bank overdrafts	85,133,247	27,718,099
Interest Expense on Lease liabilities	48,255,749	37,854,825
	2,987,450,408	2,327,348,519

7. FEE AND COMMISSION INCOME

For the year ended 31 March	2026 Rs.	2025 Rs.
Documentation income - lease	85,234,460	82,526,926
Charges on recovery follow up	31,137,466	35,495,519
Insurance commission	38,869,792	43,201,057
Annual Review Fee	11,257,357	-
	166,499,075	161,223,502

8. OTHER OPERATING INCOME

For the year ended 31 March	2026 Rs.	2025 Rs.
Collections from written off contracts	59,766,355	43,225,291
Profit on disposal of property, plant and equipment	-	366,800
Rent income	9,877,058	9,492,000
Fair value gain on investment properties	23,550,000	25,050,000
Dividend income	594,048	1,460,104
Sundry income	15,447,513	20,919,159
	109,234,974	100,513,354

9. IMPAIRMENT CHARGES / (REVERSALS) FOR LOANS AND RECEIVABLES AT AMORTISED COST

For the year ended 31 March	2026 Rs.	2025 Rs.
Finance lease receivable		
Stage 01	32,773,393	(957,276)
Stage 02	54,861,097	(73,021,170)
Stage 03	103,565,955	150,963,859
	191,200,445	76,985,413
Hire purchase receivable		
Stage 01	-	-
Stage 02	-	-
Stage 03	3,160,000	2,569,127
	3,160,000	2,569,127
Other loans receivable		
Stage 01	29,049,670	(588,410)
Stage 02	21,163,767	(911,491)
Stage 03	7,575,492	(934,611)
	57,788,929	(2,434,512)
Factoring receivable		
Stage 01	-	-
Stage 02	-	-
Stage 03	77,582	-
	77,582	-
Gold loans receivable		
Stage 01	1,912,203	2,766,413
Stage 02	275,608	(332,191)
Stage 03	-	(5,034,067)
	2,187,811	(2,599,845)
Alternative finance		
Stage 01	3,541,960	3,903,435
Stage 02	8,503,542	1,217,575
Stage 03	43,270,003	4,491,718
	55,315,506	9,612,728
Provision for specific item		6,609,324
Total impairment charge	309,730,273	90,742,235

Notes to the Financial Statements

10. PERSONNEL EXPENSES

For the year ended 31 March	2026 Rs.	2025 Rs.
Salaries and other related expenses	846,953,343	708,171,543
Defined contribution plan - EPF	75,425,947	65,570,235
- ETF	18,856,487	16,391,420
Defined benefit plan - Gratuity	20,897,593	19,847,790
	962,133,370	809,980,988

11. OTHER OPERATING EXPENSES

For the year ended 31 March	2026 Rs.	2025 Rs.
Directors' emoluments	20,848,600	18,498,077
Auditor's remuneration	6,321,852	2,003,326
Audit fees and expenses	4,050,000	-
Audit related fees and expenses	1,400,000	-
Professional and legal fees	50,483,974	68,415,487
Charity and donations	690,055	370,000
Administration and establishment expenses	466,504,308	396,647,593
Advertising and business promotional expenses	116,433,267	55,325,277
Other expenses	380,531,121	250,938,114
Provision For Unreconciled Debit Balance	270,542,779	-
	1,312,355,956	792,197,874

12. INCOME TAX EXPENSE

For the year ended 31 March	2026 Rs.	2025 Rs.
Current tax		
On current year profits (Note 12.1)	214,690,385	-
Under provision of current taxes in respect of previous years	-	37,759,886
Deferred tax	-	-
Deferred tax charged to the income statement (Note 21)	46,640,796	48,481,899
Income tax expense for the year	261,331,181	86,241,785

12.1 Reconciliation between accounting profit and taxable income

For the year ended 31 March	2026 Rs.	2025 Rs.
Profit before income tax expense	326,030,013	428,012,485
Adjustments on disallowable expenses	6,064,411,261	4,289,917,584
Adjustments on allowable expenses	(5,378,240,199)	(4,409,494,174)
Statutory income	1,012,201,076	308,435,895
Less: Tax loss claimed on leasing business (Note 12.2)	-	-
Assessable income/(loss)	1,012,201,076	308,435,895
Less: Utilisation of qualifying payments (Note 12.3)	(300,000,000)	(300,000,000)
Taxable profit for the year	712,201,076	8,435,895
Effective tax rate	80%	20%

The profit before income tax expense considered for the comparative year is derived from the final corporate income tax return submitted to Inland Revenue Department.

12.2 Qualifying payment on investment

For the year ended 31 March	2026 Rs.	2025 Rs.
Consideration paid to acquire former Orient Finance PLC	**1,730,906,250**	1,730,906,250
Less : Utilised in prior years	**(823,467,836)**	(523,467,836)
Less : Utilised during the year	**(300,000,000)**	(300,000,000)
Balance qualifying payment carried forward	**607,438,114**	907,438,414

For the year ended 31 March	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Profit Before tax			**326,030,013**	428,012,485
Tax expenses on applicable	**30%**	30%	**97,809,004**	95,514,846
Tax effect of non-deductible expenses	**559%**	33%	**1,819,323,378**	1,286,975,275
Tax effect of deductible expenses	**-496%**	-32%	**(1,613,472,060)**	(1,322,848,252)
Qualifying payment on investment utilization	**-92%**	-143%	**(300,000,000)**	(300,000,000)
Current income tax expenses	**66%**	0%	**214,690,385**	-
Income tax under /Over provision for the previous year (Note 12)	**0%**	9%	**-**	37,759,886
Deferred tax charge / (reversal) for the year (Note 12)	**14%**	11%	**46,640,797**	48,481,899
Total tax expense	**80%**	20%	**261,331,181**	86,241,785

12.3 Current tax

The Company is liable for tax at the rate 30% on its liable income in accordance with the Inland Revenue Act No.24 of 2017 and subsequent amendments made thereto.

13. EARNINGS PER SHARE

13.1 Basic Earnings Per Share

For the year ended 31 March	2026 Rs.	2025 Rs.
Profit/(loss) attributable to ordinary shareholders (Rs.)	**64,698,832**	232,141,035
Weighted average number of ordinary shares	**211,101,155**	211,101,155
Earnings per share (Rs.)	**0.31**	1.10
Weighted average number of ordinary shares	**211,101,155**	211,101,155
Previously reported Earnings per share (Rs.)	**-**	1.76

Notes to the Financial Statements

13.2 Diluted earnings per share

The Company does not possess any potentially dilutive component of earnings per share as at 31 March 2026. Therefore, the Company's diluted earnings per share will be as same as the basic earnings per share.

14. FINANCIAL ASSETS AND LIABILITIES

14.1 Classification as at 31 March 2026

For the year ended 31 March	Financial assets at fair value through other comprehensive income (FVOCI) Rs.	Financial assets at amortised cost Rs.	Total carrying amount Rs.
Financial assets			
Cash and cash equivalents	-	692,251,020	692,251,020
Investment in government securities and unquoted shares	1,560,881,964	-	1,560,881,964
Loans and receivables at amortised cost	-	32,805,598,434	32,805,598,434
Placements with banks and other financial institutions at amortised cost	-	163,923,256	163,923,256
Total financial assets	1,560,881,964	33,661,772,710	35,222,654,674

For the year ended 31 March	Financial liabilities at amortised cost Rs.	Total carrying amount Rs.
Financial liabilities		
Bank overdrafts	843,883,943	843,883,943
Deposits from customers	18,194,649,685	18,194,649,685
Interest bearing borrowings	13,513,765,462	13,513,765,462
Total financial liabilities	32,552,299,090	32,552,299,090

14.2 Classification as at 31 March 2025

For the year ended 31 March	Financial assets at fair value through other comprehensive income (FVOCI) Rs.	Financial assets at amortised cost Rs.	Total carrying amount Rs.
Financial assets			
Cash and cash equivalents	-	492,275,401	492,275,401
Investment in government securities and unquoted shares	1,144,263,733	-	1,144,263,733
Loans and receivables at amortised cost	-	22,250,761,772	22,250,761,772
Placements with banks and other financial institutions at amortised cost	-	452,604,465	452,604,465
Total financial assets	1,144,263,733	23,195,641,637	24,339,905,370

For the year ended 31 March	Financial liabilities at amortised cost Rs.	Total carrying amount Rs.
Financial liabilities		
Bank overdrafts	699,093,409	699,093,409
Deposits from customers	15,903,812,018	15,903,812,018
Interest bearing borrowings	5,901,388,374	5,901,388,374
Total financial liabilities	22,504,293,800	22,504,293,800

15. CASH AND CASH EQUIVALENTS

For the year ended 31 March	2026 Rs.	2025 Rs.
Cash in hand	**493,700,888**	406,818,347
Cash at bank	**198,550,132**	85,457,054
	692,251,020	492,275,401
Bank overdrafts	**(843,883,943)**	(699,093,409)
Cash and cash equivalents for the purpose of cash flow statement	**(151,632,923)**	(206,818,008)

Notes to the Financial Statements

16. FINANCIAL ASSETS - FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

For the year ended 31 March	2026 Rs.	Restated 2025 Rs.
Investments in government securities (Note 16.1)	1,560,651,364	1,144,033,133
Investments in unquoted shares (Note 16.2)	230,600	230,600
	1,560,881,964	1,144,263,733

16.1 Investments in Government Securities

For the year ended 31 March	2026 Rs.	Restated 2025 Rs.
Treasury bills	-	1,083,743,818
Treasury Repos	922,515,164	60,289,315
Treasury bonds	638,136,200	-
	1,560,651,364	1,144,033,133

16.2 Investments in unquoted shares

For the year ended 31 March	Directors' Valuation Rs.	Directors' Valuation Rs.
Finance House Consortium (Private) Limited	200,000	200,000
Credit Information Bureau of Sri Lanka	30,600	30,600
	230,600	230,600

The Directors' valuation of unquoted securities based on cost of investment less impairment amounts to Rs. 230,600/- (2025 - Rs.230,600/-).

17. LOANS AND RECEIVABLES AT AMORTISED COST

As at 31 March	2026 Rs.	2025 Rs.
Loans and receivables	41,829,097,099	29,555,284,435
Less: Unearned income	(7,732,658,270)	(6,192,748,501)
Net loans and receivables	34,096,438,828	23,362,535,934
Less: Impairment for expected credit losses (Note 17.1.11)	(1,290,840,394)	(1,111,774,162)
Net loans and receivables	32,805,598,434	22,250,761,772

17.1 Product wise analysis of net loans and receivables

17.1.1 Finance lease receivables

For the year ended 31 March	2026 Rs.	2025 Rs.
Gross lease rentals receivable	21,276,740,887	18,720,491,695
Less: Unearned income	(6,224,937,116)	(5,577,982,464)
Net lease rentals receivable	15,051,803,771	13,142,509,230
Less: Impairment for expected credit losses (Note 17.1.11)	(1,052,250,171)	(986,874,197)
Net finance lease receivable	13,999,553,599	12,155,635,034
Lease rentals receivable within one year		
Gross lease rentals receivable within one year	8,564,467,555	7,691,320,902
Less: Unearned income	(3,125,154,897)	(2,752,915,195)
Net lease rentals receivable within one year	5,439,312,658	4,938,405,707
Less: Impairment for expected credit losses	(380,262,229)	(370,826,079)
Net finance lease receivable within one year	5,059,050,429	4,567,579,629
Lease rentals receivables within one to five years		
Gross lease rentals receivable within one to five years	12,658,400,803	11,029,170,792
Less: Unearned income	(3,099,754,305)	(2,825,067,269)
Net lease rentals receivable within one to five years	9,558,646,498	8,204,103,523
Less: Impairment for expected credit losses	(668,223,785)	(616,048,118)
Net finance lease receivable within one to five years	8,890,422,714	7,588,055,405
Lease rentals receivable later than five years		
Gross lease rentals receivable later than five years	53,872,529	-
Less: Unearned income	(27,915)	-
Net lease rentals receivable later than five years	53,844,614	-
Less: Impairment for expected credit losses	(3,764,158)	-
Net finance lease receivable later than five years	50,080,457	-
Total	13,999,553,599	12,155,635,034

17.1.2 Hire purchase receivable

For the year ended 31 March	2026 Rs.	2025 Rs.
Gross hire purchase rentals receivable	22,205,616	22,205,616
Less: Unearned income	-	-
Net hire purchase rentals receivable	22,205,616	22,205,616
Less: Impairment for expected credit losses (Note 17.1.11)	(13,805,616)	(10,645,616)
Net hire purchase receivable	8,400,000	11,560,000
Hire purchase rentals receivable within one year		
Gross hire purchase rentals receivable within one year	22,205,616	22,205,617
Less: Unearned income	-	-
Net hire purchase rentals receivable within one year	22,205,616	22,205,617
Less: Impairment for expected credit losses	(13,805,616)	(10,645,617)
Hire purchase rentals receivable within one year	8,400,000	11,560,000

Notes to the Financial Statements

17.1.3 Other loans receivable

For the year ended 31 March	2026 Rs.	2025 Rs.
Gross other loans rentals receivable	5,847,390,101	987,533,865
Less: Unearned income	(1,057,087,120)	(104,266,118)
Net other loans rentals receivable	4,790,302,981	883,267,747
Less: Impairment for expected credit losses (Note 17.1.11)	(139,801,827)	(83,515,701)
Net other loans receivable	4,650,501,154	799,752,046
Other loans receivable within one year		
Gross other loans rentals receivable within one year	3,226,960,133	803,264,562
Less: Unearned income	(487,437,615)	(71,333,068)
Net other loans rentals receivable within one year	2,739,522,518	731,931,494
Less: Impairment for expected credit losses	(74,003,178)	(71,153,953)
Net other loans receivables within one year	2,665,519,340	660,777,541
Other loans receivable within one to five years	2,620,429,968	184,269,303
Gross other loans rentals receivable within one to five years	(569,649,505)	(32,933,050)
Less: Unearned income	2,050,780,463	151,336,253
Net other loans rentals receivable within one to five years	(65,798,650)	(12,361,748)
Less: Impairment for expected credit losses	1,984,981,813	138,974,505
Net other loans receivables within one to five years		
Total	4,650,501,154	799,752,046

17.1.4 Factoring receivable

For the year ended 31 March	2026 Rs.	2025 Rs.
Factoring receivable	20,010,598	49,530,598
Less: Impairment for expected credit losses (Note 17.1.11)	(10,520,040)	(10,442,458)
Net factoring receivable	9,490,558	39,088,140

17.1.5 Gold loan receivable

For the year ended 31 March	2026 Rs.	2025 Rs.
Gold loan receivable	12,752,059,196	7,723,281,907
Less: Impairment for expected credit losses (Note 17.1.11)	(5,190,936)	(3,003,125)
Net gold loan receivable	12,746,868,260	7,720,278,782

17.1.6 Alternative finance receivable

For the year ended 31 March	2026 Rs.	2025 Rs.
Gross Alternative finance receivable	1,910,690,700	2,049,968,370
Less: Unearned income	(450,634,034)	(508,227,535)
Net Alternative finance receivable	1,460,056,666	1,541,740,835
Less: Impairment for expected credit losses (Note 17.1.11)	(69,271,803)	(17,293,066)
Net Alternative finance receivable	1,390,784,863	1,524,447,769
Alternative finance receivables within one year		
Gross Alternative finance receivable within one year	947,421,300	1,104,419,661
Less: Unearned income	(229,997,982)	(272,371,511)
Net Alternative finance receivable within one year	717,423,318	832,048,151
Less: Impairment for expected credit losses	(34,037,862)	(9,332,738)
Net Alternative finance receivable within one year	683,385,456	822,715,412
Alternative finance receivables within one to five years		
Gross Alternative finance receivable within one to five years	958,825,493	943,945,499
Less: Unearned income	(220,636,052)	(235,730,124)
Net Alternative finance receivable within one to five years	738,189,441	708,215,375
Less: Impairment for expected credit losses	(35,023,102)	(7,943,758)
Net Alternative finance receivable within one to five years	703,166,339	700,271,617
Alternative finance receivables later than five years		
Gross Alternative finance receivable later than five years	4,443,907	1,603,210
Gross Alternative finance receivable later than five years	-	(125,900)
Less: Unearned income	4,443,907	1,477,310
Net Alternative finance receivable later than five years	(210,839)	(16,570)
Less: Impairment for expected credit losses	4,233,068	1,460,740
Net Alternative finance receivablelater than five years		
Total	1,390,784,863	1,524,447,769

17.1.7 Credit exposure movement - ECL stage wise

Loans and receivables

	2026			
	Stage 01 Rs.	Stage 02 Rs.	Stage 03 Rs.	Total Rs.
Gross carrying amount as at 01 April 2026	18,850,366,127	2,889,927,859	1,622,241,948	23,362,535,934
Transfer to Stage 01	682,430,467	(667,569,562)	(14,860,906)	-
Transfer to Stage 02	(1,589,248,972)	1,596,242,977	(6,994,004)	-
Transfer to Stage 03	(285,250,232)	(188,307,884)	473,558,116	-
New assets originated or purchased	22,710,236,283	2,783,675,441	116,137,145	25,610,048,869
Financial assets derecognised or repaid	(12,482,769,309)	(1,859,282,920)	(396,767,358)	(14,738,819,587)
Write-off made during the year	-	-	(137,326,387)	(137,326,387)
As at 31 March 2026	27,885,764,364	4,554,685,910	1,655,988,554	34,096,438,828

	2025			
	Stage 01 Rs.	Stage 02 Rs.	Stage 03 Rs.	Total Rs.
Gross carrying amount as at 01 April 2025	11,355,945,418	3,386,117,128	2,045,404,174	16,787,466,720
Transfer to Stage 01	741,975,908	(709,343,815)	(32,632,093)	-
Transfer to Stage 02	(881,633,962)	924,141,170	(42,507,208)	-
Transfer to Stage 03	(188,145,016)	(273,912,672)	462,057,687	-
New assets originated or purchased	15,635,055,322	1,717,224,462	37,275,812	17,389,555,595
Financial assets derecognised or repaid	(7,812,831,543)	(2,154,298,415)	(746,269,833)	(10,713,399,792)
Write-off made during the year	-	-	(101,086,590)	(101,086,590)
As at 31 March 2025	18,850,366,127	2,889,927,859	1,622,241,948	23,362,535,934

17.1.8 Product wise analysis of net loans and receivables

	As at 31 March 2026			As at 31 March 2025		
	Gross Receivables Rs.	ECL Allowance Rs.	Net Receivables Rs.	Gross Receivables Rs.	ECL Allowance Rs.	Net Receivables Rs.
Finance lease receivable (Note 17.1.1)						
Stage 01	11,001,097,320	(140,961,028)	10,860,136,292	9,804,098,641	(108,236,726)	9,695,861,915
Stage 02	2,817,622,187	(170,223,449)	2,647,398,739	2,013,478,425	(115,362,352)	1,898,116,074
Stage 03	1,233,161,364	(741,065,695)	492,095,669	1,324,932,164	(763,275,118)	561,657,045
	15,051,880,871	(1,052,250,171)	13,999,630,700	13,142,509,230	(986,874,197)	12,155,635,034
Hire purchase receivable (Note 17.1.2)						
Stage 01	-	-	-	-	-	-
Stage 02	-	-	-	-	-	-
Stage 03	22,205,616	(13,805,616)	8,400,000	22,205,616	(10,645,616)	11,560,000
	22,205,616	(13,805,616)	8,400,000	22,205,616	(10,645,616)	11,560,000
Other loans receivable (Note 17.1.3)						
Stage 01	3,662,154,451	(30,754,660)	3,631,399,791	621,758,519	(1,704,990)	620,053,529
Stage 02	887,437,551	(22,862,095)	864,575,456	32,377,108	(1,675,874)	30,701,234
Stage 03	240,638,416	(86,185,073)	154,453,343	229,132,120	(80,134,837)	148,997,283
	4,790,230,418	(139,801,827)	4,650,428,590	883,267,747	(83,515,701)	799,752,046
Factoring receivable (Note 17.1.4)						
Stage 01	-	-	-	-		-
Stage 02	-	-	-	-		-
Stage 03	20,010,598	(10,520,040)	9,490,558	49,530,598	(10,442,458)	39,088,140
	20,010,598	(10,520,040)	9,490,558	49,530,598	(10,442,458)	39,088,140
Gold loan receivable (Note 17.1.5)						
Stage 01	12,224,533,435	(4,854,269)	12,219,679,167	6,974,116,886	(2,942,066)	6,971,174,821
Stage 02	527,255,893	(336,667)	526,919,226	744,393,715	(61,059)	744,332,656
Stage 03	269,868	-	269,868	4,771,306	-	4,771,306
	12,752,059,196	(5,190,936)	12,746,868,260	7,723,281,907	(3,003,125)	7,720,278,783
Alternative finance receivable (Note 17.1.6)						
Stage 01	997,979,158	(12,818,273)	985,160,884	1,450,392,080	(9,276,313)	1,441,115,767
Stage 02	322,370,279	(11,618,527)	310,751,752	84,498,820	(3,114,985)	81,383,835
Stage 03	139,702,692	(44,835,003)	94,867,690	6,849,935	(4,901,768)	1,948,166
	1,460,052,129	(69,271,803)	1,390,780,326	1,541,740,835	(17,293,066)	1,524,447,769
Total	34,096,438,828	(1,290,840,394)	32,805,598,434	23,362,535,934	(1,111,774,162)	22,250,761,772

17.1.9 Movement in impairment charges during the year

	Finance lease Rs.	Hire purchase Rs.	Loans and others Rs.	Factoring Rs.	Alternative finance Rs.	Gold loan Rs.	Provision for specific item Rs.	Total Rs.
Balance as at 01 April 2025	986,874,196	10,645,616	83,515,701	10,442,459	17,293,066	3,003,125	6,609,324	1,118,383,487
Charges for the year	191,200,445	3,160,000	57,788,929	77,582	55,315,506	2,187,811		309,730,273
Provision for specific item							(6,658,416)	(6,658,416)
Written off during the year	(125,775,379)	-	(1,502,802)	-	(3,336,769)	-		(130,614,950)
Balance as at 31 March 2026	**1,052,299,263**	**13,805,616**	**139,801,827**	**10,520,041**	**69,271,804**	**5,190,935**	**(49,092)**	**1,290,840,394**

17.1.10 Impairment for Expected Credit Losses (Stage Composition) as at 31 March 2025

	Finance lease Rs.	Hire purchase Rs.	Loans and others Rs.	Factoring Rs.	Alternative finance Rs.	Gold loan Rs.	Provision for specific item Rs.	Total Rs.
Balance as at 01 April 2024	926,288,951	11,575,395	167,137,730	10,442,459	7,680,338	5,602,970	-	1,128,727,843
Charge for the year	76,985,413	2,569,127	(2,434,512)	-	9,612,728	(2,599,845)	6,609,324	90,742,235
Written off during the year	(16,400,168)	(3,498,906)	(81,187,517)	-	-	-	-	(101,086,591)
Balance as at 31 March 2025	986,874,196	10,645,616	83,515,701	10,442,459	17,293,066	3,003,125	6,609,324	1,118,383,487

17.1.11 Impairment for Expected Credit Losses (Stage Composition) as at 31 March 2026

	Finance lease Rs.	Hire purchase Rs.	Loans and others Rs.	Factoring Rs.	Alternative finance Rs.	Gold loan Rs.	Total Rs.
Stage 01 ECL	140,961,028	-	30,754,660	-	12,818,273	4,854,269	189,388,230
Stage 02 ECL	170,223,449	-	22,862,095	-	11,618,527	336,667	205,040,738
Stage 03 ECL	741,065,695	13,805,616	86,185,073	10,520,040	44,835,003	-	896,411,426
	1,052,250,171	13,805,616	139,801,827	10,520,040	69,271,803	5,190,936	1,290,840,394

18. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS AT AMORTISED COST

For the year ended 31 March	2026 Rs.	2025 Rs.
Investments in fixed deposits	163,923,256	452,604,465
	163,923,256	452,604,465

19. OTHER ASSETS

For the year ended 31 March	2026 Rs.	2025 Rs.
Advances paid	34,474,292	116,228,275
Insurance commissions receivable	32,332,677	20,554,362
WHT recoverable	24,460,576	20,305,255
Deposits and prepayments	144,965,824	136,729,342
Other assets	69,746,480	71,381,647
Unreconciled Debit Balance (Note 19.1)	-	-
	305,979,849	365,198,882

19.1 Unreconciled Debit Balance

Unreconciled Debit Balance	270,542,779	-
Provision for Unreconciled Debit Balance	(270,542,779)	-
	-	-

19.2 Unreconciled Debit Balance

The Company has recognised a debit balance of LKR 270,542,779 as unreconciled debit balance included under Other Asset in Note 19.1, In the statement of financial position as at 31 March 2026.

The said unreconciled debit balance resulted due to differences between certain general ledger balances and balances generated from the front end transaction modules. Based on management's verification procedures, these differences appears to have caused due to errors in the mapping of transactions to the General Ledger and manual journal entries recorded following a system implementation completed in the prior years.

During the year, when the management reversed certain manual entries that affected the current balances a difference of LKR 270,542,779 has been recorded as an unreconciled debit balance. Management is in the process of performing detailed reconciliation through a review of underlying financial records. As at the date of approval of these financial statements, this reconciliation process has not been fully completed.

Due to the uncertainty over the final resolution of the unreconciled account balance, as at the reporting date the management has recognised a full provision against this unreconciled balance in the profit or loss under Other operating expenses. Accordingly, the net carrying amount of the unreconciled debit balance as at 31 March 2026 is nil.

The Management expects to complete the reconciliation process in due course.

20. REAL ESTATE STOCK

For the year ended 31 March	2026 Rs.	2025 Rs.
Naranwala project	**1,767,497**	1,767,497
Matale project	**13,045,845**	13,045,845
Dambulla project	**2,853,841**	6,600,956
Fall in fair value of real estate stock	**-**	-
	17,667,183	21,414,298

21. DEFERRED TAX ASSET

For the year ended 31 March	2026 Rs.	2025 Rs.
Balance at the beginning of the year	**315,893,978**	366,568,600
Deferred tax effect on actuarial gain/(loss) on retirement benefits obligation	**6,200,715**	(177,191)
Deferred tax effect on Fair value changes Treasury bonds	**5,963,418**	(2,015,531)
Charge for the year	**(46,640,797)**	(48,481,899)
Balance at the end of the year	**281,417,315**	315,893,978

21.1 Deferred tax assets

The amounts recognised as deferred tax assets are as follows:

For the year ended 31 March	2026 Rs.	2025 Rs.
Property, plant and equipment and intangible assets	**7,618,230**	10,944,972
Fair value changes in investment property	**(48,795,000)**	(42,760,062)
Lease Stocks - Granted Before 01/04/2018	**(17,642,485)**	(18,883,410)
Retirement benefits obligation	**29,952,771**	23,609,423
Revaluation Reserve	**(9,609,625)**	(9,609,625)
Fair value changes in treasury bonds	**5,963,418**	(2,015,531)
Qualifying payment on purchase consideration of amalgamation	**182,231,524**	272,231,524
Unclaimed impairment provision	**118,326,890**	73,288,991
Right-of-use assets	**13,371,590**	9,087,695
	281,417,315	315,893,978

Deferred tax assets and liabilities as at 31 March 2026 were assessed based on the effective tax rate of 30% (2025- 30%).

22. INTANGIBLE ASSET

As at 31 March	2026 Rs.	2025 Rs.
Goodwill arising on Business Combination (Note 22.1)	**564,545,746**	564,545,746
Brand Value (Note 22.1)	**235,880,000**	235,880,000
Computer Software (Note 22.2)	**53,505,511**	66,154,017
Total Intangible Assets	**853,931,257**	866,579,763

22.1 Goodwill and Brand Value

Goodwill and brand value arose from the acquisition of the assets and liabilities of the former Orient Finance PLC by the former Bartleet Finance PLC during the financial year 31 March 2016. The Orient Finance PLC was subsequently rebranded as Janashakthi Finance PLC. Goodwill represents the future economic benefits arising from the acquired business and related synergies that were not separately identifiable, while brand value represents the identifiable brand-related intangible asset recognized at the acquisition date.

The Carrying value of the Good will and Brand values as follows:

Rs.	Goodwill Rs.	Brand value Rs.	Total
Balance as at 1 April 2025	564,545,746	235,880,000	800,425,746
Impairment loss for the year	–	–	–
Balance as at 31 March 2026	564,545,746	235,880,000	800,425,746

22. INTANGIBLE ASSET (CONTD.)

Impairment Assessment of goodwill and Brand Value

For impairment testing of goodwill and Brand Value is allocated to a single CGU comprising the eight branches acquired from the former Orient Finance PLC. Although revenue can be identified by branch, the branches operate within an integrated financing and treasury structure, with funding, liquidity management, credit policies and key operational functions managed centrally. Accordingly, their cash inflows are not considered largely independent. As goodwill and brand value do not generate independent cash inflows, both assets were tested together with the related CGU.

The recoverable amount of the CGU was determined based on value in use using a residual income approach. This equity-based method was considered appropriate for the finance business because customer deposits and borrowings form part of operating activities and the residual income attributable to equity holders is determined after recognizing the related cost of funding. The calculation was based on the most recent five-year budgets and forecasts approved by management and excluded future restructurings and business enhancements to which the Company was not committed at the reporting date.

Key Assumptions

The value-in-use calculation was based on the most recent five-year budgets and forecasts approved by management. The principal assumptions include a discount rate, representing the cost of equity, and a terminal growth rate The discount rate was derived using the capital asset pricing model and an entity-specific risk premium Forecast profitability and net assets were based on the recent performance of the acquired branches and management's expectations regarding loan growth, funding requirements, operating costs and retention of earnings. The terminal growth rate reflects management's assessment of sustainable long-term growth for the business and the market in which the CGU operates.

Result of the Impairment Test

The value in use of the CGU exceeded its carrying amount as at 31 March 2026. Accordingly, no impairment loss was recognised in respect of goodwill or brand value for the year ended 31 March 2026.

Sensitivity

Management has considered reasonably possible changes in the key assumptions used in the value-in-use calculation. No reasonably possible change in a key assumption would cause the carrying amount of the CGU to exceed its recoverable amount.

22.2 OTHER INTANGIBLE ASSETS

For the year ended 31 March	2026 Rs.	Restated 2025 Rs.
Computer software		
Cost		
Balance at the beginning of the year	143,002,929	64,050,121
Restatement Impact	-	32,248,635
Additions during the year	8,407,684	46,704,173
Balance at the end of the year	151,410,613	143,002,929
Accumulated amortisation		
Balance at the beginning of the year	76,848,911	51,364,466
Restatement Impact	-	8,062,159
Amortised during the year	21,056,190	17,422,286
Transferred from property, plant and equipment	-	-
Balance at the end of the year	97,905,101	76,848,911
Carrying amount at the end of the year	53,505,511	66,154,018

23. PROPERTY, PLANT AND EQUIPMENT

Cost	Furniture and fittings Rs.	Office equipment Rs.	Computer equipment Rs.	Motor vehicles Rs.	Total Rs.
Balance at the beginning of the year	162,214,082	242,574,168	215,182,289	500,857	620,471,396
Restatement Impact	4,617,425	3,562,125			
Additions during the year	107,363,915	185,888,276	37,497,109	-	330,749,299
Balance at the end of the year	274,195,422	432,024,569	252,679,398	500,857	959,400,246
Accumulated depreciation					
Balance at the beginning of the year	108,624,417	118,524,991	77,428,139	500,857	305,078,404
Restatement Impact	1,154,356	890,531			
Charge for the year	30,244,672	55,834,181	48,713,786	-	134,792,639
Balance at the end of the year	140,023,445	175,249,703	126,141,926	500,857	441,915,931
Carrying amount as at 31 March 2026	134,171,976	256,774,866	126,537,472	-	517,484,315
Carrying amount as at 31st March 2025 Restated	53,589,665	124,049,178	137,754,150	-	315,392,993

Notes to the Financial Statements

23.1 Property, plant and equipment included fully depreciated assets having a gross amount of Rs. 207,881,933/- as at 31 March 2026. (31 March 2025 - Rs. 153,130,027/-).

23.2 There were no capitalised borrowing costs related to the acquisition of property, plant and equipment during the year (2025/2026 - Nil).

23.3 There were no restrictions on the title of the property, plant and equipment as at 31 March 2026.

23.4 There were no items of property, plant and equipment pledged as security as at 31 March 2026.

23.5 There were no temporary idle items of property, plant and equipment as at 31 March 2026.

24. RIGHT OF USE ASSETS

For the year ended 31 March	2026 Rs.	Restated 2025 Rs.
Cost		
Balance at the beginning of the year	640,920,353	349,270,396
Additions made during the year	106,627,293	291,649,957
Balance at the end of the year	747,547,646	640,920,353
Accumulated depreciation		
Balance at the beginning of the year		
Charge for the year	220,479,814	129,846,705
Balance at the end of the year	109,329,051	90,633,110
	329,808,865	220,479,814
	417,738,781	420,440,539

25. INVESTMENT PROPERTIES

For the year ended 31 March	2026 Rs.	Restated 2025 Rs.
Balance at the beginning of the year	717,450,000	692,400,000
Additions during the year	-	-
Disposal during the year	(13,600,000)	-
Fair value gain on investment properties	25,150,000	25,050,000
Balance at the end of the year	729,000,000	717,450,000

25.1 The Details of Lands and Buildings

Location and address	Method of Valuation	No of Buildings	Building Area (Sq.Ft)	Land Extent (Perches)	Fair Value as at 31 March 2026 (Rs.)	Restated Fair Value as at 31 March 2025 (Rs.)
38, Station Road, Matara	Contractors Test method	1	9,400	37.8	**158,000,000**	150,000,000
197/4, Galle Road, Kalutara	Contractor's Test Method	1	36,141	39.87	**308,000,000**	305,500,000
Eluwila, Panadura	Comparison Method	-	-	A1-R3-P22	**91,000,000**	88,000,000
3rd Lane, Pubudu Kreedangana Mawatha, Halbarawa, Malabe	Contractor's Test Method	1	2,623	R1-P11	**81,000,000**	76,350,000
Homagama, Kuruduwaththe Wala Kumbure Peellewa, Kiriwattuduwa	Residual Method	-	-	1A-R0-P32	**55,000,000**	51,000,000
No.5675, Naigalawatta, Ibbankatuwa, Dambulla	Residual Method	-	-	1A-2R 32.4 P	**36,000,000**	33,000,000
Beligahawatta, Gunasekara Mawatha, Habaraduwa	Contractor's Test Method	1	2,400	R1-P6.5	**-**	13,600,000
Total					**729,000,000**	717,450,000

25.2 The amounts recognised in profit or loss for rental income from investment properties and direct operating expenses arising from investment properties are as follows:

For the year ended 31 March 2026

Location and address	No.of Buildings	Rental income from investment properties (Rs.)	Direct operating expense (Rs.)
38, Station Road, Matara	**1**	**1,045,800**	**-**
197/4, Galle Road, Kalutara	**1**	**9,295,800**	**1,610,755**

For the year ended 31 March 2025

Location and address	No.of Buildings	Rental income from investment properties (Rs.)	Direct operating expense (Rs.)
38, Station Road, Matara	1	996,000	-
197/4, Galle Road, Kalutara	1	8,496,000	998,790

25.3 Information on investment properties - Valuations

Valuation of investment properties of the Company was carried out by H.B. Manjula Basnayaka. AIV (Sri Lanka), N.C.T., QS, (COT),incorporated valuer. The comparison method, market approach, contractor's test method and residual method of valuation have been used by the independent valuer for this valuation.

Investment properties of the Company are considered under Level 3 of fair value hierarchy.

Name of independent professional valuer/ location and address	Method of valuation and significant Unobservable inputs	Ranges of estimates for Unobservable inputs	Fair value of the investment property - Land Rs.	Fair value of the investment property - Building Rs.	Fair value gains/(losses) recognised in the income statement - Land Rs.	Fair value gains/(losses) recognised in the income statement - Building Rs.
H.B, Manjula Basnayaka No.38, Station Road, Matara	Contractors Test method					
	Price per Perch	Rs. 3,250,000/- per perch	123,000,000	35,000,000	9,750,000	(1,750,000)
	DRC value of the building	Rs.3,000/- per Sq feet				
H.B, Manjula Basnayaka 197/4, Galle Road, Kalutara	Contractor's Test Method					
	Price per Perch	Rs. 4,500,000/- per perch	173,250,000	134,750,000	5,750,000	(3,250,000)
	DRC value of the building	Rs.4,300/- per Sq feet				
H.B, Manjula Basnayaka Eluwila, Panadura	Comparison Method					
	Price per Perch	Rs. 1,000,000/- per perch of commercial land and Rs. 500,000/- per perch for rear land	91,000,000	-	3,000,000	-
H.B, Manjula Basnayaka 3rd Lane, Pubudu Kreedangana Mawatha, Halbarawa, Malabe	Contractor's Test Method					
	Price per Perch	Rs. 1,350,000/- per perch	69,000,000	12,000,000	5,250,000	(600,000)
	DRC value of the building	Rs.4,500/- per Sq feet				
H.B, Manjula Basnayaka Homagama, Kuruduwaththe Wala Kumbure Peellewa, Kiriwattuduwa	Residual Method					
	Price per Perch	Rs.600,000/- per perch	55,000,000	-	4,000,000	-
H.B, Manjula Basnayaka No.5675, Naigalawatta, Ibbankatuwa, Dambulla	Residual Method					
	Price per Perch	Rs. 275,000/- per perch	36,000,000	-	3,000,000	-

25.4 Valuation techniques and sensitivity of the fair value measurement of the investment properties

Valuation techniques	Significant unobservable valuation inputs	Sensitivity of the fair value measurement to inputs
Comparison Method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of the property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for differences in size, nature, location and condition of specific property.	Price per Perch for land	Estimated fair value would increase/(decrease) if price per perch of land is increased/(decreased)
Market Approach The market approach is a method of determining the value of an asset based on the selling price of similar assets. It is one of three popular valuation methods, along with the cost approach and discounted cash-flow analysis (DCF).	Price per Perch DRC value of the building	Estimated fair value would increase/(decrease) if price per perch of land is increased/(decreased)
Contractor's Test Method The Contractor's method is a cost method of valuation, and can sometimes be used when comparative profits or investments methods cannot be used. The situation often occurs if a property has a specialist nature, meaning there are no market transactions.	Price per Perch DRC value of the building	Estimated fair value would increase/(decrease) if price per perch of land is increased/(decreased)
Residual Method The residual method is used to determine the value of the property through the potential available after a scenario of exploitation. A typical example of the residual method is the possible demolition of an old house and the creation of a brand new building in this location. It is realised that the value of the land in this case is changing.	Price per Perch DRC value of the building	Estimated fair value would increase/(decrease) if price per perch of land is increased/(decreased)

26. DEPOSITS FROM CUSTOMERS

As at 31 March	2026 Rs.	2025 Rs.
Fixed deposits (Note 26.1)	18,113,672,489	15,839,034,339
Savings deposits	80,977,196	64,777,679
	18,194,649,685	15,903,812,018

26.1 The composition of fixed deposits is as follows.

As at 31 March	2026 Rs.	2025 Rs.
Public deposits	17,511,835,403	15,284,712,455
Interest accrued	601,837,086	554,321,884
Public deposits at amortised cost	18,113,672,489	15,839,034,339

26.2 LKR 13,048,897,926/- (31 March 2025 - LKR 12,569,286,102/-) of deposits from customers are expected to mature within a 12 month period from the reporting date, 31 March 2026.

27. INTEREST BEARING BORROWINGS

As at 31 March	2026 Rs.	2025 Rs.
Institutional borrowings (Note 27.1)	13,513,765,462	5,901,388,374
	13,513,765,462	5,901,388,374

27.1 Movement in Institutional Borrowings

As at 31 March	2026 Rs.	2025 Rs.
Balance at the beginning of the year	5,798,901,664	2,107,898,334
Obtained during the year	16,952,714,718	9,588,200,431
Payments made during the year	(9,464,059,977)	(5,897,197,101)
Balance before adjusting for amortised interest (Note 27.3)	13,287,556,405	5,798,901,664
Net effect on amortised interest payable (Note 27.3)	226,209,056	102,486,709
Balance at the end of the year	13,513,765,462	5,901,388,373

27.2 Interest bearing borrowings - Current and non-current

As at 31 March	2026 Rs.	2025 Rs.
Payable within one year	3,209,676,504	2,690,533,892
Payable after one year (1-5 years)	10,304,088,957	3,210,854,482
	13,513,765,462	5,901,388,374

27.3 Institutional borrowings

Bank	Facility amount Rs.	Capital outstanding as at 31.03.2026 Rs.	Finance cost payable as at 31.03.2026 Rs.	Total payable at amortised cost as at 31.03.2026 Rs.	Tenure of loan (months)
Long-term loans					
Union Bank PLC	750,000,000	541,943,959	172,962	542,116,921	48
Sampath Bank PLC	1,600,000,000	1,275,000,002	1,879,315	1,276,879,317	48
Hatton National Bank PLC	1,750,000,000	1,233,400,000	791,859	1,234,191,859	60
Bank of Ceylon	2,200,000,000	1,931,617,598	3,516,475	1,935,134,073	48
Cargills Bank PLC	300,000,000	168,750,000	224,376	168,974,376	48
National Development Bank PLC	1,200,000,000	675,060,012	815,223	675,875,235	48
Commercial Term Loan	300,000,000	265,000,000	490,504	265,490,504	60
Sanasa Developmnent Bank	500,000,000	277,777,778	533,333	278,311,111	36
DFCC Bank PLC	300,000,000	281,250,000	2,889,555	284,139,555	48
Pan Asia Banking Corporation PLC	350,000,000	262,400,000	1,716,024	264,116,024	48
NDB Trust 01 (Capital One)	930,700,000	100,000,000	21,171,730	2,368,518,484	24
NDB Trust 02	1,500,000,000	1,224,855,599	107,382,473		24
NDB Trust 03	1,000,000,000	860,093,037	55,015,646		24
Sub Debt Type A - 13% p.a.	147,000,000	147,000,000	2,760,787	149,760,787	60
Sub Debt Type B - 12.28% (payable monthly)	117,000,000	117,000,000	39,363	117,039,363	60
Sub Debt Type C - T.Bill WAYR + 4.5%	150,000,000	150,000,000	3,200,548	153,200,548	60
Sub Debt Type C - T.Bill WAYR + 4.5%	584,000,000	584,000,000	4,340,800	588,340,800	60
Sub Debt Type D- T.Bill WAYR + 3.75% (floor 12.25%)	2,000,000	2,000,000	-	2,000,000	60
Short-term loans - Revolving					
Union Bank PLC	400,000,000	400,000,000	202,033	400,202,033	Revolving Loan
Sampath Bank PLC	100,000,000	100,000,000	140,548	100,140,548	Revolving Loan
Hatton National Bank PLC	750,000,000	450,000,000	1,217,329	451,217,329	Revolving Loan
Commercial Term Loan	150,000,000	150,000,000	210,082	150,210,082	Revolving Loan
DFCC Bank PLC	100,000,000	100,000,000	1,043,444	101,043,444	Revolving Loan
Nations Trust Bank PLC	100,000,000	100,000,000	390,466	100,390,466	Revolving Loan
Commercial Papers	1,890,408,421	1,890,408,421	16,064,182	1,906,472,603	12
		13,287,556,406	226,209,056	13,513,765,462	

Notes to the Financial Statements

28. LEASE LIABILITY-RIGHT-OF-USE-ASSETS

For the year ended 31 March	2026 Rs.	Restated 2025 Rs.
Balance at the beginning of the year	450,732,857	237,016,173
During the year additions	237,821,460	69,985,665
Interest charged for the year	37,400,141	27,959,965
Payment made during the year	(114,941,576)	(104,848,684)
	462,310,747	450,732,857
Payable within one year	77,868,379	81,942,195
Payable after one year	384,442,368	368,790,662
	462,310,747	450,732,857

29. OTHER LIABILITIES

For the year ended 31 March	2026 Rs.	2025 Rs.
Vendor payable	757,530,087	322,246,434
Insurance payable	96,469,178	35,146,001
Accrued expenses and other payables	770,199,600	400,252,407
	1,624,198,865	757,644,842

30. RETIREMENT BENEFITS OBLIGATION

For the year ended 31 March	2026 Rs.	2025 Rs.
Balance at the beginning of the year	78,698,078	65,270,872
Amount recognised in the total comprehensive income (Note 30.1)	41,566,643	19,257,152
Payments during the year	(20,422,150)	(5,829,946)
Balance at the end of the year	99,842,571	78,698,078

30.1 The amount recognised in the total comprehensive income is as follows:

For the year ended 31 March	2026 Rs.	2025 Rs.
Interest cost	9,443,769	7,832,505
Current service cost	11,453,824	12,015,285
Actuarial (gain) / loss recognised	20,669,050	(590,638)
	41,566,643	19,257,152

30.2 An actuarial valuation of the retirement benefits obligation was carried out as at 31 March 2026 by Actuarial and Management Consultants (Private) Limited. The Company has estimated its gratuity liability as at 31 March 2026 based on the forecast given by the actuary using the census and assumptions as at 31 March 2026.

The principal assumptions used were as follows:

For the year ended 31 March	2026 Rs.	2025 Rs.
Discount rate	9.50%	12.00%
Future salary increases	8%	5%
Staff turnover factor	25%	25%
Retirement age	60 years	60 years

30.3 Sensitivity of assumptions employed in actuarial valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

The sensitivity of the income statement and the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the profit or loss and employment benefit obligation for the year.

Increase / decrease in discount rate	Increase / decrease in salary increment	2025/2026 Sensitivity effect on income statement increase/ (reduction) in results for the year Rs.	2024/2025 Sensitivity effect on income statement increase/ (reduction) in results for the year Rs.
1%	-	(3,204,602)	(2,014,852)
-1%	-	3,443,676	2,141,499
-	1%	3,922,290	2,640,662
-	-1%	(3,711,337)	(2,520,485)

31. STATED CAPITAL

For the year ended 31 March	2026 Rs.	2025 Rs.
Ordinary shares (Note 31.1)	2,431,879,039	2,431,879,039
	2,431,879,039	2,431,879,039
No.of shares (Note 31.2)	211,101,155	211,101,155

31.1 The holders of 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.

31.2 All ordinary shares rank equally with regard to the Company's residual assets.

32. STATUTORY RESERVE FUND AND REGULATORY LOSS ALLOWANCE RESERVE

32.1 Statutory Reserve Fund

For the year ended 31 March	2026 Rs.	2025 Rs.
At the beginning of the year	**404,770,158**	393,163,106
Transfers during the year	**3,234,942**	11,607,052
At the end of the year	**408,005,097**	404,770,158

Statutory reserve fund is a capital reserve which contains profits transferred as required by Section 3 (b) (i) of Finance Companies Capital Funds Direction No. 01 of 2003 issued by the Central Bank of Sri Lanka.

32.2 Regulatory Loss Allowance Reserve

The expected credit loss allowance recognised by the Company under SLFRS 9 is lower than the regulatory provision determined in accordance with CBSL requirements. Therefore, the difference between these two allowances has been transferred to a non-distributable regulatory loss allowance reserve through an appropriation of the retained earnings, as per the section 7.1.3 to the Finance Business Act Direction 1 of 2020.

For the year ended 31 March	2026 Rs.	2025 Rs.
Regulatory provision determined by CBSL	**1,282,040,449**	1,329,128,129
Allowance for expected credit loss as per SLFRS 9 requirements	**1,314,283,540**	1,135,168,217
Amount transferred to the non distributable regulatory loss allowance reservce	**-**	193,959,912

33. REVALUATION RESERVE

For the year ended 31 March	2026 Rs.	2025 Rs.
At the beginning of the year	**141,120,773**	141,120,773
At the end of the year	**141,120,773**	141,120,773

34. FINANCIAL REPORTING BY SEGMENTS

Business Segments

The Company has five reportable segments, as described below, which are the Company's strategic divisions. The strategic divisions offer different products and services, which are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's management reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Company's reportable segments.

a) Finance leases Provision of leasing facilities to customers

b) Loans - Provision of loan facilities to customers

c) Factoring - Debt factoring

d) Gold Loan - Provision of loans against gold

e) Others

For the year ended 31 March	Finance leases		Loans		Factoring	
	2026	2025 Restated	2026	2025 Restated	2026	2025 Restated
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest income	3,561,820,378	2,910,085,973	390,030,580	79,264,463	-	1,828,201
Fee and commission income	144,679,562	138,862,057	6,765,811	1,834,902	-	-
Other income	42,592,924	26,752,083	6,276,834	4,981,336	10,896,598	11,491,873
Total segmental income	3,749,092,865	3,075,700,113	403,073,225	86,080,701	10,896,598	13,320,074
Less: Interest expense	(1,747,169,631)	(1,507,702,506)	(187,842,052)	(42,196,600)	(5,078,083)	(6,529,476)
Segmental results	2,001,923,234	1,567,997,607	215,231,173	43,884,101	5,818,515	6,790,598
Depreciation and amortisation	(156,682,704)	(103,151,760)	(16,845,302)	(2,886,945)	(455,392)	(446,724)
Impairment charge	194,360,445	79,554,540	57,788,929	(2,434,512)	77,582	-
Other expenses	(1,330,204,065)	(1,012,780,447)	(143,013,166)	(28,345,043)	(3,866,188)	(4,386,094)
Income Tax and tax on financial services	(296,056,710)	(151,144,642)	(31,829,708)	(4,230,138)	(860,478)	(654,569)
Profit after tax	413,340,201	380,475,298	81,331,924	5,987,463	714,039	1,303,211
Segmental assets	18,634,445,590	16,005,985,476	5,376,345,491	981,094,345	22,458,510	61,050,153
Segmental liabilities	16,881,954,189	13,685,354,364	4,870,722,762	838,285,199	20,346,381	52,163,627

	Gold Loan		Others		Total	
	2026	2025 Restated	2026	2025 Restated	2026	2025 Restated
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	2,031,426,483	1,303,664,603	151,487,417	169,005,387	6,134,764,858	4,463,848,627
	15,045,976	20,533,527	7,726	(6,984)	166,499,075	161,223,502
	-	-	49,468,619	59,288,062	109,234,974	100,513,354
	2,046,472,459	1,324,198,130	200,963,761	228,286,465	6,410,498,907	4,725,585,483
	(953,706,579)	(649,119,474)	(93,654,063)	(111,905,603)	(2,987,450,408)	(2,327,348,519)
	1,092,765,880	675,078,656	107,309,698	116,380,862	3,423,048,499	2,398,236,965
	(85,526,513)	(44,410,496)	(8,398,710)	(7,656,192)	(267,908,622)	(210,828,794)
	2,187,811	(2,599,845)	55,315,506	9,612,728	(309,730,273)	(90,742,235)
	(726,102,575)	(436,037,951)	(71,303,332)	(75,171,200)	(2,274,489,326)	(1,602,178,862)
	(161,604,933)	(65,073,136)	(15,869,618)	(11,218,349)	(506,221,447)	(262,346,039)
	121,719,670	126,957,228	67,053,544	31,947,849	64,698,832	232,141,035
	14,311,571,142	8,534,203,753	-	1,764,534,654	38,344,820,734	27,361,223,184
	12,965,627,940	7,291,955,894	-	1,507,687,096	34,738,651,274	23,791,369,578

35. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below analyses the maturity profile of the undiscounted contractual cash flows of the Company's assets and liabilities as at the end of the relevant financial period.

	Less than 3 months	3-12 months	1-3 years	3-5 years	Over 5 years	Total 2026	Total 2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
Cash and cash equivalents	692,251,020	-	-	-	-	692,251,020	492,275,401
Financial assets at fair value through other comprehensive income	175,993,328	746,521,835	-	-	638,366,800	1,560,881,964	1,144,263,733
Loans and receivables at amortised cost	16,007,149,231	5,165,572,438	7,888,298,535	3,690,264,748	54,313,482	32,805,598,434	22,250,761,772
Placements with banks and other financial institutions at amortised cost	-	124,443,874	39,479,381	-	-	163,923,255	452,604,465
Other assets	227,618,517	56,356,241	17,762,772	4,242,319	-	305,979,849	793,148,651
Total assets	17,101,959,457	6,092,894,388	7,945,540,688	3,694,507,067	692,680,282	35,527,581,882	25,133,054,021
LIABILITIES							
Bank overdrafts	843,883,943	-	-	-	-	843,883,943	699,093,409
Deposits from customers	2,141,598,768	10,907,299,158	3,673,694,061	1,472,057,698	-	18,194,649,685	15,903,812,018
Interest bearing borrowings	4,061,121,501	2,961,572,344	4,244,208,895	2,246,862,722	-	13,513,765,462	5,901,388,374
Lease Liability - Right-of- use assets	19,326,850	57,715,572	148,485,051	94,216,465	142,566,810	462,310,748	249,590,158
Other liabilities	1,389,730,469	234,468,397	-	-	-	1,624,198,866	738,891,235
	8,455,661,530	14,161,055,471	8,066,388,007	3,813,136,885	142,566,810	34,638,808,703	23,492,775,193
Maturity Gap	8,646,297,927	(8,068,161,083)	(120,847,319)	(118,629,818)	550,113,472		

36. RELATED PARTY TRANSACTIONS

The Company carries out transactions in the ordinary course of business with parties who are defined as related parties according to Sri Lanka Accounting Standard on " Related Party Disclosures" (LKAS 24), and the details of such related party transactions are reported below.

36.1 Parent and ultimate controlling party

The Company's immediate parent undertaking and controlling party is Janashakthi PLC which is incorporated in Sri Lanka, and the ultimate parent undertaking and controlling party is Schaffters (Pvt) Ltd, a company incorporated in Sri Lanka.

36.2 Transactions with key management personnel

According to LKAS 24, "Related Party Disclosures", key management personnel are those having the authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (Including Executive and Non-Executive Directors) and their immediate family members have been classified as key management personnel of the Company.

The Company has paid LKR 20,848,600/- (2024/2025 -LKR 18,498,077/-) to the directors as emoluments, all of which comprise short-term employment benefits and no post-employment benefits have been paid during the year (2025/2026 – Nil). There are no direct transactions, arrangements and agreements involving key management personnel of the Company other than those disclosed in other related party transactions.

The Company has paid LKR 9,987,500/- (2024/2025 -Nil) to the Key Management Personnel as post-employment benefits.

The Company accepts and holds fixed deposits from key management personnel and their relatives in the normal course of its business and the amount outstanding on such deposits as at 31st March 2026 is Rs. 9,707,427/- (2024/2025 - Rs. 52,083,311/-).

36.3 Other related party transactions

The following transactions have been carried out with related parties during the year ended 31 March 2026.

36.3.1 Related party transactions

Company	Relationship	Nature of transactions	Aggregate value of related party transactions entered into during the financial year 2026 Rs.	Aggregate value of related party transactions as a % of gross revenue/ income	Terms and conditions of the related party transactions
Janashakthi Insurance PLC	Affiliate	Life insurance policies for customers and staff members	32,083,682	0.5%	As per the insurance policies
		Rent,water and electricity bills of Trinco and Kilinochchi branches	2,143,383	0.0%	As per the rent agreements
		Rent income received	1,771,411	0.03%	As per the agreements
Janashakthi Limited	Parent	Corporate guarantee fees	83,333	0.00%	As per the agreements
		Subscription charges	3,306,967	0.05%	As per the agreements
		Professional fees	4,287,497	0.07%	As per the agreements
		Expenses releating to Corporate office shifting	19,153,189	0.30%	As per the agreements
		Shared service fee payment	25,190,918	0.39%	As per the agreements
First Capital Advisory Services (Pvt) Ltd	Affiliate	Securatization Guarantee	6,428,119	0.10%	As per the agreements
Janashakthi Corporate Services Limited	Affiliate	Professional fees	400,000	0.01%	As per the agreements

37. CAPITAL COMMITMENTS

The Company does not have material capital commitments outstanding as at the reporting date.

38. COMPARATIVE INFORMATION

The classification and presentation of certain items in the Financial Statements have been amended during the current financial year to appropriately reflect the substance of transactions and align with management's intent. Accordingly, comparative figures for the prior year have been reclassified to conform to the current year's presentation.

38.1 Reclassification of Customer receivable balances

During the year, the Company reclassified customer receivable balances from "Other Assets" to "Loans and Receivables at Amortised Cost" to appropriately reflect these exposures and comply with Sri Lanka Financial Reporting Standard 9, Financial Instruments (SLFRS 9).

38.2 Reclassification of Insurance Claim Receipts Against Related Exposures

During the year, the Company reclassified insurance claim receipts from “Other Liabilities” and offset them against the corresponding exposures presented under “Other Assets” to more accurately reflect the substance of the balances and support the assessment of their recoverability.The reclassification had no impact on previously reported profit or equity. The comparatives have been restated accordingly as shown in note 39.7.

39. CORRECTION OF PRIOR PERIOD ERRORS AND RESTATEMENT OF FINANCIAL STATEMENTS

During the current year, the Company identified material prior period errors relating to the recognition, measurement and classification of certain assets, liabilities, income and expenses in the previously issued financial statements. In accordance with LKAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, the Company corrected these errors retrospectively by restating the affected comparative amounts as at 1 April 2024 and as at and for the year ended 31 March 2025.

39.1 Correction of Aged Unreconciled Balances and Misclassification of Assets and Expenses

The Company identified certain aged balances included under other assets that had remained unreconciled for a prolonged period and for which adequate supporting evidence was not available to substantiate their recoverability as at the relevant reporting dates. As at 31 March 2024, these balances comprised refundable deposits of LKR 12,149,058, Economic Service Charge receivables of LKR 42,550,632, withholding tax receivables that were no longer claimable of LKR 19,624,506, and other receivables of LKR 67,411,370.Based on management’s assessment, these balances did not satisfy the applicable recognition criteria for assets. Accordingly, the unsupported and unrecoverable balances were written off retrospectively, and the comparative financial statements were restated.As at 31 March 2025, advance payments of LKR 54,120,404 recorded under other assets related to assets that were already available for use . Accordingly, LKR 32,248,635 was reclassified and capitalised as intangible assets, while LKR 8,179,550 was reclassified and capitalised as property, plant and equipment. Consequently, amortisation of LKR 8,062,159 and depreciation of LKR 2,044,888 were recognised retrospectively for the year ended 31 March 2025 from the dates on which the respective assets became available for use.The Company also identified expenditure of a revenue nature amounting to LKR 8,984,263 t hat had been incorrectly recognised under payments made in advance. As these amounts did not satisfy the applicable asset-recognition criteria, they were recognised in profit or loss for the year ended 31 March 2025.

39.2 Correction of Right-of-Use Assets and Lease Liabilities

The Company identified errors in the prior-period recognition and measurement of right-of-use assets and the corresponding lease liabilities. These errors arose from the incorrect initial recognition and measurement of lease liabilities and the related right-of-use assets.The lease calculations were reassessed in accordance with SLFRS 16, Leases. Consequently, the right-of-use assets were restated to LKR 219,423,692 as at 1 April 2024 and LKR 420,440,539 as at 31 March 2025. The corresponding lease liabilities were restated to LKR 237,016,173 as at 1 April 2024 and LKR 450,732,857 as at 31 March 2025. Consequential adjustments were also made to depreciation on right-of-use assets and interest expense on lease liabilities. For the year ended 31 March 2025, the related depreciation and interest expense adjustments amounted to LKR 52,276,677 and LKR 9,894,860, respectively. The corresponding deferred tax impact was also recognized retrospectively.The effects of these corrections were recognised retrospectively in the statement of financial position as at 1 April 2024 and 31 March 2025 and in the statement of profit or loss and other comprehensive income for the year ended 31 March 2025.

39.3 Correction of the Recognition of Investment Property

The Company had previously recognised a property with a carrying amount of LKR 22,000,000 as investment property and had subsequently recognised a fair value adjustment of LKR 9,000,000. Following a reassessment, management determined that classification of the property as investment property was inappropriate because the property represented collateral held in connection with the Company's lending activities.Accordingly, the investment property balance was derecognised retrospectively as at 31 March 2024. A further fair value adjustment of LKR 2,000,000 recognised during the year ended 31 March 2025 was also reversed retrospectively. The comparative financial statements were restated to reflect the correction of this error.

39.4 Correction of Unrecoverable Receivable Balances and Unrecorded Payable Balances

The Company identified an aged debit balance of LKR 14,914,860 that had previously been presented within other liabilities . Upon review, management determined that the balance was not recoverable as at the relevant reporting date. Accordingly, the balance was written off retrospectively, and the comparative financial statements were restated. In addition, the Company identified insurance-related amounts of LKR 34,632,591 arising from leasing facilities that had not been appropriately recognised in the comparative period. The related amounts payable to insurance companies and the corresponding customer receivable balances were therefore recognised retrospectively under other liabilities and loans and advances, respectively, as at 31 March 2025.

39.5 Correction of Deferred Tax Asset Recognised on Overstated Qualifying Payments

The Company had previously recognised a deferred tax asset arising from qualifying payments that were overstated. Following a reassessment, management concluded that the related deferred tax asset did not satisfy the applicable recognition criteria. Accordingly, the deferred tax reversal of LKR 67,914,698 recognized in relation to the overstated qualifying payments was adjusted retrospectively as at 31 March 2025.

39.6 Correction of Unrecorded Impairment Provision on Receivable Balances

The Company had not adequately assessed the recoverability of certain receivable balances amounting to LKR 69,746,480 in prior periods. During the current year, management reassessed the recoverability of these balances and determined that an impairment provision was required. Accordingly, an impairment provision of LKR 36,838,692 was recognised retrospectively as at 31 March 2025.

39.7 Impact on Previously Reported Financial Statements

The resulting adjustments to the affected financial statement line items are presented in the tables below. Refer note 39.7.1/39.7.2/39.7.3

39.7.1 Impact to the balances reported in the statement of financial position 2024

	As previously reported Rs.	Correction of Errors Rs.	Re-Classification Rs.	As restated Rs.
1 April 2024				
Loans and receivables at amortised cost	15,658,738,877	-	183,000,891	15,841,739,768
Other assets	940,364,676	(141,735,566)	(183,000,892)	615,628,218
Right-of-use of assets	126,493,713	92,929,979		219,423,692
Investment properties	721,400,000	(29,000,000)		692,400,000
Others	3,030,359,774	-		3,030,359,774
Total Assets	20,477,357,040	(77,805,587)	(1)	20,399,551,452
Lease liability - right of use assets	60,455,219	176,560,953	-	237,016,172
Other liabilities	843,358,580	14,914,860	-	858,273,440
Others	15,970,613,015	-	-	15,970,613,015
Total Liabilities	16,874,426,814	191,475,813	-	17,065,902,627
Retained Earnings	636,767,310	(269,281,399)	-	367,485,911
Others	2,966,162,916	-		2,966,162,916
Total Equity	3,602,930,226	(269,281,399)	-	3,333,648,827
Total Equity and Liabilities	20,477,357,040	(77,805,587)	-	20,399,551,453

39.7.2 Impact to the balances reported in the statement of financial position 2025

	As previously reported Rs.	Correction of Errors Rs.	Re-Classification Rs.	As restated Rs.
31 March 2025				
Loans and receivables at amortised cost	22,054,759,075	34,632,591	161,370,106	22,250,761,772
Other assets	793,148,651	(232,694,662)	(195,255,107)	365,198,882
Other intangible assets	41,967,542	24,186,476	-	66,154,018
Property, plant and equipment	309,258,331	6,134,663	-	315,392,994
Right-of-use of assets	150,817,678	269,622,861	-	420,440,539
Investment properties	748,450,000	(31,000,000)	-	717,450,000
Deferred tax	348,289,096	(32,395,118)	-	315,893,978
Others	2,910,983,643		-	2,910,983,643
Total Assets	27,357,674,016	38,486,811	(33,885,001)	27,362,275,826
Lease liability - right of use assets	53,552,165	397,180,692	-	450,732,857
Other liabilities	738,917,575	52,612,302	(33,885,000)	757,644,877
Others	22,582,991,879		-	22,582,991,879
Total Liabilities	23,375,461,619	449,792,994	(33,885,000)	23,791,369,613
Retained Earnings	803,499,774	(411,306,183)	-	392,193,591
Others	3,178,712,623		-	3,178,712,623
Total Equity	3,982,212,397	(411,306,183)	-	3,570,906,214
Total Equity and Liabilities	27,357,674,016	38,486,811	(33,885,000)	27,362,275,827

39.7.3 Impact of adjustment in the income Statement of 2025

	As previously reported Rs.	Correction of Errors Rs.	As restated Rs.
For the year ended 31 March 2025			
Interest Expenses	(2,317,453,659)	(9,894,860)	(2,327,348,519)
Other Operating Income	102,513,354	(2,000,000)	100,513,354
Personnel Expenses	(808,700,738)	(1,280,250)	(809,980,988)
Depreciation and amortisation	(158,552,117)	(52,276,677)	(210,828,794)
Other Operating Expenses	(748,019,996)	(44,177,878)	(721,922,890)
Tax on Financial Services	(176,104,253)	-	(176,104,253)
Others	4,534,329,894	-	4,534,329,894
Profit before Income tax	428,012,485	(109,629,666)	318,382,819
Income tax expense	(56,216,581)	(32,395,118)	(88,611,699)
Total Comprehensive Income	371,795,904	(142,024,784)	229,771,120

40. CONTINGENT LIABILITIES

The Company does not anticipate any contingent liabilities to arise out of any contingent events as at the reporting date except as disclosed below.

The Inland Revenue Department has issued assessments for Corporate Income Tax, Value Added Tax on Financial Services, Nation Building Tax on Financial Services, Value Added Tax, Pay As You Earn and Social Security Levy amounting to Rs. 414,495,579/- (including penalties of Rs. 185,459,784/-).

41. ASSETS PLEDGED AS SECURITIES

The following assets have been pledged as securities against the long-term and short-term borrowings that have been disclosed under note No.27 to the Financial Statements.

Funding Institution	Nature of assets	Nature of liability	Balance outstanding as at 31 March 2026 (Rs.)	Value of assets pledged (Rs.)	Included under:
Bank Of Ceylon	Lease Receivable	Permanent Overdraft	47,640,888	66,500,000	Future Capital Receivable
Commercial Bank of Ceylon PLC	Lease Receivable	Permanent Overdraft	176,880,275	73,339,654	Future Capital Receivable
DFCC Bank PLC	Lease Receivable	Permanent Overdraft	100,000,000	50,396,720	Future Capital Receivable
Hatton National Bank PLC	Lease Receivable	Permanent Overdraft	199,748,640	161,202,879	Future Capital Receivable
Hatton National Bank PLC	Lease Receivable / Property Mortgage	Term Loan	483,400,000	894,378,319	Future Capital Receivable / Property Mortgage
Hatton National Bank PLC	Lease Receivable	Short-Term Loan	300,000,000	-	Lease Receivable
National Development Bank PLC	Lease Receivable	Permanent Overdraft	24,644,181	24,212,070	Future Capital Receivable
Peoples Bank	Lease Receivable	Permanent Overdraft	73,163,922	40,678,990	Future Capital Receivable
Sampath Bank PLC	Lease Receivable	Permanent Overdraft	72,656,349	31,197,186	Future Capital Receivable
Seylan Bank PLC	Lease Receivable	Permanent Overdraft	84,316,967	37,525,084	Future Capital Receivable
Union Bank PLC	Lease Receivable	Permanent Overdraft	75,000,000	181,664,680	Future Capital Receivable
Union Bank PLC	Lease Receivable	Term Loan	542,116,921	596,328,613	Future Capital Receivable
Commercial Bank of Ceylon PLC	Property Mortgage	Term Loan	265,490,504	292,039,555	Property Mortgage
DFCC Bank PLC	Lease Receivable	Term Loan	284,139,555	312,553,510	Future Capital Receivable
Sampath Bank PLC	Lease Receivable	Term Loan	1,276,879,317	1,905,445,679	Future Capital Receivable
Bank of Ceylon	Lease Receivable	Term Loan	1,935,134,073	1,888,505,004	Future Capital Receivable
Cargills Bank PLC	Lease Receivable	Term Loan	168,974,376	110,197,375	Future Capital Receivable
National Development Bank PLC	Lease Receivable	Term Loan	675,875,235	846,026,950	Future Capital Receivable
Sanasa Developmnent Bank	Lease Receivable	Term Loan	278,311,111	380,936,594	Future Capital Receivable
Pan Asia Banking Corporation PLC	Lease Receivable	Term Loan	264,116,024	606,396,155	Future Capital Receivable
Sampath Bank PLC	Lease Receivable	Short-Term Loan	100,140,548	110,154,603	Future Capital Receivable
Commercial Bank of Ceylon PLC	Lease Receivable	Short-Term Loan	150,210,082	226,809,690	Future Capital Receivable
DFCC Bank PLC	Lease Receivable	Short-Term Loan	101,043,444	93,827,044	Future Capital Receivable
Union Bank PLC	Lease Receivable	Short-Term Loan	400,202,033	-	Unsecured
Nation Trust Bank PLC	Lease Receivable	Short-Term Loan	100,390,466	-	Unsecured
NDB Trust 01	Lease Receivable	Securitisation	100,000,000	130,000,000	Future Capital Receivable
NDB Trust 02	Lease Receivable	Securitisation	1,224,855,599	1,592,312,279	Future Capital Receivable
NDB Trust 02	Lease Receivable	Securitisation	860,093,037	1,118,120,948	Future Capital Receivable
Subordinated loan	Unsecured	Term Loan	1,010,341,498	-	Unsecured

41.1 In the ordinary course of business, the Company entered into transactions that resulted in the transfer of financial assets to third parties. The information above sets out the extent of such transfers and retained interest in transferred assets.

41.2 The Company has transferred future rental receivable of leases but has retained the credit risks associated with the transferred assets. Due to the retention of substantially all the risk and rewards on these assets, the Company continues to recognise these assets within lease rental receivables.

42. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No circumstances have arisen since the end of the reporting date, which would require adjustment or disclosures in the Financial Statements except for below.

43. PENALTIES IMPOSED BY THE CENTRAL BANK OF SRI LANKA

In December 2025, the Financial Intelligence Unit of Sri Lanka imposed a penalty of LKR 1,000,000 on Janashakthi Finance PLC. During an onsite examinations the FIU observed instances of failure to effectively verify that any prospective customer does not appear on any designated list issued under Unite Nations Security Council Resolution before entering into any new business relationship with the Company.

44. DIRECTORS' RESPONSIBILITY

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

45. DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the Company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

Fair values are determined according to the following hierarchy:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques are based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy.

For the year ended 31 March	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Financial assets - fair value through other comprehensive income				
Government securities	1,560,651,364	-	-	1,560,651,364
Investments in unquoted shares	-	230,600	-	230,600
	1,560,651,364	230,600	-	1,560,881,964

46. FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The following table summarises the carrying amounts and the Company's estimate of fair values of those financial assets and liabilities not presented in the Company's statement of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values in the table below may be different from the actual amounts that will be received/ paid on the settlement or maturity of the financial instrument. For certain instruments, the fair value may be determined using assumptions which are not observable in the market.

	2026		2025	
For the year ended 31 March	Carrying Value Rs.	Fair Value Rs.	Carrying Value Rs.	Carrying Value Rs.
ASSETS				
Cash and cash equivalents	692,251,020	692,251,020	492,275,401	492,275,401
Loans and receivables at amortised cost	32,805,598,434	32,805,598,434	22,250,761,772	22,250,761,772
Placements with banks and other financial institutions at amortised cost	163,923,256	163,923,256	452,604,465	452,604,465
	33,661,772,710	33,661,772,710	23,195,641,637	23,195,641,637
LIABILITIES				
Bank overdrafts	843,883,943	843,883,943	699,093,409	699,093,409
Deposits from customers	18,194,649,685	18,194,649,685	15,903,812,018	15,903,812,018
Interest bearing borrowings	13,513,765,462	13,513,765,462	5,901,388,374	5,901,388,374
	32,552,299,090	32,552,299,090	22,504,293,800	22,504,293,800

Given below are the methodologies and assumptions used in fair value estimates.

Cash and cash equivalents

The carrying amounts of cash and cash equivalents, approximate their fair value as they are short-term in nature and are receivable on demand.

Placements with banks and other financial institutions at amortised cost

The carrying amounts of fixed deposits with banks and other reverse repurchase agreements, approximate their fair value as those are short-term in nature. Almost all of these balances have a remaining maturity of less than six months from the reporting date.

Loans and receivables at amortised cost

Fair value of the loans and receivables to customers is the present value of future cash flows expected to be received from such loans and receivables calculated based on interest rates at the reporting date for similar types of loans and receivables. The Company has calculated the fair value of the loans and receivables to customers based on interest rates at the reporting date for similar types of loans and receivables. Accordingly, fair value of such loans does not materially differ from its carrying value amounting to Rs.32,805,598,434/-.

Bank overdrafts

The carrying amounts of bank overdrafts, approximate their fair value as those are short term in nature.

Deposits from customers

More than 71.72% of the customers deposits have a remaining contractual maturity of less than one year. Customer deposits with a contractual maturity of more than one year are subject to pre-mature uplift. Amounts paid to customers in the event of pre-mature uplift would not be materially different to its carrying value as at the reporting date. Therefore, the fair value of customer deposits approximates their carrying value as at the reporting date.

Interest bearing borrowings

Interest bearing borrowings include both floating and fixed rate borrowings. The carrying value of the floating rate borrowings approximates their fair values as at the reporting date.

47. FINANCIAL RISK MANAGEMENT

Risk is the most important factor considered in the strategic decision making process at Janashakthi Finance PLC (formerly known as Orient Finance PLC). Therefore, all possible risks are properly evaluated before taking any strategic or operational decision and the best options which minimise the risk are chosen. Risk management framework of the Company is discussed in detail in this report. The major categories of financial risks are:

1 Credit risk

2 Liquidity risk

3 Operational risk

4 Market Risk

47.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans and advances to customers. For risk management reporting purposes, the Company considers and consolidates all elements of credit risk exposures (such as individual obligor, default risk, country and sector risk).

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Board Credit Committee. The Company's credit department, reporting to the credit committee, is responsible for management of the Company's credit risk, including:

I. Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment criteria, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

II. Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit credit officers. Larger facilities require approval by the Management Credit Committee or the Board Credit Committee as appropriate.

III. Reviewing and assessing credit risk - the Company's credit division assesses and approves all credit exposures. Any credit facilities in excess of designated limits are reviewed within the approved framework, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

IV. Limiting concentrations of exposure to counterparties, geographies and industries within the approved framework.

V. Providing advice, guidance and specialised skills to business units to promote best practices throughout the Company in the management of credit risk.

VI. The Company conducted an in-depth analysis on the probable customers who would get affected and the scale of the impact it may have on the Company's lending portfolio due to the prevailing macroeconomic situations and the related impacts to customer's on account of elevated inflation and interest rates. The Company manages this by diversifying the lending portfolio across a wide range of product and customer segments which in turn would ensure the resilience of the Company in an economic shock of this nature. The Company is comfortable with the existing composition of its loan portfolio and continuous monitoring activities are being carried out to avoid accumulation of exposures to risky segments.

Regular audit of business units and the Company's credit processes are carried out by the internal audit.

As at 31 March Loans and advance to customers	2026 Rs.	2025 Rs.
Carrying amount at amortised cost		
Individually significant loans and advances (Individually Impaired) (Note 47.1.1)	**10,154,387,565**	6,423,156,052
Insignificant loans and advances (Collectively Impaired) (Note 47.1.2)	**22,651,210,870**	15,827,605,720
	32,805,598,434	22,250,761,772

47.1.1 Individually significant loans and advances (Individually Impaired)

	2026 Rs.	2025 Rs.
Gross receivable	**11,192,910,117**	7,297,037,771
Allowance for impairment	**(1,038,522,552)**	(873,881,719)
Individually significant impaired loans and advances	**10,154,387,565**	6,423,156,052

47.1.2 Insignificant loans and advances (Collectively Impaired)

	2026 Rs.	2025 Rs.
Gross receivable	**22,903,534,712**	16,065,498,163
Allowance for collective impairment	**(252,323,842)**	(237,892,443)
Carrying amount of Insignificant loans and advances (Collectively Impaired)	**22,651,210,870**	15,827,605,720

47.1.3 Sensitivity of ECL to Future Economic Conditions

The uncertainty and volatility associated with the macro economic risks and geopolitical risks despite macro economic recovery in 2026 has introduced significant estimation uncertainty in relation to the measurement of allowance for expected credit losses. The uncertainty of the macro-economic environment and business and consumer responses in relation to the same could result in significant adjustments to the allowance for expected credit losses in future financial years.

Sensitivity effect on Statement of Financial Position (Rs. '000s)
(Closing Impairment)

	Stage 01	Stage 02	Stage 03	Total	Sensitivity effect on income statement impairment charge/ (reversal)
10% increase of PD	10,678	7,674	-	18,352	18,352
10% decrease of PD	(10,678)	(7,674)	-	(18,352)	(18,352)
5% increase of LGD	5,433	6,088	835	12,357	12,357
5% decrease of LGD	(5,433)	(6,088)	(835)	(12,357)	(12,357)
Change in scenario weightages					
Worst case 5% increase and base case 5% decrease, best case constant	2,381	1,808	-	4,189	4,189
Worst case 5% decrease and base case 5% increase, best case constant	(2,381)	(1,808)	-	(4,189)	(4,189)

47.1.4 Write-off policy

The Company writes off a loan or an investment debt security balance, and any related allowances for impairment losses, when the Company's recovery division determines that the loan or security is uncollectible. This determination is made after considering the information such as the occurrence of significant changes in the borrower's/issuer's financial position so that the borrower/issuer can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, decisions to write off are generally based on a product-specific past due status.

47.1.5 Credit Quality Analysis

The table below sets out an analysis of the loan and receivables from customers and net investment in leases and hire purchase portfolio between those that are neither past due nor impaired, those that are past due but not individually impaired and those that are individually impaired.

Notes to the Financial Statements

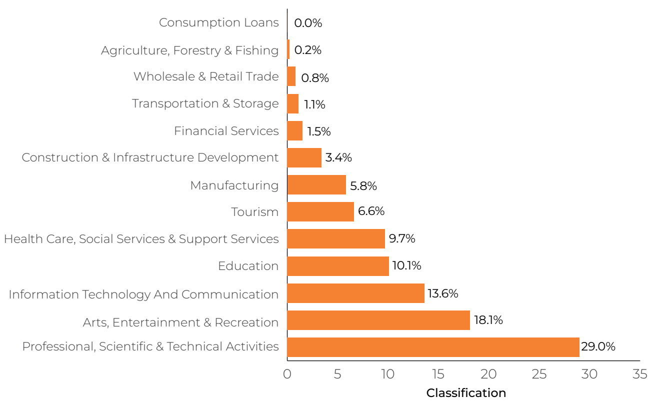
As at 31 March	2026 Rs.'000	2025 Rs.'000
Neither past due nor individually impaired loans and leases	15,899,919	9,998,028
Past due but not individually impaired loans		
- 1 to 30 days past due	4,424,927	3,540,273
- 31-60 days past due	1,959,557	1,815,312
- 61-90 days past due	490,743	554,886
- Over 90 days	128,389	156,999
Individually impaired loans	11,190,454	7,297,038
Provision for Individually significant impairment	(1,038,523)	(873,882)
Provision for Individually not significant impairment	(252,324)	(237,892)
Total loans and advances, leases and hire purchase	34,093,989	23,362,536

Concentration of credit risk

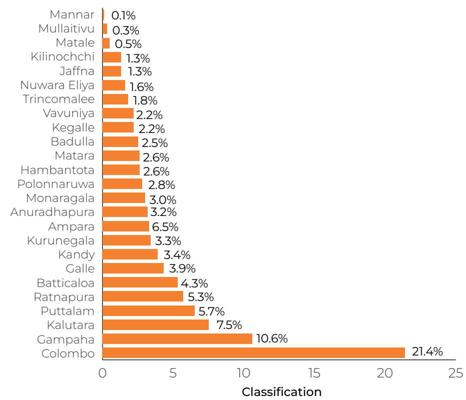
The Company monitors concentrations of credit risk by sector and by geographic location.

An analysis of concentrations of credit risk from loans and advances at the reporting date is shown below:

Sector Classification – FY 2025/26



Geography Classification – FY 2025/26



47.1.6 Collateral and Other Credit Enhancement

Revaluation of immovable properties obtained as collaterals against any accommodation granted are assessed based on the requirements in Direction No 04 of 2018 on 'Valuation of Immovable Properties' and subsequent amendments thereto issued by the Central Bank of Sri Lanka (CBSL). The assessment of immovable properties is carried out by independent professional valuers as required by the said direction issued by CBSL.

As at March 2026	Fair Value of Collateral under base case scenario Rs.
Maximum Exposure to Credit risk	34,096,444,828
Immovable Collateral	761,060,228
Movable Collateral	58,565,291,030
Total Collateral	59,326,351,258
Net Exposure	(25,229,906,429)
Associated ECL	1,290,846,394

As at March 2025	Fair Value of Collateral under base case scenario Rs.
Maximum Exposure to Credit risk	23,362,535,934
Immovable Collateral	1,210,390,000
Movable Collateral	38,168,288,279
Total Collateral	39,378,678,279
Net Exposure	(16,223,122,990)
Associated ECL	1,111,774,162

47.2 Liquidity risk

Liquidity is the ability to efficiently accommodate reduction in deposits and liabilities as well as to fund the loan growth and possible funding of the off-balance sheet claims. Liquidity risk arises through maturity mismatch of loans and deposits.

Management of liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The treasury then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities to ensure that sufficient liquidity is maintained within the Company as a whole.

The Company relies on deposits from customers and bank borrowings as its primary sources of funding. While the Company's institutional borrowings have maturities of over one year, deposits from customers generally have shorter maturities. The short-term nature of these deposits increases the Company's liquidity risk and the Company actively manages this risk through maintaining competitive pricing and constant monitoring of market trends and maintaining unutilised credit lines.

Exposure to liquidity risk

The key measure used by the Company for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose, net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the following month. A similar, but not identical, calculation is used to measure the Company's compliance with the liquidity limit established by the Company's lead regulator, CBSL. Details of the reported Company ratio of net liquid assets to deposits from customers at the reporting date and during the year were as follows:

As at 31 March	2026 Rs.	2025 Rs.
Time deposits	18,113,672,489	15,839,034,339
Savings deposits	80,977,196	64,777,679
Unsecured borrowings	-	-
Available liquid assets	2,416,825,640	2,088,912,999
Cash in hand	493,700,888	406,818,347
Balances in current accounts (favourable)	198,550,132	85,457,054
Deposits in commercial banks	163,923,256	452,604,465
Approved securities	1,560,651,364	1,144,033,133
Average month-end deposit liabilities	17,007,417,538	12,479,419,007
Average month-end outstanding borrowings	146,442,132	28,216,750
	17,153,859,670	12,507,635,757
Required minimum amount of liquid assets	1,823,513,828	1,593,620,086
10% of fixed deposits	1,811,367,249	1,583,903,434
15% of savings deposits	12,146,579	9,716,652
10% of unsecured borrowings	-	-
Required minimum amount of approved securities	1,286,539,475	938,072,682

Period 01/04/2023 to 31/03/2026, fixed deposit 10%, borrowing 10% and savings deposit 15%

Maturity analysis for financial liabilities

Contractual maturity of the assets and the liabilities of the Company is disclosed in Note 35 to the Financial Statements.

To manage the liquidity risk arising from the financial liabilities, the Company holds liquid assets comprising cash and cash equivalents and investment grade investment securities for which there is an active and liquid market. These assets can be readily sold to meet liquidity requirements. In addition, undrawn credit lines are also maintained to meet any unexpected liquidity requirement.

47.3 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Compliance with Company standards is periodically reviewed by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, while internal audit reports are submitted to the Board Audit Committee.

CAPITAL MANAGEMENT

The Company is required to maintain capital adequacy ratios in accordance with the regulatory requirements stipulated by the Central Bank of Sri Lanka (CBSL) for Licensed Finance Companies. Capital adequacy is monitored by the Board of Directors and senior management on an ongoing basis, with the objective of maintaining an adequate capital base to support the Company's business operations and ensure compliance with applicable regulatory requirements.

The regulatory capital of the Company comprises Tier 1 Capital and Tier 2 Capital.

Tier 1 Capital principally comprises stated capital and eligible retained and audited earnings, after deductions for goodwill and intangible assets and other regulatory adjustments in accordance with the applicable capital adequacy requirements.

Tier 2 Capital principally comprises qualifying subordinated liabilities, eligible collective impairment allowances and qualifying elements of fair value reserves relating to unrealised gains/ losses on equity instruments measured at fair value through other comprehensive income, subject to applicable regulatory requirements and limits.

In accordance with the applicable CBSL regulations for Licensed Finance Companies with total assets below LKR 100 billion, the minimum Tier 1 Capital Ratio and Total Capital Ratio are 8.50% and 12.50%, respectively.

Prior to the recognition of the year-end reconciliation adjustments referred to below, the Company's Tier 1 Capital Ratio and Total Capital Ratio as at 31 March 2026 were 10.00% and 13.01%, respectively, and were above the applicable minimum regulatory requirements of 8.50% and 12.50%.

During the finalisation of the Financial Statements for the year ended 31 March 2026, the Company recognised adjustments arising from the reconciliation of certain General Ledger balances with the corresponding balances generated from the front-end transaction modules. The recognition of these adjustments reduced the Company's regulatory capital base and resulted in the Total Capital Ratio falling below the applicable regulatory minimum.

Following the recognition of these adjustments, the Company's reported Tier 1 Capital Ratio as at 31 March 2026 was 8.83% (2025 – 12.09%), compared with the regulatory minimum of 8.50%, while the reported Total Capital Ratio was 11.86% (2025 – 14.19%), compared with the regulatory minimum of 12.50%.

Accordingly, the Company remained compliant with the minimum Tier 1 Capital requirement. However, solely as a consequence of the impact of the above-mentioned reconciliation adjustments, the reported Total Capital Ratio as at 31 March 2026 was below the regulatory minimum of 12.50%, resulting in a capital shortfall of LKR 167.9 Mn as at the reporting date.

The Board of Directors and management have assessed the implications of this resulting capital shortfall and have initiated measures to restore the Total Capital Ratio above the regulatory minimum. These measures include optimisation and reduction of risk-weighted assets, capital infusion by shareholders and/or the issuance of qualifying subordinated debt eligible for recognition as Tier 2 Capital.

The Company has also communicated its capital position and proposed remedial measures to the Central Bank of Sri Lanka, as applicable.

Management continues to closely monitor the Company's capital position and is taking the necessary measures to restore and thereafter maintain compliance with the applicable regulatory capital adequacy requirements.

47.4 Market Risk

Market risk is the risk arising from fluctuations in market variables such as interest rates, foreign currencies, equity prices and gold prices. As the Company's operations involve granting accommodations, accepting deposits and obtaining funding facilities, the movements in interest rates constitute the most important market risk to the Company.

This risk is reviewed periodically by ALCO and by the Board Integrated Risk Management Committee.

Market risk is identified by the Company as the possibility of loss to the Company caused by changes in the market variables. Market risk mainly includes interest rate risk, liquidity risk, foreign exchange risk and country risk.

47.4.1 Interest rate risk

Interest rate risk is the potential negative impact on the net interest income based on rate fluctuations and impact on the profitability of the Company. The movements in interest rates are exposed to fluctuations in Net Interest Income (NII) and have the potential to impact the underlying value of interest earning assets and interest-bearing liabilities and off-balance sheet items. The main types of IRR to which the Company is exposed to are repricing risk, yield curve risk and basis risk. The Company does not have variable interest rate products and all facilities granted are on fixed interest rates. During the year, the interest rates reached unprecedented levels that subsequently came down due to monetary policy actions.

When all borrowings and lending are done on fixed rates the net interest margin is affected due to the following reasons:

Maturity mismatch / GAP

One of the major concerns in financial business is the maturity mismatch where the average loan period is over 2 years whilst the average deposit period is less than one year. Hence, where the interests are on an increasing trend the Company's net interest margin will reduce.

Please refer note 35 to the Financial Statements for the maturity analysis.

Re-Investment risk

These are uncertainties with regard to the interest rate at which the future cash flows could be re-invested. On an increasing trend, this would be beneficial for the Company.

Net interest position

When the market rates are on a downward trend and the Company's earning assets are higher than its liabilities, the risk of net interest position falling is high.

47.4.2 Liquidity risk

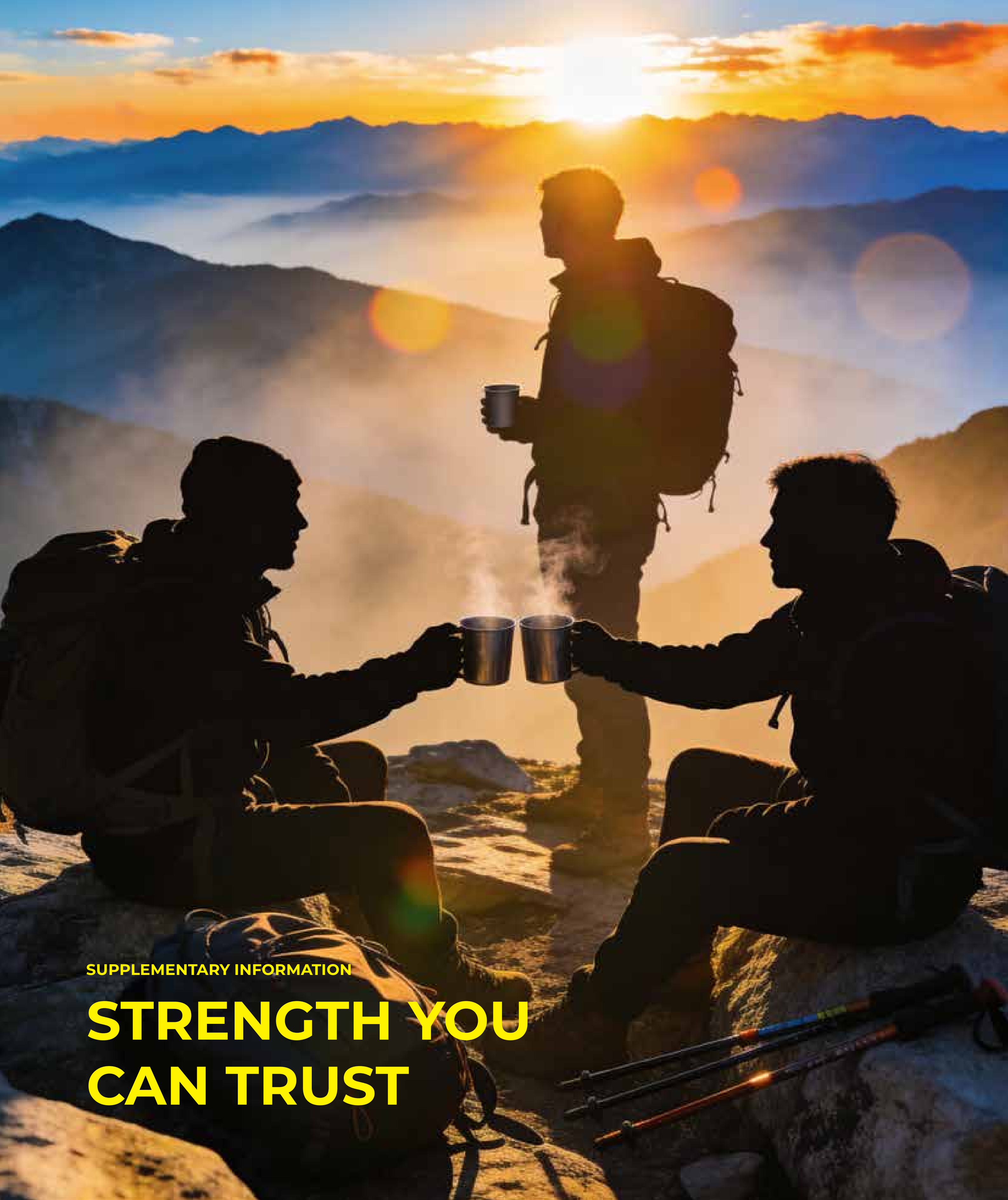
The Company considers that cash flow scrutiny is paramount in the management of liquidity risk and has adopted a disciplined approach across the units including setting up of company-wide spend control and cash management measures for preserving and increasing liquidity, particularly on account of the impact of prevailing macroeconomic uncertainty.

47.4.3 Exchange Rate Risk

Exchange Rate risk is the risk that the Company may incur losses as a result of adverse movements in foreign exchange rates.

The Company's exposure to exchange rate risk arises primarily from certain operational expenditure incurred in foreign currencies. As at the reporting date, the Company does not have any foreign currency borrowings or significant foreign currency monetary assets or liabilities.

Accordingly, the Company's exposure to foreign currency risk is considered to be minimal. The impact of adverse movements in foreign exchange rates is not expected to have a material adverse effect on the Company's financial position or performance.



SUPPLEMENTARY INFORMATION

STRENGTH YOU CAN TRUST

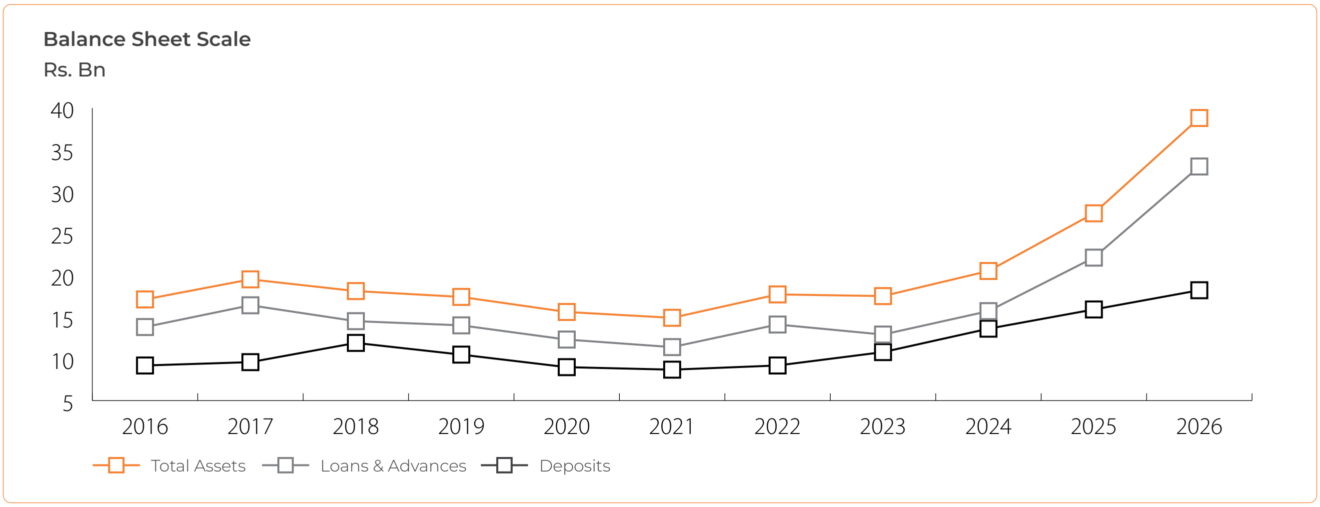
Ten Year Achievements

Total Assets	Loans & Advances	Deposits	Net Interest Income	ROE
38.3 Bn	**32.9 Bn**	**18.2 Bn**	**3.1 Bn**	**1.8%**
+124% growth since FY2015/16	+137% growth since FY2015/16	+97% growth since FY2015/16	+178% growth since FY2015/16	FY2025/26

STRATEGIC ACHIEVEMENT NARRATIVE

Over the past decade, Janashakthi Finance PLC expanded its financial capacity and core lending franchise. Total assets increased from Rs. 17.1 Bn in FY2015/16 to Rs. 38.3 Bn in FY2025/26, while loans and advances rose from Rs. 13.8 Bn to Rs. 32.8 Bn. Customer deposits reached Rs. 18.2 Bn and net interest income reached Rs. 3.1 Bn. FY2023/24 and FY2024/25 comparatives reflect the restated audited financial statements.

Scale creation: assets, portfolio and deposits



Scale creation: assets, portfolio and deposits

Expanding Asset Base

Total assets recorded a ten-year compound annual growth rate of 8.4%, reaching Rs. 38.3 Bn in FY2025/26.

Growth in Core Lending

Loans and advances grew at a compound annual growth rate of 9.0%, increasing from Rs. 13.8 Bn to Rs. 32.8 Bn.

Broader Customer Funding

Customer deposits increased from Rs. 9.2 Bn to Rs. 18.2 Bn, representing a compound annual growth rate of 7.0%.

Stronger Core Income Generation

Net interest income increased from Rs. 1.1 Bn in FY2015/16 to Rs. 3.1 Bn in FY2025/26. The FY2024/25 comparative has been recalculated on the restated basis.

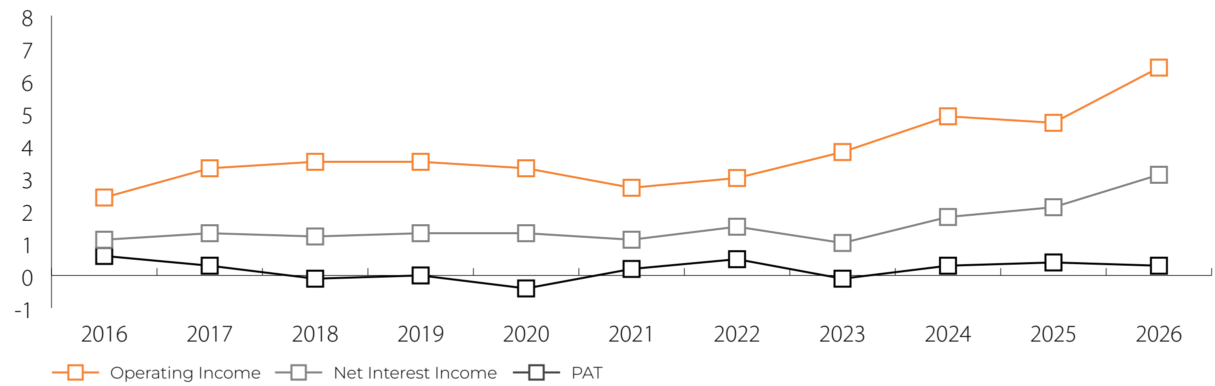
Focus on Sustainable Returns

Shareholders' funds were Rs. 3.6 Bn at FY2025/26. ROE was 1.8% and profit for the year was Rs. 64.7 Mn, based on the revised audited financial statements.

Earnings recovery and income quality

Income and Profit Momentum

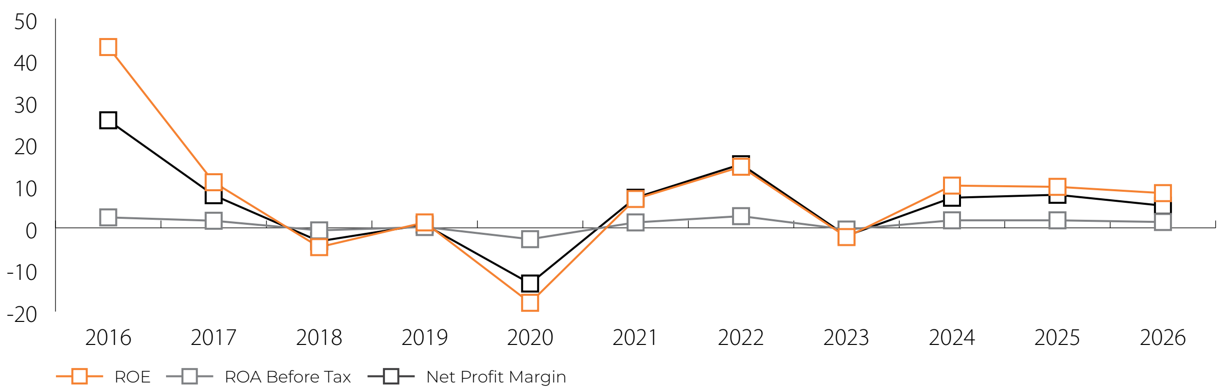
Rs. Bn



Returns and capital discipline

Return Metrics

%



PAT	NII / Total Income	Debt-to-Equity	Interest Cover	EPS
LKR 64.7 Mn	49.1%	9.02x	1.11x	LKR 0.31.

Ten Year Achievements

Description	FY2025/26 Rs.	FY2024/25 R Rs.	FY2023/24 R Rs.	FY2022/23 Rs.
Operating Results Income	**6,410,499**	4,725,585	4,868,238	3,820,227
Interest Income	**6,134,765**	4,463,849	4,601,527	3,593,059
Interest Expenses	**(2,987,450)**	(2,327,349)	(2,807,119)	(2,600,023)
Net Interest Income	**3,147,314**	2,136,500	1,794,408	993,036
Operating Expenses & Provisions	**(3,097,018)**	(2,079,854)	(1,711,637)	(1,289,770)
Profit Before Income Tax	**326,030**	318,383	349,482	(69,566)
Income Tax on Profit	**(261,331)**	(86,242)	(954)	(2,480)
Profit for the year	**64,699**	232,141	348,527	(72,046)
Balance Sheet Information				
Assets				
Loans & Advances to Customers	**32,805,598**	22,250,762	15,841,740	12,941,011
Financial Investments – FVOCI / AFS	**1,560,882**	1,144,264	932,992	1,262,914
Cash and Cash Equivalents	**692,251**	492,275	420,293	307,894
Property, Plant & Equipment and Investment Properties	**1,246,484**	1,032,843	836,054	761,050
Other Assets	**2,040,658**	2,442,132	2,368,473	2,196,004
Total Assets	**38,345,873**	27,362,276	20,399,551	17,468,873
Liabilities				
Deposits from Customers	**18,194,650**	15,903,812	13,556,431	10,759,499
Borrowings	**14,357,649**	6,600,482	2,348,911	2,847,478
Debentures and Preference Shares	**-**	-	-	-
Other Liabilities	**2,186,352**	1,287,076	1,160,560	580,890
Total Liabilities	**34,738,651**	23,791,370	17,065,903	14,187,867
Capital Employed				
Stated Capital	**2,431,879**	2,431,879	2,431,879	2,431,879
Retained Profit & Reserve Fund	**1,175,343**	1,139,027	901,770	849,127
Total Capital Employed	**3,607,222**	3,570,906	3,333,649	3,281,006

	FY2021/22	FY2020/21	FY2019/20	FY2018/19	FY2017/18	FY2016/17	FY2015/16
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	2,972,209	2,675,722	3,285,238	3,493,414	3,496,109	3,309,736	2,363,152
	2,709,169	2,441,044	3,052,678	3,239,038	3,311,049	3,128,709	2,229,746
	(1,159,467)	(1,333,792)	(1,799,708)	(1,949,919)	(2,116,907)	(1,836,496)	(1,096,453)
	1,549,702	1,107,252	1,252,970	1,289,119	1,194,142	1,292,213	1,133,293
	(1,359,745)	(1,148,367)	(1,922,877)	(1,511,620)	(1,482,920)	(1,171,761)	(970,838)
	452,997	193,563	(437,347)	31,875	(103,718)	301,479	295,861
	-	-	-	(2,846)	(6,528)	(43,803)	311,012
	452,997	193,563	(437,347)	29,029	(110,246)	257,676	606,873
	14,125,812	11,447,030	12,339,298	14,033,760	14,504,334	16,416,103	13,839,304
	725,705	849,633	934,478	936,940	945,559	839,887	756,124
	296,440	225,162	70,618	181,742	195,581	107,894	231,678
	746,656	740,469	613,431	478,764	415,618	421,315	438,736
	1,832,633	1,626,625	1,679,713	1,728,438	2,054,602	1,664,830	1,846,840
	17,727,246	14,888,919	15,637,538	17,359,644	18,115,694	19,450,029	17,112,682
	9,204,263	8,692,941	9,020,632	10,479,531	11,852,625	9,565,559	9,249,312
	4,555,431	2,729,981	3,038,038	2,091,869	1,806,790	4,815,150	3,262,738
	-	-	-	1,524,483	1,454,471	1,392,671	1,176,913
	635,673	579,067	868,656	1,097,261	653,390	1,176,922	1,180,738
	14,395,367	12,001,989	12,927,326	15,193,144	15,767,276	16,950,302	14,869,701
	2,431,879	2,431,879	2,431,879	1,378,690	1,378,690	1,378,690	1,378,690
	900,000	455,051	278,331	787,810	969,728	1,121,037	864,291
	3,331,879	2,886,930	2,710,210	2,166,500	2,348,418	2,499,727	2,242,981

Ten Year Achievements

Description	FY2025/26 Rs.	FY2024/25 Rs.	FY2023/24 Rs.	FY2022/23 Rs.
Operating Ratios				
Return on Equity (ROE)	1.80%	6.73%	10.54%	(2.18%)
Return on Assets – Before Tax	0.99%	1.33%	1.85%	(0.40%)
Net Interest Income / Total Income	49.10%	45.21%	36.86%	25.99%
Net Profit Margin	1.01%	4.91%	7.16%	(1.89%)
Income Growth	35.66%	(2.93%)	27.43%	28.53%
Profit Growth	(72.13%)	(33.39%)	583.76%	(115.90%)
Assets Growth	40.14%	34.19%	16.72%	(1.46%)
Net Assets Growth	1.02%	7.09%	1.60%	(1.53%)
Gearing Ratios				
Debt to Equity – Times	9.02x	6.30x	4.77x	4.15x
Interest Cover – Times	1.11x	1.14x	1.12x	0.97x
Loan-to-Deposit Ratio	180.30%	139.91%	116.86%	120.28%
Investor Ratios				
Basic earnings per share – (Rs.)	0.31	1.10	1.65	(0.34)
Net asset value per share – (Rs.)	17.09	16.92	15.79	15.54
Dividend per share – (Rs.)	-	-	-	-
Dividend Cover – Times	N/A	N/A	N/A	N/A
Dividend Payout Ratio	-	-	-	-

	FY2021/22	FY2020/21	FY2019/20	FY2018/19	FY2017/18	FY2016/17	FY2015/16
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	14.57%	6.92%	(17.94%)	1.29%	(4.55%)	10.87%	43.15%
	2.78%	1.27%	(2.65%)	0.18%	(0.55%)	1.65%	2.47%
	52.14%	41.38%	38.14%	36.90%	34.16%	39.04%	47.96%
	15.24%	7.23%	(13.31%)	0.83%	(3.15%)	7.79%	25.68%
	11.08%	(18.55%)	(5.96%)	(0.08%)	5.63%	40.06%	73.42%
	134.03%	144.26%	(1606.59%)	126.33%	(142.78%)	(57.54%)	14412.00%
	19.06%	(4.79%)	(9.92%)	(4.17%)	(6.86%)	13.66%	151.44%
	15.41%	6.52%	25.10%	(7.75%)	(6.05%)	11.45%	293.51%
	4.13x	3.96x	4.45x	6.51x	6.44x	6.31x	6.10x
	1.39x	1.15x	0.76x	1.02x	0.95x	1.16x	1.27x
	153.47%	131.68%	136.79%	133.92%	122.37%	171.62%	149.63%
	2.15	0.92	(3.06)	0.20	(0.74)	1.74	7.00
	15.78	13.68	12.84	14.64	15.87	16.89	15.15
	-	-	-	-	0.25	-	-
	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	-	-	-	-	-	-	-

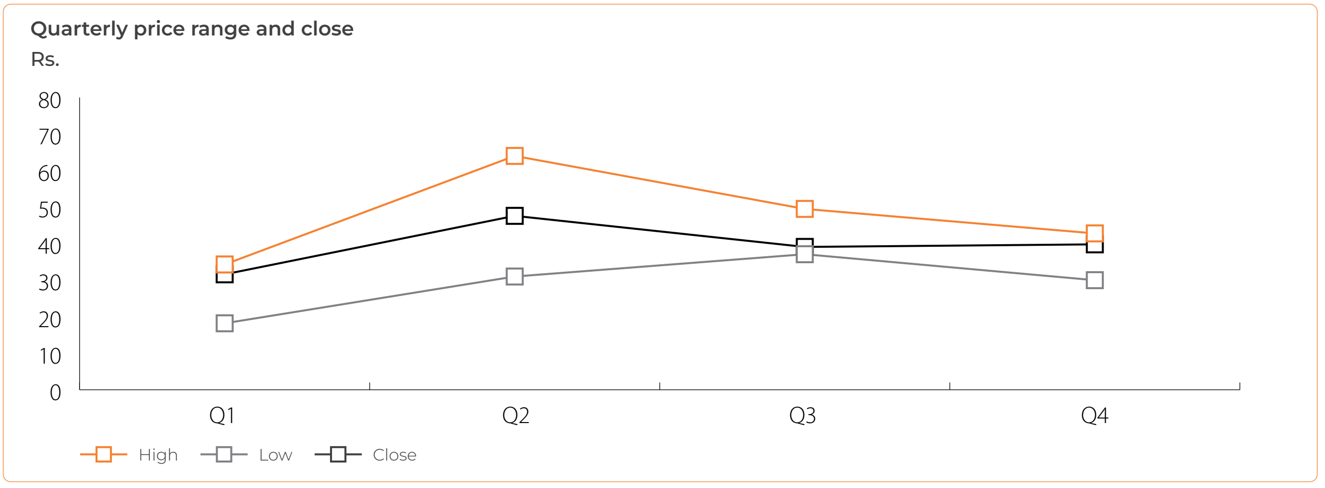
Share Information

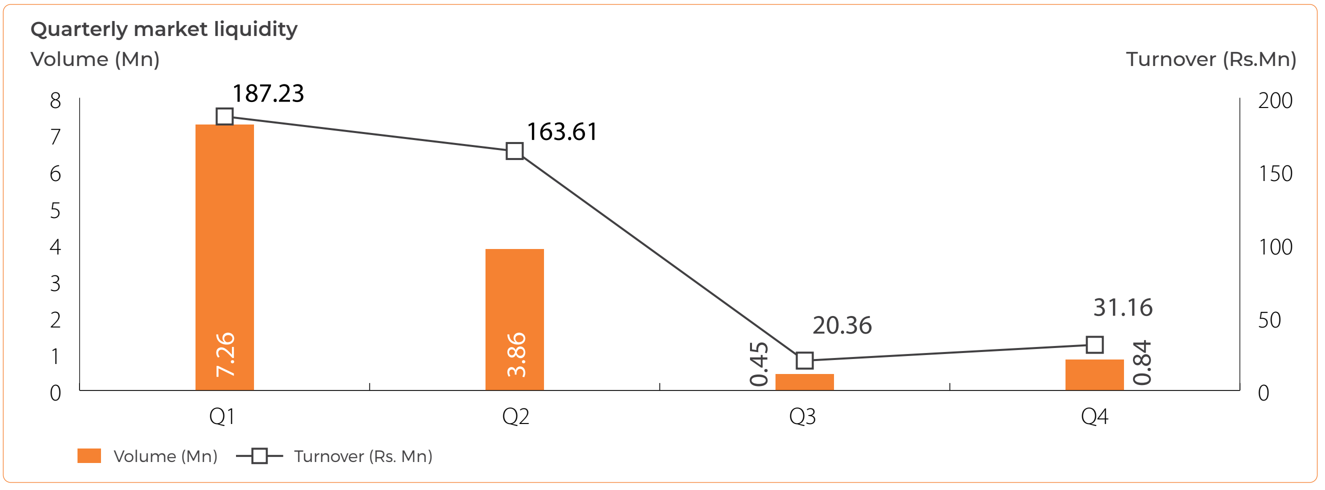
Janashakthi Finance PLC's share information profile in FY2025/26 reflects a broader shareholder base, a stronger market valuation and continued ownership stability. Total shareholders increased to 1,121, while the public float remained at 12.95 Mn shares, representing 6.14% of issued share capital. The share closed the year at LKR 39.80, more than doubling from the previous year-end close of LKR 19.20.

ISSUED ORDINARY SHARES	TOTAL SHAREHOLDERS	PUBLIC HOLDING
211.1 Mn	**1,121**	**6.14%**
No change from FY2024/25	+282 YoY | +33.6%	12.95 Mn shares

CLOSING PRICE	FLOAT ADJUSTED MARKET CAPITALISATION	ANNUAL TURNOVER
LKR 39.80	**LKR 515 Mn**	**LKR 402.4 Mn**
FY close | +107.3% YoY	Based on year-end close	12.41 Mn shares traded

MARKET PRICE AND TRADING PERFORMANCE





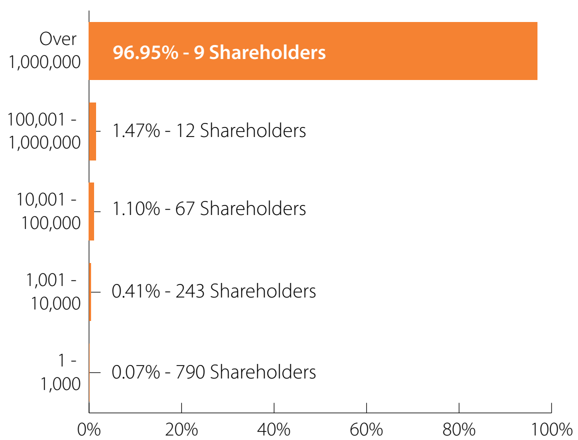
Share Information

SHAREHOLDING DISTRIBUTION

Comparative range analysis of issued shares

Range	2026 Holders	2026 Shares	2026 %	2025 Holders	2025 Shares	2025 %	Holder Δ
1 - 1,000	790	142,353	0.07%	601	104,559	0.05%	+189
1,001 - 10,000	243	875,092	0.41%	147	559,971	0.27%	+96
10,001 - 100,000	67	2,318,338	1.10%	69	2,300,856	1.09%	-2
100,001 - 1,000,000	12	3,111,251	1.47%	16	4,594,592	2.18%	-4
Over 1,000,000	9	204,654,121	96.95%	6	203,541,177	96.42%	+3
Total	1,121	211,101,155	100.00%	839	211,101,155	100.00%	+282

Shareholding concentration by range



MARKET AND INVESTOR PROFILE

Measure	FY2025/26
Highest price	Rs. 64.00
Lowest price	Rs. 18.20
Closing price	Rs. 39.80
Shares traded	12.41 Mn
Turnover	Rs. 402.4 Mn

Profile	Holders	Shares	%
Residents	1,116	210,507,804	99.72%
Non-res.	5	593,351	0.28%
Individual	1,065	5,116,027	2.42%
Institutional	56	205,985,128	97.58%

QUARTERLY TRADING SNAPSHOT

Period	High (Rs.)	Low (Rs.)	Close (Rs.)	Share Vol.	Turnover (Rs. Mn)
Q1 FY26	34.30	18.20	31.60	7,257,949	187.2
Q2 FY26	64.00	31.00	47.60	3,858,853	163.6
Q3 FY26	49.50	37.10	39.10	453,294	20.4
Q4 FY26	42.80	30.00	39.80	839,102	31.2
FY2025/26	64.00	18.20	39.80	12,409,198	402.4

Share Information

SHAREHOLDER MOVEMENT INSIGHTS

BROADER REGISTER	STABLE PUBLIC FLOAT
+282 shareholders	**12.95 Mn shares**
Total shareholders increased by 33.6% YoY, improving market breadth.	Public holding remained at 6.14% with 1,111 public shareholders.

MARKET VALUATION UPLIFT	RESIDENCY STABILITY
LKR 515.5 Mn float m-cap	**99.72% resident-owned**
Float adjusted market capitalization increased from LKR 248.7 Mn.	Resident shareholders continued to hold substantially all issued shares.

OWNERSHIP STRUCTURE AND REGISTER DISCLOSURES

PUBLIC HOLDING COMPUTATION

Particulars	Shares	%
Public holding	12,952,342	6.136%

Public shareholders: 1,111 | Excluded shareholders: 10

DIRECTORS' INTEREST IN SHARES

Director	2026	2025
R. Theagarajah	-	-
P.A. Schaffter	10	10
N.S.S. Cooray	-	-
R.M.D.J. Ratnayake	-	-
N. Karunaratne	-	-
M. Abeysekera	-	-
S. Chandrasekara	-	-
D. Alphonsus	-	-
Total	10	10

TOP 25 SHAREHOLDERS AS AT 31 MARCH 2026

Major shareholder register based on holdings as at year-end

No.	Shareholder	No. of shares	%
1	JANASHAKTHI LTD ACCOUNT NO. 1	93,144,943	44.12
2	PEOPLES BANK/ JANASHAKTHI LTD	53,000,000	25.11
3	SANASA DEVELOPMENT BANK PLC/ JANASHAKTHI LIMITED	24,199,495	11.46
4	SEYLAN BANK PLC/JANASHAKTHI LIMITED	11,810,999	5.59
5	NATIONS TRUST BANK PLC/JANASHAKTHI LIMITED	7,000,000	3.32
6	UNION BANK OF COLOMBO LIMITED/JANASHAKTHI LIMITED	6,300,000	2.98
7	PEOPLE S LEASING AND FINANCE PLC/SUHADA GAS DISTRIBUTORS (PVT) LTD	4,354,305	2.06
8	ASSETLINE FINANCE PLC/SUHADA GAS DISTRIBUTORS (PVT) LTD	2,706,080	1.28
9	FIRST CAPITAL LIMITED	2,138,299	1.01
10	MR. L. DE SILVA	572,278	0.27
11	COMMERCIAL BANK OF CEYLON PLC/JANASHAKTHI LIMITED	555,057	0.26
12	MR. S.M.P.B. SAMARAPPERUMA	417,447	0.20
13	MRS. I.P.I.L. GUNATHILAKA	384,115	0.18
14	MR. I.D.S.P. RUPASINGHA	196,939	0.09
15	MRS. S. UMESHWARY	167,915	0.08
16	MRS. S. VASUDEVAN	167,500	0.08
17	ASSETLINE FINANCE PLC/P.M.M.KARUNADHARMA	158,881	0.08
18	MRS. A.S. DE ALWIS	145,000	0.07
19	MR. K.D.A. WEERASINGHE	133,400	0.06
20	MISS N.R. FONSEKA	112,601	0.05
21	CITIZENS DEVELOPMENT BUSINESS FINANCE PLC/K.D.C. SOMALATHA AND K. NANDASIRI	100,118	0.05
22	ASSETLINE FINANCE PLC/W.C.DEWARAJA	100,000	0.05
23	MR. R.A.B.K. KUMARA	100,000	0.05
24	MR. G.P.P. ABEYWICKRAMA	97,950	0.05
25	MR. C.P.C.C.S. PEIRIS	97,396	0.05
	Others	2,940,437	1.39
	Total	211,101,155	100.00

INVESTOR RATIOS AND VALUATION REFERENCES

Measure	2026	2025
Book value per share (Rs.)	17.09	16.92
Earnings per share (Rs.)	0.31	1.10
Price earnings ratio (times)	22.43	10.91
Market capitalization (Rs.)	8.40 Bn	4.05 Bn
Float adjusted market capitalization (Rs.)	515.5 Mn	248.9 Mn

Glossary of Financial Terms

ACCOUNTING POLICIES

The principles, bases, conventions, rules and practices adopted by an entity in preparing and presenting financial statements.

ACCRUAL BASIS

Recognising the effects of transactions and other events when they occur, without waiting for the receipt or payment of cash or its equivalent.

AMORTISATION

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AMORTISED COST

The amount at which a financial asset or liability is measured at initial recognition, adjusted for principal repayments, cumulative amortisation using the effective interest method and any loss allowance.

CAPITAL ADEQUACY RATIO

Regulatory capital expressed as a percentage of risk-weighted assets, computed in accordance with the Directions issued by the Central Bank of Sri Lanka applicable to licensed finance companies.

CAPITAL RESERVES

Reserves identified for specific purposes and considered not available for distribution.

CASH EQUIVALENTS

Short-term, highly liquid investments readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

CONTINGENCIES

Conditions or situations existing at the reporting date where the outcome will be confirmed by the occurrence or non-occurrence of one or more future events.

CORPORATE GOVERNANCE

The framework of processes, controls and relationships through which the Company is directed and controlled, including accountability to shareholders and other stakeholders.

CREDIT RATING

An assessment, carried out by an independent rating agency, of an entity's ability to meet its financial obligations and the relative likelihood of default.

CREDIT RISK

The risk that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms and conditions.

DEFERRED TAXATION

Tax recognised in the financial statements in respect of temporary differences that may become payable or recoverable in a future financial period.

DEPRECIATION

The systematic allocation of the depreciable amount of an item of property, plant and equipment over its useful life.

DERECOGNITION

The removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

DIVIDEND PER SHARE (DPS)

Total dividend paid and proposed to ordinary shareholders divided by the number of ordinary shares in issue.

EARNINGS PER SHARE (EPS)

Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

ECONOMIC VALUE ADDED (EVA)

A measure of performance after considering the cost of equity or capital employed in generating returns.

EFFECTIVE INTEREST RATE (EIR)

The rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument, or a shorter period where appropriate, to the gross carrying amount of a financial asset or the amortised cost of a financial liability.

EXPECTED CREDIT LOSSES (ECL)

A probability-weighted estimate of credit losses that reflects the time value of money and reasonable, supportable information, including forward-looking information, available without undue cost or effort.

12-MONTH EXPECTED CREDIT LOSSES (12MECL)

The portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date.

LIFETIME EXPECTED CREDIT LOSSES (LTECL)

Expected credit losses that result from all possible default events over the expected life of a financial instrument.

EXPOSURE AT DEFAULT (EAD)

The expected exposure to a borrower or counterparty at the time of default, used in measuring expected credit losses.

EXPOSURE AT CLAIM

A contingent claim or exposure that carries a risk of financial loss if the related obligation is triggered.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

A measurement category under SLFRS 9 where qualifying financial assets are measured at fair value, with specified fair value changes recognised in other comprehensive income.

FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

A measurement category under SLFRS 9 where financial assets or financial liabilities are measured at fair value, with fair value changes recognised in profit or loss.

FINANCE LEASE

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. Title may or may not eventually be transferred.

FINANCIAL ASSET

Cash, an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

FINANCIAL INSTRUMENT

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL LIABILITY

A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or liabilities under conditions that are potentially unfavourable to the entity.

GROSS DIVIDEND

The proportion of profit distributed to shareholders, including any tax withheld where applicable.

GROSS LENDING PORTFOLIO

The gross carrying amount of lending products before deducting allowance for impairment, unearned income and amounts received in advance, subject to the Company's presentation basis.

GROUP

A parent and all of its subsidiaries, together with associates where relevant for reporting purposes.

GUARANTEES

An assurance by a third party that the guarantor will be liable if the principal debtor fails to fulfil the contractual obligation.

HIRE PURCHASE

A contract under which the hirer obtains the right to use an asset and has the option to purchase the asset upon completion of the agreed payments.

IMPAIRMENT

A reduction in the carrying amount of an asset where its recoverable amount, or expected recoverable cash flows, is lower than its carrying amount.

IMPAIRMENT ALLOWANCE

The loss allowance recognised for expected credit losses on financial assets, loan commitments and financial guarantee contracts, as applicable.

INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance.

INCREMENTAL BORROWING RATE (IBR)

The rate of interest that a lessee would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Glossary of Financial Terms

INTEREST COVER

Earnings before interest and tax divided by interest expense, indicating the ability to service finance costs.

KEY MANAGEMENT PERSONNEL (KMP)

Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

LEASE

A contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

LEASE LIABILITY

The present value of lease payments not paid at the commencement date, measured in accordance with SLFRS 16.

LENDING PORTFOLIO

The value of lending products presented in accordance with the Company's accounting policies and relevant note disclosures.

LIQUID ASSET

Cash or assets readily convertible to cash, including eligible liquid assets recognised for regulatory liquidity purposes.

LIQUID ASSETS RATIO

Eligible liquid assets expressed as a percentage of the applicable deposit or liability base, as prescribed by regulatory requirements.

LIQUIDITY RISK

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

LOSS GIVEN DEFAULT (LGD)

The portion of exposure expected to be lost if a borrower defaults, after considering collateral values, recoveries and recovery costs.

MARKET RISK

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, including interest rate, currency and other price risks.

NET ASSET VALUE PER ORDINARY SHARE

Shareholders' funds attributable to ordinary shareholders divided by the number of ordinary shares in issue.

NET INTEREST INCOME

Interest income earned from interest-bearing assets less interest expense incurred on financial instruments or facilities used to fund those assets.

NON-PERFORMING ADVANCES

Loans and advances classified as non-performing in accordance with the Company's policy and applicable regulatory requirements.

NPL RATIO

Non-performing loans expressed as a percentage of the relevant lending portfolio base.

PARENT

An entity that controls one or more subsidiaries.

PAST DUE

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

PROBABILITY OF DEFAULT (PD)

The likelihood that a borrower or counterparty will default over a specified time horizon.

RELATED PARTY

A party that controls, is controlled by, or has significant influence over the reporting entity, directly or indirectly.

RELATED PARTY TRANSACTION

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

RETURN ON AVERAGE ASSETS (ROA)

Profit before tax expressed as a percentage of average total assets; indicates the effectiveness of generating profits from available assets.

RETURN ON AVERAGE EQUITY (ROE)

Net profit attributable to owners expressed as a percentage of average ordinary shareholders' equity.

REVERSE REPURCHASE AGREEMENT

A transaction involving the purchase of securities by the Company and resale back to the seller at a future date and agreed price.

RIGHT-OF-USE ASSET

An asset representing a lessee's right to use an underlying asset during the lease term.

RISK-WEIGHTED ASSETS

Assets and off-balance sheet exposures weighted by prescribed risk factors for capital adequacy purposes.

SEGMENTAL ANALYSIS

Analysis of financial information by operating or business segments of the Company.

SHAREHOLDERS' FUNDS (EQUITY)

Issued and fully paid ordinary share capital together with capital and revenue reserves attributable to shareholders.

SIGNIFICANT INCREASE IN CREDIT RISK (SICR)

A significant increase in the risk of default since initial recognition, resulting in transfer from Stage 1 to Stage 2 for impairment purposes.

SOLELY PAYMENTS OF PRINCIPAL AND INTEREST TEST (SPPI)

A contractual cash flow assessment under SLFRS 9 used in classifying non-equity financial assets.

STAGE 1 IMPAIRMENT

Financial instruments that have not had a significant increase in credit risk since initial recognition and are measured using 12-month ECL.

STAGE 2 IMPAIRMENT

Financial instruments that have had a significant increase in credit risk but are not credit-impaired, measured using lifetime ECL.

STAGE 3 IMPAIRMENT

Credit-impaired financial instruments measured using lifetime ECL, with interest income generally recognised on the net carrying amount.

SUSTAINABILITY REPORTING

Measuring, disclosing and being accountable for organisational performance while working towards sustainable development.

TIER I CAPITAL

Core capital consisting primarily of permanent shareholders' equity and eligible reserves recognised for regulatory capital purposes.

TIER II CAPITAL

Supplementary capital comprising eligible instruments, provisions and reserves recognised for regulatory capital purposes.

TOTAL CAPITAL

The aggregate of eligible Tier I and Tier II capital for regulatory capital adequacy purposes.

VALUE ADDED

The wealth created by providing financial and related services, less the cost of providing such services.

Branch Network

No.	Branch	Address	Telephone	E-mail
1	Dharmapala Mawatha	No. 61, Dharmapala Mawatha, Colombo 07	+94 117 677 624	afbu@jfplc.lk
2	Head office	No. 338, T.B Jaya Mawatha, Colombo 10	+94 117 577 577	info@jfplc.lk
3	City Branch	No. 53A, D. S. Senanayake Mawatha, Colombo 08	+94 117 677 601	borella@jfplc.lk
4	Ampara	No. 3, D. S. Senanayake Road, Ampara	+94 637 577 571	ampara@jfplc.lk
5	Anuradhapura	No. 561/3, Maithreepala Senanayake Mawatha, New Town, Anuradhapura	+94 257 577 571	anuradhapura@jfplc.lk
6	Avissawella	No. 20, Rathnapura Road, Avissawella	+94 367 577 571	avissawella@jfplc.lk
7	Balangoda	No. 86, Barnes Rathwatta Mawatha, Balangoda	+94 457 577 571	balangoda@jfplc.lk
8	Bandarawela	No. 374, Badulla Road, Bandarawela	+94 577 577 571	bandarawela@jfplc.lk
9	Batticaloa	No. 290//290A,Trincomalee Road, Batticaloa	+94 657 577 571	batticaloa@jfplc.lk
10	Chilaw	No. 3B, Bazaar Street, Chilaw	+94 327 577 571	chilaw@jfplc.lk
11	Embilipitiya	No. 77/1, New Town Road, Pallegama, Embilipitiya	+94 477 577 571	embilipitiya@jfplc.lk
12	Galle	No. 60B, Colombo Road, Kaluwella, Galle	+94 917 577 571	galle@jfplc.lk
13	Gampaha	No. 11, Ranathunga Mawatha, Gampaha	+94 337 577 571	gampaha@jfplc.lk
14	Hambantota	No. 103, Tissa Road, Hambantota	+94 477 577 551	hambantota@jfplc.lk
15	Horana	No. 254, Panadura Road, Horana	+94 347 577 571	horana@jfplc.lk
16	Jaffna	No. 550, Hospital Road, Jaffna	+94 217 577 571	jaffna@jfplc.lk
17	Kalmunai	No. 174, Batticaloa Road, Kalmunai	+94 657 572 501	kalmunai@jfplc.lk
18	Kalutara	No. 294/A, Galle Road, Kalutara North, Kalutara	+94 347 577 551	kalutara@jfplc.lk
19	Kandy	No. 319, D. S. Senanayake Road, Kandy	+94 817 577 571	kandy@jfplc.lk
20	Kegalle	No. 218, Main Street, Kegalle	+94 357 577 571	kegalle@jfplc.lk
21	Kilinochchi	A9, Jaffna Road, Kilinochchi	+94 217 577 551	kilinochchi@jfplc.lk
22	Kiribathgoda	No. 159, Kandy Road, Kiribathgoda	+94 117 576 564	kiribathgoda@jfplc.lk
23	Kochchikade	No. 162/4, Chilaw Road, Kochchikade	+94 317 577 571	kochchikade@jfplc.lk
24	Kurunegala	No. 16, St Anne's Road, Kurunegala	+94 377 577 571	kurunegala@jfplc.lk
25	Matara	No. 38, Station Road, Matara	+94 417 577 571	matara@jfplc.lk
26	Monaragala	No. 145, Wellawaya Road, Monaragala	+94 557 500 307	monaragala@jfplc.lk
27	Negombo	No. 38, St. Joseph Street, Negombo	+94 317 577 551	negombo@jfplc.lk
28	Nugegoda	136/5, S. De S. Jayasinghe Mawatha,Nugegoda.	+94 117 577 671	nugegoda@jfplc.lk
29	NuwaraEliya	No. 72, Kandy Road, NuwaraEliya	+94 524 700 601	nuwaraeliya@jfplc.lk
30	Panadura	No. 05, Cyril Janes Mawatha, Panadura	+94 387 577 571	panadura@jfplc.lk
31	Piliyandala	No. 23/1, Sri Devananda Road, Thubowila, Piliyandala	+94 117 576 561	piliyandala@jfplc.lk

No.	Branch	Address	Telephone	E-mail
32	Polonnaruwa	No. 13/2, Hospital Junction, Polonnaruwa	+94 277 577 571	polonnaruwa@jfplc.lk
33	Puttalam	No. 116, Opposite Base Hospital, Kurunegala Road, Puttalam	+94 327 577 551	puttalam@jfplc.lk
34	Ratnapura	No. 172, Main Street, Ratnapura	+94 457 577 551	rathnapura@jfplc.lk
35	Trincomalee	No. 323/1A, Ehambaram Road, Trincomalee	+94 267 577 571	trincomalee@jfplc.lk
36	Vavuniya	No. 115, 02 Cross Street, Kandy Road, Vavuniya	+94 247 577 571	vavuniya@jfplc.lk
37	Wattala	No. 460, Negombo Road, Wattala	+94 117 566 271	wattala@jfplc.lk
38	Chenkalady	Main Street, Chenkalady	+94 657 755 570	chenkalady@jfplc.lk
39	Kaluwanchikudy	No. 116/A, Main Street, Kalawanchikudy	+94 657 755 576	Kalawanchikudy@jfplc.lk

Notice of Annual General Meeting

Notice is hereby given that the 43rd Annual General Meeting of Janashakthi Finance PLC will be held as a virtual meeting on Wednesday, 30 September 2026 at 11.00 a.m. to transact the following businesses.

1. To receive and consider the Report of the Board of Directors and the Audited Financial Statements of the Company for the year ended 31 March 2026, together with the report of the Auditors thereon.

2. To re-elect Mr. Rajendra Theagarajah - Director who retires by rotation in terms of Article 25(7) of the Articles of Association of the Company and being eligible offers himself for re-election.

3. To re-elect Mr. Nalin Brian Karunaratne -Director who retires by rotation in terms of Article 25(7) of the Articles of Association of the Company and being eligible offers himself for re-election.

4. To re-elect Ms. D.L. Manohari Sandamali Chandrasekera -Director who retires by rotation in terms of Article 25 (7) of the Articles of Association of the Company and being eligible offers herself for re-election.

5. To re appoint Messrs. KPMG Sri Lanka, Chartered Accountants, who have consented to be re appointed Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.

6. To authorize the Directors to determine donations for charities for the ensuing year.

7. To discuss matters giving rise to a qualified audit opinion contained in the Audited Financial Statements for the Financial Year 2025/26 and the remedial actions intended to be adopted by the Company to ensure compliance with Rule 7.5 (d) (ii) of the Listing Rules of the CSE, the impact of such emphasis of matter on qualified audit opinion concern not resolved for a period of 15 months from the date of transferring its securities to the Watch List.

By order of the Board
Janashakthi Finance PLC

Ayesha Jeewanti
Company Secretary
07 September 2026

NOTES

1. The Shareholders are requested to register with their first names and last names via the below link before 4.00 p.m., on Friday, 25 September 2026, to receive the link to join the AGM. The same names should be used to log in to participate in the AGM on 30 September 2026.

   https://www.janashakthifinance.lk/AGM-Registration-Form-2026/

2. A member entitled to attend and vote at the above Meeting is entitled to appoint a Proxy to attend and vote on behalf of him/her.

3. A Proxy need not be a member of the Company.

4. A Form of Proxy is enclosed for this purpose.

5. The completed Form of Proxy must be forwarded by email to ayeshak@jfplc.lk , WhatsApp to +94 773647178 or directly deposited at the Registered Office of the Company at No. 338, T.B. Jayah Mawatha, Colombo 10.

   No registration of proxies will be accommodated after this deadline.

6. Shareholders who are unable to participate at the Meeting through the online meeting platform are encouraged to appoint a director as his/ her/ its proxy by forwarding the duly completed Proxy Form clearly indicating their vote under each matter set out in the Proxy Form to the Company Secretary as specified above in order that their vote may be identified and recorded as if he/she/it were present at the Meeting.

Form of Proxy

I / We, ... of .... being a

Member/s of the Company, hereby appoint .... (holder of NIC No...)

of .... failing him/her,

1. Mr. Rajendra Theagarajah failing him
2. Mr. Prakash Schaffter failing him
3. Mr. Sriyan Cooray failing him
4. Mr. Darshana Ratnayake failing him
5. Mr. Nalin Karunaratne failing him
6. Ms. Manohari Abeyesekera failing her
7. Ms. Sandamali Chandrasekera failing her
8. Mr. Daniel Alphonsus

as my/our Proxy to represent me/us and vote on my/our behalf at the Annual General Meeting of the Company to be held as a virtual meeting on Wednesday, 30 September 2026 at 11.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

Please indicate your preference by placing a 'X' in the box of your choice against each Resolution.

		FOR	AGAINST
1.	To receive and consider the Report of the Board of Directors and the Audited Financial Statements of the Company for the year ended 31 March 2026, together with the report of the Auditors thereon.		
2.	To re-elect Mr. Rajendra Theagarajah - Director who retires by rotation in terms of Article 25(7) of the Articles of Association of the Company and being eligible offers himself for re-election.		
3.	To re-elect Mr. Nalin Brian Karunaratne -Director who retires by rotation in terms of Article 25(7) of the Articles of Association of the Company and being eligible offers himself for re-election.		
4.	To re-elect Ms. D.L.Manohari Sandamali Chandrasekera -Director who retires by rotation in terms of Article 25(7) of the Articles of Association of the Company and being eligible offers herself for re-election.		
5.	To re-appoint Messrs. KPMG Sri Lanka, Chartered Accountants, who have consented to be re-appointed Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.		
6.	To authorize the Directors to determine donations for charities for the ensuing year.		

7. To discuss matters giving rise to a qualified audit opinion contained in the Audited Financial Statements for Financial Year 2025/26 and the remedial actions intended to be adopted by the Company to ensure compliance with Rule 7.5 (d) (ii) of the Listing Rules of the CSE, the impact of such emphasis of matter on qualified audit opinion concern not resolved for a period of 15 months from the date of transferring its securities to the Watch List.

Signed on this .... day of .... 2026.

Signature/s ....

Shareholder's N.I.C./P.P./Co. Reg. No.

Form of Proxy

INSTRUCTIONS FOR THE COMPLETION OF THE FORM OF PROXY

1. Please perfect the Form of Proxy overleaf, after inserting in legibly your full name and address, by signing in the space provided and filling the date of signature and your National Identity Card Number.

2. The completed Form of Proxy must be forwarded to the Company Secretary by email ayeshak@jfplc.lk, WhatsApp to +94 773647178 or directly deposited at the Registered Office of the Company at No. 338, T.B. Jayah Mawatha, Colombo 10 , not less than 48 hours before the time fixed for the Meeting.

   No registration of proxies will be accommodated after this deadline.

3. If an Attorney has signed the Form of Proxy, the relative Power of Attorney should also accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

4. If the Shareholder is a company or a corporate body, the Proxy should be executed in accordance with its Articles of Association or Constitution. The Company may but shall not be bound to, require evidence of the authority of any such attorney or officer.

5. If there is any doubt as to how the vote is to be exercised, by reason of the manner in which the Form of Proxy has been completed, no vote will be recorded by the Form of Proxy.

Corporate Information

COMPANY PROFILE

Statutory identity and registration

NAME OF THE COMPANY

Janashakthi Finance PLC

LEGAL FORM AND REGULATORY STATUS

LEGAL FORM

A public limited liability company incorporated on 24 July 1981 under the Companies Ordinance No. 51 of 1938 and re-registered under the Companies Act No. 07 of 2007 on 27 July 2009.

REGULATORY REGISTRATION

Registered under the Finance Business Act No. 42 of 2011 and the Finance Leasing Act No. 56 of 2000.

REGISTRATION AND LISTING

COMPANY REGISTRATION NUMBER

PB 1079 PQ (Previous PVS/PBS 7651)

TAX PAYER IDENTIFICATION NUMBER

104076513

STOCK EXCHANGE LISTING

Listed on the Second Board of the Colombo Stock Exchange of Sri Lanka.

REGISTERED OFFICE / HEAD OFFICE

ADDRESS

No. 338, T. B. Jayah Mawatha, Colombo 10

TELEPHONE

+94 117 577 577

FAX

+94 117 577 511

WEBSITE

www.janashakthifinance.lk

EMAIL

info@jfplc.lk

GOVERNANCE, ASSURANCE AND PARTNERS

BOARD OF DIRECTORS

- Mr. Rajendra Theagarajah
- Mr. Nalin Karunaratne
- Mr. Sriyan Cooray
- Ms. Manohari Abeysekera
- Mr. Prakash Anand Schaffter
- Ms. Sandamali Chandrasekara
- Mr. Darshana Ratnayake
- Mr. Daniel Alphonsus
- Mr. K. M. M. Jabir (Resigned w.e.f. 01 November 2025)

COMPANY SECRETARY

SECRETARY

Ms. Ayesha Jeewanti
No. 338, T. B. Jayah Mawatha, Colombo 10
+94 117 577 577
ayeshak@jfplc.lk

EXTERNAL AUDITORS

AUDITORS

KPMG, Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha, P. O. Box 186, Colombo 03, Sri Lanka.
+94 11 542 6426 | +94 11 244 5872

BANKERS

- Bank of Ceylon
- Pan Asia Bank PLC
- Cargills Bank PLC
- People's Bank
- Commercial Bank of Ceylon PLC
- Sampath Bank PLC
- DFCC Bank PLC
- Sanasa Development Bank
- Hatton National Bank PLC
- Seylan Bank PLC
- Nations Trust Bank PLC
- Union Bank of Colombo PLC
- NDB Bank PLC

ACCOUNTING YEAR END

31 March

CREDIT	BB+ Positive Outlook
RATING	By Lanka Rating Agency

www.janashakthifinance.lk