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Equity Valuation Report

Janashakthi Limited

As at 30 September 2025

March 2026 | Final Report

Deloitte.

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LA/S&T/VM/023/2026
20 March 2026

Board of Directors
Janashakthi Limited
Level 39,Mireka Tower, 324,
Havelock Road, Colombo 06,
Sri Lanka.

Dear Sir / Madam,

Independent valuation of the ordinary equity shares of Janashakthi Limited

We, Deloitte Partners (hereinafter referred to as "We" or "Our" or "Deloitte"), enclose our report (the "Report") prepared in connection with the services requested ("Services") in accordance with the terms of our engagement letter (the "Engagement Letter"), the discussions that we had with and the information that we have received from the management of Janashakthi Limited (hereinafter referred to as "JXG" or the "Client").

We have performed a valuation analysis of the 100% interest in the ordinary equity shares of JXG on a going concern basis as of 30 September 2025 ("Valuation Date") for internal decision-making purposes pertaining to an intended Initial Public Offering (IPO).

This Report is confidential to the Client and is subject to the restrictions on use specified in this Report. We disclaim any responsibility to any other person / party for any decision of such person or party based on this Report.

We also draw your attention to the section titled "Terms of Reference and Limitations" included in this Report, wherein we refer to the scope of our work and the limitations of the work undertaken.

Yours faithfully,
For Deloitte Partners

Lasanga Abeysuriya
Valuation & Modelling Leader

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Terms of Reference and Limitations

- Deloitte was engaged to perform an equity valuation of JXG for purposes related to internal management decision-making pertaining to an upcoming initial public offering planned.
- The equity valuation was conducted using information provided by the Client, focusing on the future operational periods set out in management forecasts. In addition, we have made reasonable efforts to independently assess the reliability of the provided information wherever feasible.
- Our Report is subject to the scope limitations detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this Report.
- Our Report is valid for three months from the date of issuance of the final Prospectus to be issued by the Client.
- Any user of our Report should be aware that material changes in the operating environment, including changes in economic conditions, regulatory developments or market factors may result in the information contained in the document becoming quickly outdated and which may necessitate the Report being updated from time to time or before any major decisions where the information considered includes our Report.
- It is important to note that the Valuation Date serves as the basis for key valuation assumptions underpinning the evaluation of relevant entities. Material changes beyond this date may impact the valuation.
- We have not conducted an audit to verify the accuracy of the information provided by JXG management, nor have we engaged specific external industry experts or specialists to validate the assumptions used in the equity valuation. Instead, we relied on representations from JXG management regarding the reliability, completeness, and accuracy of the information provided. We also relied on their assurances that any estimates or forecasts shared were based on the most up-to-date and accurate information available to them and were considered reasonable and complete. We have also relied on JXG management representation regarding the absence of any material contingent liabilities or claims against the Company or any related entities that are subjects of this engagement that would impact the overall valuation.
- While we are committed to conducting our work with reasonable skill and care, we are not liable for any losses or damages arising from withheld, concealed, or misrepresented information provided by JXG directors, employees, agents, or other sources unless such issues were apparent from the information provided or resulted from our bad faith or willful default.

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Terms of Reference and Limitations

- In the course of the valuation, the Client has provided us with both written and verbal information, including financial data. We have evaluated the information provided to us by the Client through broad inquiry and analysis (but have not carried out a due diligence or audit of the data relating to the Company or its affiliates provided to us for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). We have not undertaken any product related technical or market validation or secondary / primary analysis / survey of any forward-looking information (or the assumptions related thereto) including the underlying commercial / financing / operating agreements. Also, we have been given to understand by the Client that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Client and their impact on the present exercise. In the course of the valuation analysis, we have assumed and relied upon, without independently verifying the accuracy, information that was publicly available and formed a basis for this Report. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.
- The fee for our valuation analysis and the deliverable is not contingent upon the results reported.
- Our engagement was to carry out a valuation of the 100% interest in the ordinary equity shares in JXG. Determination of a price for the initial public offering of equity shares is solely the responsibility of management and beyond the scope of Deloitte's engagement with JXG.
- The discounted cashflow based valuations arrived at under the Sum of the Parts method adopted herein is subject to the viability of the forecasts underpinning the valuations. Similarly, the market multiples based valuations computed in this report is dependent upon the extent of similarity in peer sizes and business models. Where transaction multiples are used, the results depend upon the similarity in size and characteristics of the target entities in the underlying transactions.
- All financial forecasts presented in this Valuation Report and underlying assumptions have been submitted by the Client. Deloitte has developed only the valuation computation related assumptions such as Cost of Equity, Weighted Average Cost of Capital, Terminal Growth Rate, etc.

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Sources of information

- Audited financial statements for unlisted subsidiaries of First Capital Group for FY 2020/21 to FY 2024/25. (Provided by the Client on 14 November 2025)
- Audited financial statements for First Capital Treasuries PLC for FY 2020/21 to FY 2024/25 (Accessed via CSE - Company Profile - CSE 2025 on 15 November 2025)
- Audited financial statements for First Capital Holdings PLC for FY 2020/21 to FY 2024/25 (Accessed via CSE - Company Profile - CSE 2025 on 15 November 2025)
- Audited financial statements for Janashakthi Insurance PLC for FY 2020/21 to FY 2024/25 (Accessed via CSE - Company Profile - CSE 2025 on 15 November 2025)
- Audited financial statements for Janashakthi Finance PLC for FY 2020/21 to FY 2024/25 (Accessed via CSE - Company Profile - CSE 2025 on 15 November 2025)
- Unaudited management accounts of unlisted subsidiaries of the First Capital Group for the six-month period ended 30 September 2024, and 30 September 2025. (Provided by the Client on 14 November 2025)
- Historical information pertaining to the profitability and ROE of First Capital Treasuries PLC since 2015. (Accessed via CSE - Company Profile - CSE 2025 on 10 November 2025)
- Forecast financial statements for First Capital Holdings PLC and its relevant operating affiliates for the 12-month periods from FY 2025/26 up to FY 2029/30. (Provided by the Client on 14 November 2025)
- Publicly available data on economic indicators from Central Bank of Sri Lanka (CBSL) (Accessed via cbsl.lk/eresearch/ on 20 December 2025)
- Publicly available data from Unit Trust Association of Sri Lanka (UTASL). (Accessed via https://utasl.lk/ on 15 December 2025)
- M&A transaction details sourced from an intelligence platform. (Accessed via ION Analytics | Mergermarket on 5 December 2025)
- Market data and industry insights from the Emerging Markets Information Service (EMIS) database. (Accessed via EMIS Next | EMIS on 15 December 2025)

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Sources of information

- Publicly available data from CSE on stock brokering firms (Accessed via CSE - Colombo Stock Exchange on 17 December 2025)
- Publicly available data on Primary Dealer Companies (PDCs) from Central Bank of Sri Lanka (CBSL). (Accessed via cbsl.gov.lk/sites/default/files/cbslweb_documents/about/presentation_20250516_AER_2024_e.pdf on 15 December 2025 – Annual Economic review, 2024)
- Publicly available data for peer analysis of First Capital Treasuries PLC from stock exchanges (Accessed via CSE - Colombo Stock Exchange , NSE - National Stock Exchange of India Ltd: Live Share/Stock Market News & Updates, Quotes- Nseindia.com & BSE (formerly Bombay Stock Exchange) | Live Stock Market updates for BSE SENSEX, Stock Price, Company News & Results on 5 December 2025)
- Market risk premium (ERP) data for WACC computations from data published by Prof. Damodaran (Accessed via https://pages.stern.nyu.edu/~adamodar/ on 1 December 2025)
- Publicly available data on Finance Companies from Central Bank of Sri Lanka (Accessed via https://www.cbsl.gov.lk/en/authorized-financial-institutions/licensed-finance-companies on 17 December 2025)
- Report on Embedded value and Appraisal Value of Janashakthi Insurance PLC, prepared by Actsure Lab (Pvt) Ltd upon the instructions of the Client and made available to us on the 15 January 2026.
- Data for all tables obtained from information provided by the Client on 14 November 2025. Unless otherwise stated, all tables and graphs in this report refer to financial year ended as at 31 March of the respective and graphs were year.
- All companies in the JXG structure referred to in this report have a financial year ending 31 March, except for Janashakthi Insurance PLC, which has a year-end of 31 December.

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Executive Summary

Executive Summary

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

We have assessed the value of the ordinary equity capital of JXG using a Sum-of-the-Parts ("SOTP") approach, in order to capture the value of the Group's material operating businesses across life insurance, full-service investment banking, and non-bank finance. Under this approach, the Group's key subsidiaries were valued using valuation methodologies considered best suited for their respective nature of business and earnings generating model. Accordingly, material and core business entities were valued using distinct valuation approaches and aggregated with other net assets on the JXG balance sheet to arrive at the overall valuation.

– ***The valuation arrived at is for the 100% ordinary equity interest of JXG as at the Valuation Date, i.e., 30 September 2025.***

Valuation of Janashakthi Limited (JXG)

	Valuation	Base Limit/Mid-Point
Overall valuation range of JXG	LKR 27,116.2 Mn to LKR 31,310.1 Mn	LKR 29,202.1 Mn
* Per share valuation range	LKR 15.06 to LKR 17.39	LKR 16.22

** Management has confirmed a 1:2.84 share split which has occurred via a Board resolution passed on 31 December 2025. This has resulted in the total number of shares outstanding rising to 1,800,000,000 from the 633,551,428 issued shares as at 30 September 2025. For presentation purposes, the computation of per share values for JXG is based on the number of shares in issue post the split on 31 December 2025.*

Constituent components of the Adjusted Net Asset Basis Valuation of JXG

Material business entity	Absolute valuation range (LKR Mn)	Ownership interest held by JXG	Attributable valuation range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
Janashakthi Insurance PLC	29,749.5 to 32,866.1	74.23%	22,083.1 to 24,396.5	23,237.1
First Capital Holdings PLC	22,279.9 to 24,565.4	58.02%	12,926.8 to 14,252.9	13,581.5
Janashakthi Finance PLC	5,636.3 to 6,229.6	93.44%	5,266.6 to 5,821.0	5,543.8
Other Reported Net Assets held by JXG as at Valuation Date			(13,160.3)	(13,160.3)
Value of 100% Ordinary Equity of JXG			**27,116.2 to 31,310.1**	**29,202.1**

Executive Summary

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

First Capital Holdings PLC (FCH) represents the investment banking arm of JXG. FCH value stems almost entirely from its 100% investment in First Capital Limited (FCL). FCL in turn represents a second level holding structure within the Group, operating several subsidiaries via controlling stakes. Hence a second level SOTP method is necessitated to consider the value of the distinct subsidiary businesses it operates. Similar to the JXG level, all material and core FCL business entities were valued separately.

Please refer organization structure on page 17.

Constituent components of the Adjusted Net Asset basis valuation of First Capital Holdings PLC (FCH)

Material business entity	Absolute valuation range (LKR Mn)	Ownership interest held by FCH	Attributable valuation range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
First Capital Limited	21,692.1 to 23,977.6	100%	21,692.1 to 23,977.6	22,820.4
Other Reported Net Assets held by FCH as at Valuation Date			587.8	587.8
Value of 100% Ordinary Equity of FCH			**22,279.9 to 24,565.4**	**23,408.2**

Executive Summary

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Constituent components of the Adjusted Net Asset basis valuation of First Capital Limited (FCL)

Material business entity	Absolute valuation range (LKR Mn)	Ownership interest held by FCL	Attributable valuation range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
First Capital Treasuries PLC	16,253.7 to 17,964.6	89.4%	14,537.3 to 16,067.5	15,302.4
First Capital Asset Management Limited	4,095.0 to 4,455.4	98.7%	4,041.7 to 4,397.5	4,210.7
First Capital Equities (Pvt) Limited	983.4 to 1,130.2	100%	983.4 to 1,130.2	1,053.1
First Capital Advisory Services (Pvt) Limited	836.4 to 902.9	100%	836.4 to 902.9	868.0
First Capital Markets Limited & First Capital Trustee Services (Private) Limited			171.8	171.8
Other reported Net Assets held by FCL as at Valuation Date			(595.3)	(595.3)
Value of stake held in Janashakthi Insurance PLC (5.78%)			1,719.5 to 1,899.7	1,809.4
Value of 100% Ordinary Equity of FCL			**21,692.1 to 23,977.6**	**22,820.4**

Potential impact of post-Valuation Date dividend declarations

Executive Summary

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

- As at date of this report, however, post the Valuation Date, we understand that First Capital Treasuries PLC, First Capital Holdings PLC and Janashakthi Insurance PLC had paid dividends as follows and which we have separately considered and presented for Client information purposes.
  - First Capital Treasuries PLC - LKR 5 per share for a total of LKR 3,078.0 Mn announced on 18 September 2025 and paid on 30 October 2025
  - First Capital Holdings PLC - LKR 7 per share for a total of LKR 2,835.0 Mn announced on 9 October 2025 (First Capital Limited has in turn announced a dividend of LKR 2,337.7 to its parent First Capital Holdings) and paid on 10 November 2025
  - Janashakthi Insurance PLC - LKR 10 per share for a total of LKR 2,265.3 Mn announced on 15 December 2025 and paid on 14 January 2026
- Although First Capital Treasuries PLC announced dividend payment based on the board's recommendation prior to the Valuation Date, the same is a final dividend that was still subject to shareholder approval as per the company's public disclosures before formal finalisation. Hence, we have not adjusted our valuation of JXG as at the Valuation Date for such dividend announcement. We note that the dividend announcements by the other two entities in the structure pertain to interim dividends announced after the Valuation Date. Given the announcements itself occurring post the Valuation Date, we again have not made any amendments to our valuation of JXG as at the Valuation Date.
- Even though we have disregarded the dividend announcements for the value assessments as at the Valuation Date, we have shown below the impact on the assessed values following incorporation of the impact of such dividend payments. This represents the value of JXG on an ex-dividend basis assuming all other factors remain the same. Whilst a portion of the dividends declared are for non-controlling shareholders, owing to the controlling stakes held in the dividend paying subsidiaries (as well as cross holdings) the overall impact to the value of JXG is largely limited to the extent of value leakage through the withholding tax on dividend payments.

Post-Dividend Payout Valuation of Janashakthi Limited (JXG)

	Valuation	Base Limit/Mid-Point
Overall valuation range of JXG	LKR 26,679.8 Mn to LKR 30,659.8 Mn	LKR 28,658.7 Mn
* Per share valuation range	LKR 14.82 to LKR 17.03	LKR 15.92

** Management has confirmed a 1:2.84 share split which has occurred via a Board resolution passed on 31 December 2025. This has resulted in the total number of shares outstanding rising to 1,800,000,000 from the 633,551,428 issued shares as at 30 September 2025. For presentation purposes, the computation of per share values for JXG is based on the number of shares in issue post the split on 31 December 2025.*

Executive Summary

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Constituent components of the Adjusted Net Asset basis valuation of JXG Post-Dividend Payout

Material business entity	Absolute valuation range (LKR Mn)	Ownership interest held by JXG	Attributable valuation range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
Janashakthi Insurance PLC	27,392.5 to 30,439.3	74.23%	20.333.4 to 22,595.1	21,461.6
First Capital Holdings PLC	19,152.3 to 21,158.4	58.02%	11,112.1 to 12,276.1	11,685.7
Janashakthi Finance PLC	5,636.3 to 6,229.6	93.44%	5,266.6 to 5,821.0	5,543.8
Other Reported Net Assets held by JXG post dividends			(10,032.4)	(10,032.4)
Value of 100% Ordinary Equity of JXG			**26,697.8 to 30,659.8**	**28,658.7**

Constituent components of the Adjusted Net Asset basis valuation of First Capital Holdings PLC (FCH) Post-Dividend Payout

Material business entity	Absolute valuation range (LKR Mn)	Ownership interest held by FCH	Attributable valuation range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
First Capital Limited	19,061.7 to 21,067.9	100%	19,061.7 to 21,067.9	20,050.4
Other Reported Net Assets held by FCH post dividends			90.5	90.5
Value of 100% Ordinary Equity of FCH			**19,152.3 to 21,158.4**	**20,140.9**

Executive Summary

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Constituent components of the Adjusted Net Asset basis valuation of First Capital Limited (FCL) Post-Dividend Payout

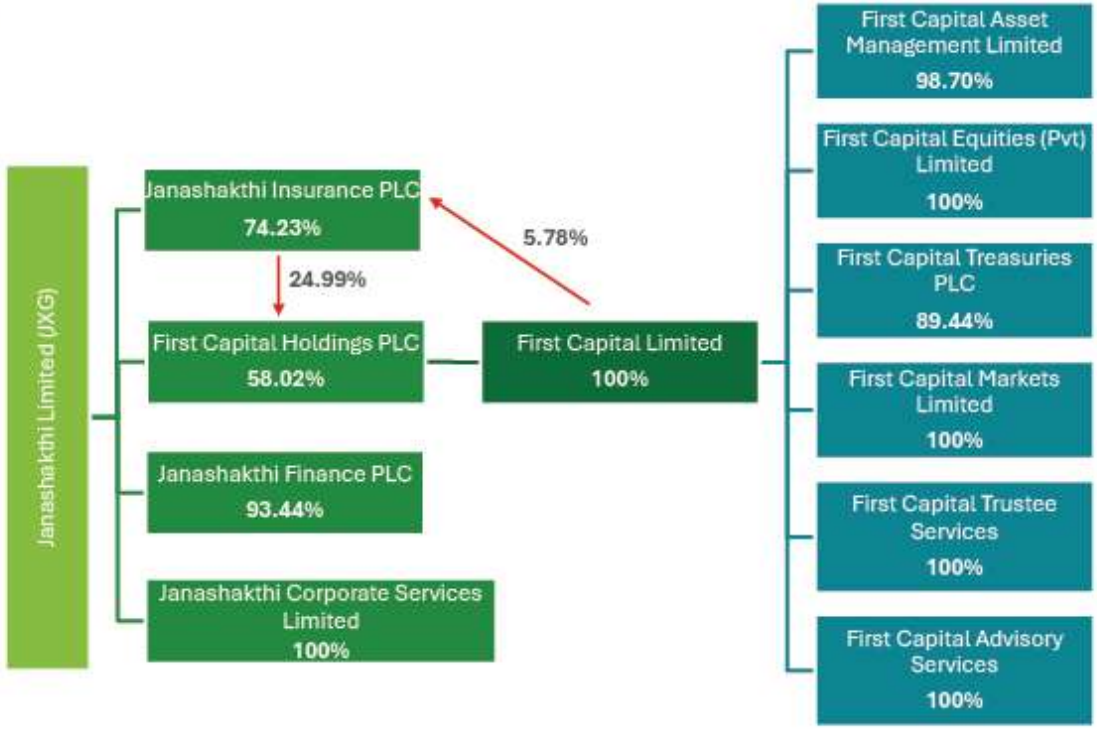
Material business entity	Absolute valuation range (LKR Mn)	Ownership interest held by FCL	Attributable valuation range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
First Capital Treasuries PLC	13,329.6 to 14,732.7	89.4%	11,922.0 to 13,176.9	12,549.4
First Capital Asset Management Limited	4,095.0 to 4,455.4	98.7%	4,041.7 to 4,397.5	4,210.7
First Capital Equities (Pvt) Limited	983.4 to 1,130.2	100%	983.4 to 1,130.2	1,053.1
First Capital Advisory Services (Pvt) Limited	836.4 to 902.9	100%	836.4 to 902.9	868.0
First Capital Markets Limited & First Capital Trustee Services (Private) Limited			171.8	171.8
Other reported Net Assets held by FCL post dividends			(474.1)	(474.1)
Value of stake held in Janashakthi Insurance PLC (5.78%)			1,583.3 to 1,759.4	1,671.1
Value of 100% Ordinary Equity of FCL			**19,061.7 to 21,067.9**	**20,050.4**

JXG Group Structure

JXG Structure

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

- The Client herein and the entity being valued, JXG, is the parent and holding company of a diversified financial services Group in Sri Lanka, with operations spanning life insurance, investment banking and non-bank finance (NBFI).
- JXG holds controlling stakes in several key operating subsidiaries, including Janashakthi Insurance PLC (JINS), First Capital Holdings PLC (FCH), Janashakthi Finance PLC (JF)
- FCH, a listed investment bank, functions (via its 100% investment in FCL) as the principal holding company for the Group's capital markets and investment banking businesses. Through its wholly owned subsidiary, FCL, FCH has interests in a range of specialized financial services entities, including asset management, stock brokering, primary dealer operations and advisory services.



**The percentages represent the equity ownership percentage by the immediate parent company as at 30 September 2025*

JXG Structure

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Subsidiaries valued on distinct basis

	Stake	Business	Need for separate valuation
Janashakthi Insurance PLC (JINS)	74.23% held by JXG	Life insurance services provider listed on the Colombo Stock Exchange	A leading listed insurance company with a significant market presence across life insurance segment.
Janashakthi Finance PLC (JF)	93.44% held by JXG	A licensed finance company listed on the Colombo Stock Exchange	A listed licensed finance company with a sizable lending and deposit portfolio
First Capital Holdings PLC (FCH)	58.02% held by JXG	Investment in and management of its fully owned subsidiary - FCL	Holding company of FCL and entity of significant size within the Group.
First Capital Limited (FCL)	100% held by FCH	Investment in and management of subsidiaries	Holding company for some of the core businesses valued separately. Is the primary determinant of FCH valuation.
First Capital Asset Management Limited (FCAM)	98.7% held by FCL	Unit Trust management company and private wealth management company.	Asset management company offering unit trust products and private wealth management with revenue exceeding LKR 400 Mn in FY25.

JXG Structure

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Subsidiaries valued on distinct basis – cont'd

	Stake	Business	Need for separate valuation
First Capital Equities (Pvt) Limited (FCE)	100% held by FCL	Stock Brokerage	Stock brokerage with approximately 5% share of market turnover and revenue exceeding LKR 300 Mn in FY25.
First Capital Treasuries PLC (FCT)	89.44% held by FCL	Primary Dealership business listed on the Colombo Stock Exchange	A leading nonbank primary dealership with asset base of LKR 99,653 Mn as of September 2025.
First Capital Advisory Services (Private) Limited (FCAS)	100% held by FCL	Investment Banking/Corporate Finance	Corporate Finance and Investment banking business unit with considerable market presence.

Subsidiaries not valued separately (considered at their net book value)

	Stake	Business	Basis for considering net book value
Janashakthi Corporate Services Ltd	100% held by JXG	Providing of secretarial and registrar services to affiliated entities within the Group	Functions only as an internal shared services provider to the Group and no significant profit based business objective. Further, as at Valuation Date, company reported negative net assets owing to accumulated losses.
First Capital Markets Limited	100% held by FCL	Holds some fixed income instruments with no other operational activity.	Company is reported to be dormant as at the Valuation Date and holding minimal net assets.
First Capital Trustee Services (Private) Limited	100% held by FCL	Provides trustee services for corporate debt securities – primarily for inter Group requirements.	Provides services to the Group and reported minimal assets and book value.

Approach & Methodologies

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Sum Of The Parts basis (SOTP)

As noted in prior sections of the Report, JXG operates three (3) distinctly different core business lines via controlling stakes, being life insurance (JINS), NBFI (JF) and a fully-fledged investment banking unit (FCH & FCL) which encompasses primary dealing, asset management, stock brokerage and corporate finance activities. As the business models and risk/return characteristics of the businesses differ, we consider a SOTP approach to be the most suitable basis to arrive at the equity value of JXG.

The value of FCH, stems primarily from its 100% investment in FCL. As FCL operates primary dealing, asset management, stock brokerage and corporate finance, FCL in turn necessitates a second level SOTP valuation to arrive at value reflective of the different businesses it operates.

Please refer page 17 for the overall JXG Group structure. Different valuation approaches were used to value all material business units.

An alternative approach valuing JXG on a standalone basis via a particular valuation approach would, in our view not be suitable owing to:

- JXG being a holding company with primary income derived from the dividends received from investee companies
- The diversity of the different business operations and operating models of the investee companies
- The level of dividend income flowing to the holding companies in the structure not necessarily being reflective of the intrinsic value of subsidiaries/sub subsidiaries to arrive at a reflective intrinsic value of JXG.

Non-Operating Entities

There are two (2) entities under the FCL structure which only provide some internal services or hold an immaterial amount of assets with minimal investments made into same. These two entities (fully owned by FCL) are hence considered at their net asset value.

At JXG level, there is another 100% owned entity, being Janashakthi Corporate Services Limited, which again represents minimal investment and minimal internal services. As this entity represents a negative equity value which is already impaired in the books of the ultimate parent (JXG), we have not considered the value of this entity in our SOTP valuation.

This approach has been discussed with the Client and is deemed reasonable in the context of the minimal operations/minimal investment nature of the non-core entities. Please refer page 18-19 for summary of entities being valued separately.

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Adjusting of net assets for values derived from SOTP

Step 01 Upon utilizing different valuation approaches to value the FCL subsidiaries, we have adjusted the FCL balance sheet to reflect the new values of the subsidiaries (at relevant holding interest levels). Other net assets were considered at their on-balance sheet values reported at cost or marked to market.

Step 02 The value of FCL was then included in the balance sheet of FCH at its appropriate stake. Other FCH net assets (which are largely marked to market equity investments) were added to derive the adjusted net asset value of FCH.

Step 03 JINS and JF were separately valued using suitable valuation approaches.

Step 04 JXG structure represents cross holdings between JINS, FCH and FCL (please refer structure on page 17). This cross-holding represents a circularity factor when assessing equity values for the individual entities. To overcome this, we have used an algebraic approach and used simultaneous equations to compute the final values of JINS, FCL and FCH. This computational consideration is explained in Appendix 1.

Step 05 The values of JINS, FCH and FCL (computed via step 3 and 4) as well as JF (step 3) were adjusted for ownership interests held by JXG and included in the JXG balance sheet as the final step. Other JXG investments were added at their carrying values to compute the final equity value of JXG.

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Methodology for material entities values separately

Entity	Business	Primary approach	Rationale	Comments on approaches not adopted
Janashakthi Insurance PLC (JINS)	Life insurance provider	Comparable peers - Price to Book Multiple (PBV)	JINS operates in an industry which represents several listed peers, hence providing comparison benchmarks, allowing for a PBV multiples-based market approach to be used as the primary valuation approach. Further, the book values of insurance companies are also a reasonable representation of value owing to the high degree of liquidity and marked to market nature of the investment assets. We have used comparable transactions, justified PBV, VWAP and also relied on an actuarial methods-based appraisal value computation commissioned by the Client as cross checks.	An income-based approach such as that based on residual income is not used owing to the inherent volatility in insurance industry earnings (rendering projections less useful) and moreover the earnings not necessarily reflecting value generation in this industry. A pure net asset-based approach is not used as it does not fully capture the future potential of a business operating as a going concern. We have however used the net asset value as a base component in all market multiple based values.
Janashakthi Finance PLC (JF)	Licensed non-bank finance company	Comparable peers - Price to Book Multiple	The sector in which JF operates, like JINS, represents several peers and an active equity market in which trades occur. The net book value of a financial institution is relatively closely aligned to the marked to market values of its financial assets and liabilities. Based on these aspects the PBV method is adopted as the primary methodology for valuing JF. We have used comparable transactions, VWAP and an income based residual income approach as secondary cross checks.	An unadjusted net asset-based approach is not used on account of future potential not necessarily being fully captured. Similar to JINS however the primary and secondary approaches we have used consider the net asset value as constituent components in the valuation.

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Methodology for material entities values separately

Entity	Business	Primary approach	Rationale	Comments on approaches not adopted
First Capital Treasuries PLC (FCT)	Primary Dealership	Justified Price to Book Multiple	The Primary Dealership business contains a very high proportion of assets on a marked to market basis (MTM). Hence the valuation basis used must account for the fact that the book value is critical and reflective of future prospects. The Justified Price to Book value uses the long term expected ROE and growth rate based on the Gordon Growth model/or suitable long term sustainable growth rate and an appropriate cost of equity. Resulting in the computation of a 'Justified Price to Book Value Multiple' "ROE-Growth Cost of Equity – Growth" The long-term GDP growth rate of 3.5% is used as the growth rate in the ratio. Comparable peer trading multiples based PBV is used as a secondary approach. However, only one comparable listed local peer was used with the remaining peers constituting the analysis being regional peers. A VWAP based valuation is also included.	The Justified Price to Book Multiple basis used as the primary approach is intrinsic in nature and combines both net asset and income via the use of ROE and the base book value. A standard income-based approach such as Residual Income (which is generally appropriate for use in the financial sector) is not considered herein due to the estimation challenges associated with interest rates and thereby bond price movements. As mentioned, the book value is inherent in the primary approach but is not considered (in simple unadjusted net asset value form) as the future potential and underlying superior ROE is not necessarily captured.

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Methodology for key business lines

Entity	Business	Primary approach	Rationale	Reasons for not adopting other approaches
First Capital Asset Management Limited	Unit Trust management company and private wealth management company	Discounted Cashflows	The availability of detailed cashflow forecasts presented to us by management makes the DCF approach usable. It allows for the value created by these businesses to be reasonably reflected. This is in line with the 100% equity interest we are valuing in terms of ability to influence the future management, operations and use of funds etc. the immediate and ultimate parent entities can exert on the respective companies. Further, the relative economic and political stability as of the Valuation Date versus the recent past allows for a reasonably higher degree of confidence about market outlook and forecast cashflows for these businesses. We have in all 3 instances herein adopted relevant comparable company transaction-based Enterprise Value/Sales multiples as a cross check	All 3 entities (FCAM, FCE and FCAS) represent asset light models with business models generating revenue with relatively low asset bases. Hence any unadjusted net asset value would not be reflective of the existing business value nor value of future potential. Hence asset-based approaches are not adopted for this business
First Capital Equities (Private) Limited (FCE)	Stock Brokerage			
First Capital Advisory Services (Private) Limited (FCAS)	Investment Banking/Corporate Finance			

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

A common WACC (Cost of equity for FCT) was used for the discounted cash flow valuations of FCAM, FCE, and FCAS as funding decisions for these entities are negotiated centrally by the sector parent, leveraging the overall credit profile of the First Capital Group. In addition, these businesses are exposed to broadly similar market, regulatory, and economic conditions and therefore exhibit comparable risk profiles. Accordingly, the use of a common discount rate for these entities is considered appropriate. Further, the cost of equity presented below for JF was adopted in the residual income valuation, which has been used solely as a cross-check. Similarly, a cost of equity of 15% has been used in the JINS actuarial based valuation carried out by the third-party specialist actuary engaged by the Client.

WACC = Ke (E/(D+E)) + Kd (1-t) (D/(D+E))

Ref	Key Assumptions	Source	FC entities	JF	JINS
A	Sri Lankan Government Treasury bond rates	Average <10-year T-bond rate from the secondary bond market as of the Valuation Date	11.1%	11.1%	11.1%
B	Equity market risk premium (EMRP)	EMRP for Sri Lanka based on market sources. The value presented here is a beta adjusted EMRP	6.3%	2.6%	3.8%
C	**Cost of Equity**	**A + B**	**17.4%**	**13.7%**	**14.9%**
D	Cost of Debt (Pre-tax)	AWLR as of September 2025 considered to be suitable based on size and profile	11.4%		
E	Effective Tax Rate	Corporate tax rate as of the Valuation Date	30.0%		
F	Debt/(Debt+Equity)	Combination of market sources and ratios of comparable peers	41.2%		
G	**Weighted Average Cost of Capital (WACC)**	**({C X{1-F}) + ({D*{1-E}*F})**	**13.5%**		

Approach & Methodologies

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Terminal Growth Rate

A long-term growth rate of 3.5% has been applied wherever relevant, including in the computation of terminal values under discounted cash flow–based valuations and residual income valuations. We view the 3.5% rate as being close to a sustainable long term GDP growth for Sri Lanka.

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Economic Outlook

Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

JXG main business lines are

- Life Insurance
- Non-Bank Finance
- Investment Banking

All core business lines of JXG, most pertinently FCH and JF, represent business models which are very strongly interlinked with the macro economic environment and market interest rate cycles. Hence, management views on the economy and market rates strongly influence the forecasts (where relevant) underpinning the respective business valuations and ultimately the overall valuation of JXG. We present in this section, a high-level overview of the economic environment and outlook, particularly in the context of management assumptions across business lines.

Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Economic growth to be stable albeit moderate

Year-on Year (YoY) GDP growth of 5% for the year of 2024 as well as for the 9-month period ending September 2025 (YoY) represents Sri Lanka's partial recovery from the (7.3%) economic contraction experienced during the crisis year of 2022 (There was a further contraction of 2.3% in 2023).

With the stabilization of other macro variables (discussed subsequently) it is reasonable to expect stable GDP growth to continue.

Sri Lanka, however, experienced a minor economic shock in the form of cyclone Ditwah and the resulting severe flood impact in late November/early December 2025. The consensus estimate on GDP impact ranges between losses of approximately USD 4.1 Bn (approximately 4% of GDP) as per the World Bank.

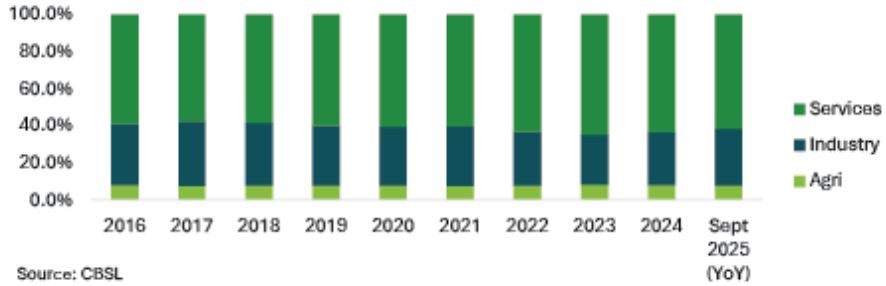
Conversely however, increased Government expenditure and private investment on rebuilding infrastructure, and road networks in particular, is expected to offset some of the negative impact from Ditwah. Hence, we do not view any significant medium- or long-term impact on the GDP growth rate. The services sector continues to dominate the nation's GDP composition. The short-term impact from Ditwah is likely to be more significant in the Agriculture and Industry/Manufacturing sector.

GDP Growth rate



Source: CBSL

GDP Composition



Source: CBSL

Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Anchoring valuations to sustainable 3.5% growth

While noting the upper end of the short to medium term projections given by the respective institutions noted below, we have considered a conservative 3.5% long term GDP growth outlook also taking into account the impact from the short term set back on account of Ditwah. We have considered the same in our projections of terminal value for relevant valuation methods in this report.

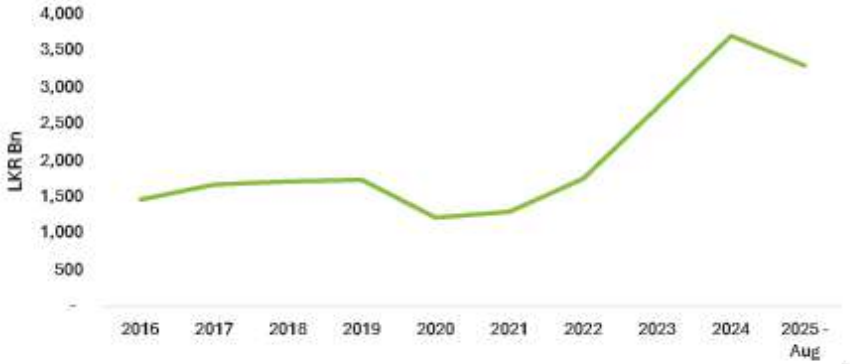
Economic growth Forecast for 2025 & 2026 (Post Cyclone Ditwah)

	ADB	IMF	Central Bank of Sri Lanka
2025	3.9%	4.2%	4.5%
2026	3.3%	2.9%	5.0%

Growth in Government revenue likely to taper

From Jan-May 2025, the Government recorded a significant increase in the total revenue and grants compared to the same period in 2024, this is largely due to the increase in tax collections related to motor vehicle imports. However, it is reasonable to expect that the current trend in total revenue will not be sustainable over a longer period upon the present surge driven by pent-up demand of motor vehicles subsiding.

Government Tax Revenue



Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Improved fiscal position to be challenged by Ditwah impact

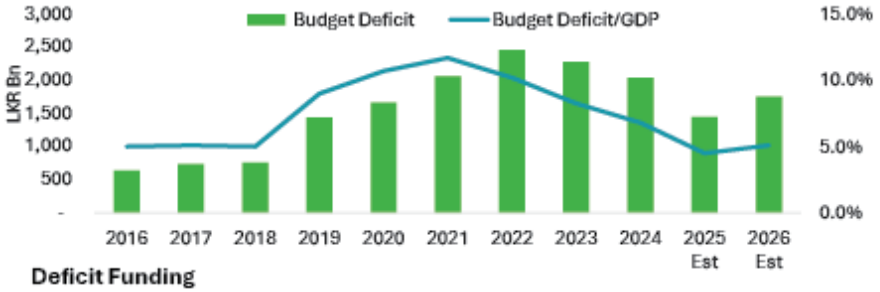
The fiscal performance of the government has improved since the 2020-2022 period which witnessed a stressed fiscal position. As represented by the graphs, the overall deficit itself has declined while the deficit as a % of GDP has receded to pre-crisis levels.

The IMF Extended Fund Facility programme which Sri Lanka agreed to has brought in substantial fiscal discipline and enhanced tax revenues, enabling progress on the path towards more sustainable public debt management.

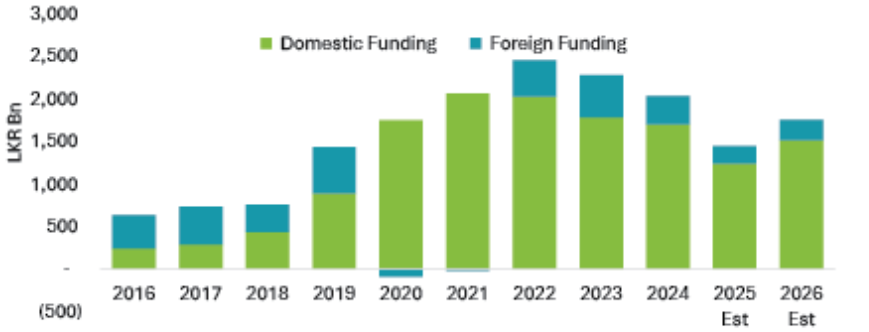
However, the Government's target to maintain the budget deficit at 4.5% and 5.1% of GDP for 2025 and 2026 respectively appears ambitious, more so in light of the significant expenditure it will have to now incur on rebuilding damaged infrastructure caused by the recent cyclone and flooding. Domestic funding of the deficit stood at 84% in 2024 and is projected to increase marginally by the end of 2026. With only such marginal increases, the impact of greater Government borrowing to fund the deficit is not expected to cause significant upward pressure on market interest rates.

Notwithstanding however, the unexpected expenditure the Government will have to incur to rebuild damaged infrastructure may however place upward pressure on the domestic borrowing targets.

Budget Deficit



Deficit Funding



Source: CBSL

Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

A favorable outlook on credit ratings

A counterpoint to the previous discussion on deficits, however, is the improved credit ratings, which have been notched upwards in line with the largely successful restructuring of International Sovereign Bond (ISB) repayments, IMF funding and improved macro indicators. Further improvement in ratings, envisaged upon commencement of ISB repayments in 2028 may result in the international bond markets being accessible to Sri Lanka thereafter.

This may reduce some of the upward pressure on domestic funding in the medium/long term.

Credit Ratings

	Fitch	Moody's	S&P
2022	Restricted default	Ca	Selective default
2023	Restricted default	Ca	Selective default
2024	CCC+	Caa1	Selective default
2025	CCC+ (Affirmed)	Caa1(Affirmed)	CCC+

Marginal depreciation and broad stability witnessed in the Sri Lankan Rupee

From early January 2025, the Sri Lankan rupee began to weaken against the US dollar amid rising foreign currency demand following the relaxation of vehicle import restrictions. As a result the USD/LKR rate reached LKR 302.61 by the end of September 2025. This depreciation trend continued through the year, with the LKR weakening by approximately 5.7% against the USD from January to December 2025, reaching LKR 309.99 as at December 2025. Despite recent developments we do not expect any sharp volatility in the Rupee during 2026. Gradual depreciation is possible, but the CBSL is likely to intervene if there are signs that depreciation may occur beyond a desirable level.

Exchange Rate USD/LKR SPOT



Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Stable market rate environment with some potential short term upward pressure

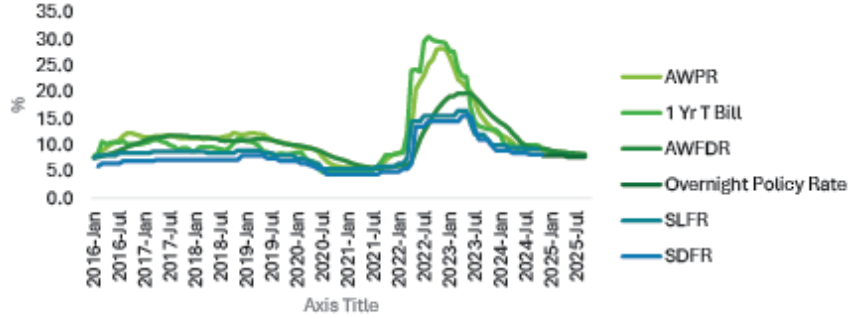
As depicted on the market rates graph, interest rates have stabilized over the past 24 months, declining from the historic highs experienced during the economic crisis period and its immediate aftermath.

Improvement in the fiscal position, stabilizing external position and substantially lower inflation has led to lower policy rates. Market interest rates in turn have also followed a similar trend.

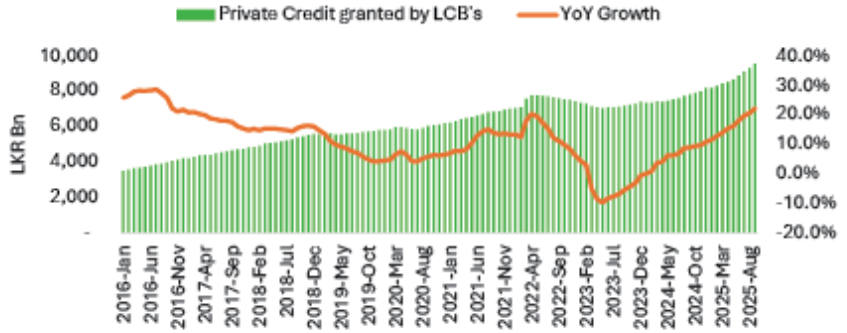
Although the CBSL has in recent times acted independently, we are of the view that it will align with Government expectations in this instance and continue to hold or lower policy rates in the short to medium term to boost economic growth. We view the impact from cyclone Ditwah as further strengthening the case for CBSL to try and keep borrowing rates lower. If government borrowings rates to rebuild infrastructure are much higher than envisaged and if inflation is much higher than expectations it is likely that we may see a surge in bond and bank rates. We however view same as being a short-term impact.

Increasing trend in private credit growth may also be another element pointing towards upward pressure on rates in the short term.

Market Rates



Private Credit



Economic Outlook

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

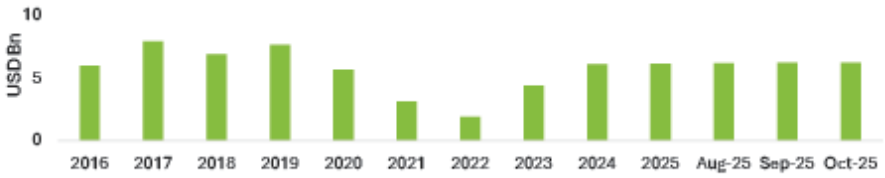
Constant gross official reserves maintained while inflation approaches long term targets

In March 2025, the gross official reserves increased to USD 6.5 Bn supported by the receipt of the fourth tranche under the IMF Extended Fund Facility arrangement and the net purchases (USD 402 Mn) by the Central Bank from the domestic foreign exchange market during the month.

Prudent CBSL policies have supported Sri Lanka to maintain a constant level of Gross Official Reserves, which is a notable turnaround since 2022, when it declined to a very low level in terms of number of months of imports.

Further, the IMF approved a further disbursement of SDR 150.5 Mn for Sri Lanka under the Rapid Financing Instrument. This emergency support should address the urgent balance-of-payments and fiscal pressures in the economy which have risen due to the natural disaster. However, IMF debt repayments have been presumed to be costlier due to effective interest rates that factor in surcharges.

Gross Official Reserves USD Bn



Source: CBSL

Inflation returns to single-digit levels

As shown in the below graph, from 2020 to 2024, Sri Lanka's inflation moved from moderate levels to a sharp spike in 2022 due to the foreign exchange crisis. Inflation eased during 2023–2024 following government monitory policy measures. During 2025, inflation initially remained low, reporting deflation in early months, but gradually returned to positive. By September 2025, CCPI headline inflation recorded at 2%, ending the year at 2.7% in December 2025. Looking ahead to 2026, inflation may face moderate upward pressure from Ditwah related impacts. Consensus expectations however indicate inflation to settle in the mid-single digits during the latter part of 2026.

Inflation



First Capital Group

First Capital Group

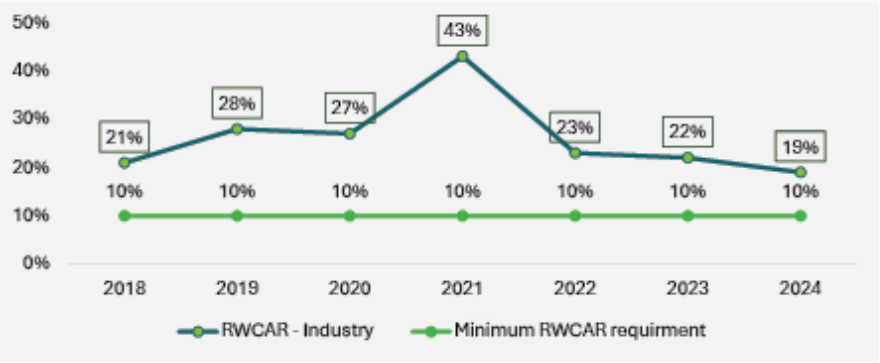
First Capital Treasuries PLC (FCT)

First Capital Treasuries PLC (FCT)

Company and Industry Overview

- FCT is amongst Sri Lanka's leading licensed Primary Dealers, operating in the government securities market. The company functions as an intermediary in the market playing a vital role in the country's financial system and the economy.
- FCT is a subsidiary of FCL, which holds a controlling stake of 89.4% in FCT. FCL is, in turn, fully owned by FCH.

- The Primary Dealer industry in Sri Lanka consists of five bank Primary Dealers and five non-bank Primary Dealers, all of which are licensed and regulated by the Central Bank of Sri Lanka (CBSL).
- The Central Bank of Sri Lanka (CBSL) sets out specific capital and reserve requirements for Primary Dealer Companies (PDCs). Accordingly, PDCs must maintain a required Risk-Weighted Capital Adequacy Ratio (RWCAR), which carries a regulatory minimum requirement of 10%. Further, as per CBSL, PDCs must maintain core capital of at least LKR 2.5 Bn until 31 December 2025. Thereafter, the minimum core capital requirement will increase to LKR 4.0 Bn from 1 January 2026 and to LKR 5.0 Bn from 1 January 2027.
- In addition, PDCs are required to maintain a Special Risk Reserve by transferring at least 10% of their annual profit after tax to support solvency and absorb potential trading losses.



As of 2024, the equity base of PDCs recorded a slight decline of 2.3%, primarily driven by the drop in profitability during 2024. Despite this, the Risk-Weighted Capital Adequacy Ratio (RWCAR) remained above the regulatory minimum requirement of 10%. The industry's RWCAR stood at 18.7% at end-2024, compared to 22.3% reported at end-2023, reflecting a marginal reduction.

** Sector data is available only up to December 2024*

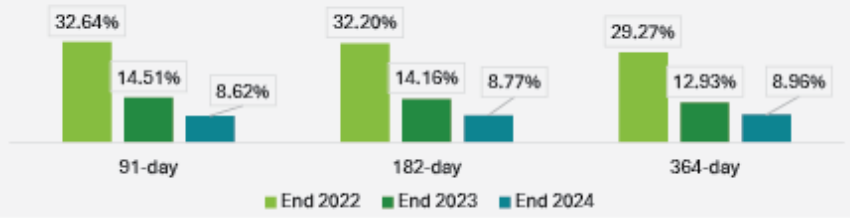
First Capital Treasuries PLC (FCT)

Company and Industry Overview

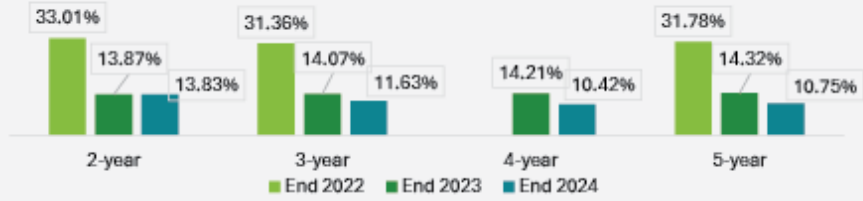
- The Primary Dealer industry in Sri Lanka experienced significant volatility in recent years. The high-interest rate environment in 2022 led to increased yields across government securities, and as interest rates began to decline in 2023, PDCs recorded extraordinary gains chiefly driven by capital gains and fair valuation gains on government securities portfolios.
- In 2024, the trading opportunities in government securities moderated with stabilization of interest rates. As a result, PDCs experienced a significant decline in profitability in 2024, with profits falling by 68% year on year. PDCs reported a profit after tax (PAT) of LKR 9.7 Bn in 2024, compared to LKR 30.4 Bn in 2023. The decline in profitability was primarily driven by a reduction in interest income and capital gains, alongside higher revaluation losses on financial assets held for trading.
- Despite the drop in profits, total assets of PDCs grew by 9.7% to LKR 297.2 Bn in 2024, up from LKR 270.9 Bn in 2023.

Source – CBSL Annual Economic Review, 2024

Yield rates on T-bills



Yield rates on T-bonds



During 2025, yields on government securities in Sri Lanka have remained relatively subdued, reflecting continued easing of monetary conditions and improved market sentiment following the debt-restructuring program. As a result, the yield curve has flattened compared to the steep curvature during 2022–2023 and interest income for primary dealers remain stable. Large capital gains/losses from trading government securities is likely to be moderate relative to prior years of heightened volatility.

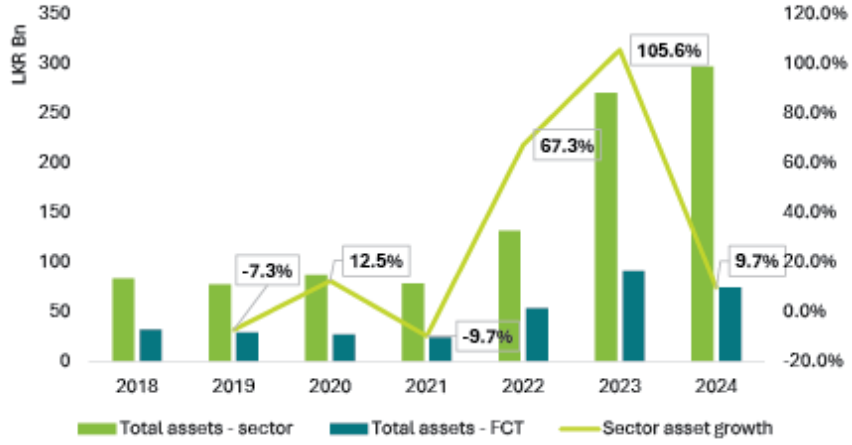
As discussed under the section on 'Economic Outlook' it is possible there is some possibility of upward pressure on yields, albeit it being short term and transitory in nature.

First Capital Treasuries PLC (FCT)

Company and Industry Overview

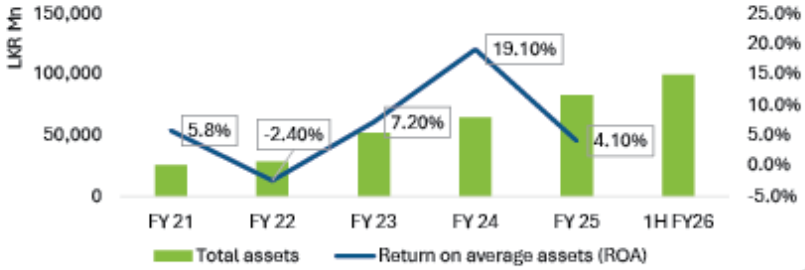
As of 2024, FCT accounted for LKR 74.7 Bn in total assets, representing 25% of the non-bank primary dealer's total asset base. This substantial market share highlights the entity's systemic importance within the Primary Dealer sector.

Sector assets and growth



** Sector data is available only up to December 2024*

Assets growth - FCT



FCT's profitability during the first six months ended 30 September 2025 remained moderate, reflecting the more stable and less volatile interest rate environment seen throughout 2025. This performance trend is consistent with the results reported by other primary dealers during the period. FCT recorded a post tax profit of LKR 1,571.8 Mn for the six months, supported by a total asset base of LKR 99,653 Mn as of 30 September 2025.

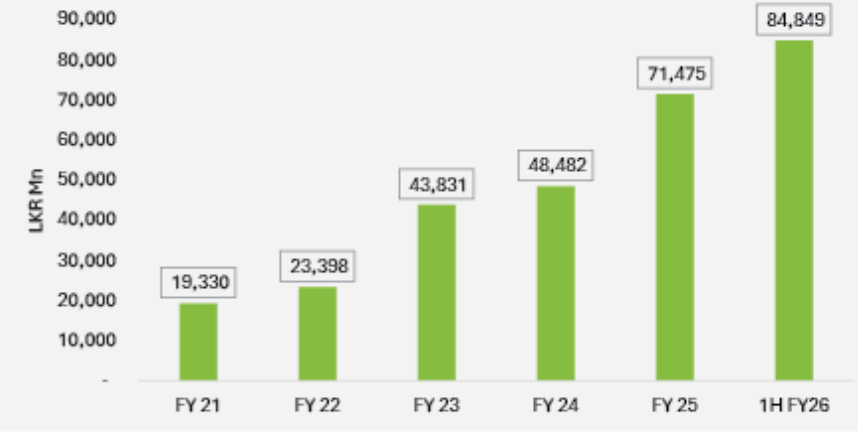
As of the same date, FCT maintained a government securities portfolio of LKR 99,653.1 Mn, comprising 87% marked to market securities and 13% held-to-maturity investments, a portfolio mix typical for non-bank primary dealers given their market-making role.

First Capital Treasuries PLC (FCT)

Company and Industry Overview

The Primary Dealer business model is fundamentally driven by financing its asset base through repurchase (repo) agreements. Under this structure, government securities are pledged as collateral to raise short-term funding, which is then utilized to support and expand the dealer's investment portfolio. As of 30 September 2025, FCT's repo-based liabilities amounted to LKR 84,848.5 Mn, reflecting the business's reliance on leveraged funding. The company's leverage ratio (debt-to-equity) stood at 8.2x, in line with the higher leverage profile generally observed in the sector.

Securities sold under repo agreements



Deloitte Partners | Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

For the six-month period ending 30 September 2025, First Capital Treasuries PLC recorded income of LKR 6,210.6 Mn with a net trading income of LKR 2,754.9 Mn and other income of LKR 13.1 Mn. For the year ended 31 March 2025, the company reported a post-tax profit of LKR 3,042.4 Mn. Considering the historical performance, it is observed that the income expanded significantly in FY2023/24 due to the strong trading gains as a result of the volatility seen in interest rates. However, as market conditions normalized and interest rates eased during the FY 2024/25, income levels also moderated accordingly.

Operating expenses for the six-month period ended 30 September 2025 remained moderate, with personnel costs amounting to LKR 322.7 Mn and other operating expenses totaling LKR 137.9 Mn. Historically, personnel expenses have shown considerable variation, with the sharp increase in FY 2023/24 largely attributable to higher bonus payouts following an exceptional year of trading gains. As income levels moderated in the following year, personnel expenses declined due to lower incentive payments.

	FY 21	FY 22	FY 23	FY 24	FY 25
Net Interest Margin (NIM)	11.8%	(1.6%)	7.1%	30.6%	5.7%
Return on Assets (ROA)	5.8%	(2.4%)	7.2%	19.07%	4.1%
Return on Equity (ROE)	44.5%	(15.5%)	61.8%	169.6%	36.2%
Risk Weighted Capital Adequacy Ratio (RWCAR)	33.2%	84.9%	23.9%	22.8%	15.5%

First Capital Treasuries PLC (FCT)

Historical Statement of Profit and Loss

in LKR Mn.

First Capital Treasuries PLC Statement of Profit and Loss For the year ended 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
Income	4,294	623	9,970	26,599	10,838	6,211
Direct expenses	(1,323)	(1,055)	(6,305)	(7,894)	(6,166)	(3,456)
Net trading income	**2,972**	**(432)**	**3,665**	**18,705**	**4,672**	**2,755**
Other income	207	55	5	9	54	13
Gain/ (loss) on fair valuation of financial assets recognized through profit or loss measured at fair value	(386)	(74)	1,078	(308)	627	(11)
Net income before operating expenses	**2,793**	**(451)**	**4,748**	**18,406**	**5,353**	**2,757**
Operating expenses						
Personnel expenses	(324)	(111)	(443)	(1,642)	(297)	(323)
Premises, equipment and establishment expenses	(9)	(31)	(14)	(55)	(85)	
Other operating expenses	(63)	(297)	(537)	(671)	(499)	(138)
Profit before tax	**2,397**	**(890)**	**3,753**	**16,038**	**4,472**	**2,297**
Income tax expenses	(560)	237	(867)	(4,895)	(1,430)	(725)
Profit for the year	**1,837**	**(652)**	**2,886**	**11,143**	**3,042**	**1,572**

First Capital Treasuries PLC (FCT)

Historical Statement of Financial Position

In LKR Mn.

First Capital Treasuries PLC Statement of Financial Position As of 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
Assets						
Cash at banks and in hand	147	349	24	29	236	23
Derivative financial instruments	2	5	51	52	3	20
Financial assets recognized through profit or loss - measured at FV	23,085	24,510	50,753	56,685	78,108	85,550
Financial assets - at amortised cost	2,158	3,110	1,132	4,539	3,305	12,813
Amounts due from related companies	0.165	2	4	5	28	4
Deferred tax asset	5	94	5	-	187	108
Other assets	316	338	338	2,923	669	569
Property, plant and equipment and right of use assets	10	8	16	322	605	562
Intangible assets	0.9	0.6	0.5	0.6	5	4
Total assets	**25,724**	**28,417**	**52,324**	**64,556**	**83,145**	**99,653**

First Capital Treasuries PLC (FCT)

Historical Statement of Financial Position

In LKR Mn.

First Capital Treasuries PLC Statement of Financial Position As of 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY 26
Liabilities						
Derivative financial instruments	0.8	3	154	72	0.8	4
Securities sold under re-purchase agreements	19,330	23,398	43,831	48,482	71,475	84,849
Short-term borrowings	-	-	-	-	806	0.01
Creditors and other payables	336	364	1,453	4,280	919	524
Amounts due to related companies	19	7	12	280	18	12
Deferred tax liability	-	-	-	16	-	-
Taxes payable	741	-	630	2,972	790	427
Borrowing on listed debentures	759	761	762	764	-	3,128
Retirement benefit obligations	20	12	19	11	14	17
Total Liabilities	**21,206**	**24,543**	**46,860**	**56,877**	**74,023**	**88,960**
Equity						
Stated capital	257	257	257	257	257	257
Risk reserve	1,387	1,387	1,675	2,790	3,094	3,251
Retained earnings	2,877	2,232	3,534	4,635	5,773	7,188
Fair valuation reserve	(2)	(2)	(2)	(2)	(2)	(2)
Total Equity	**4,518**	**3,874**	**5,464**	**7,679**	**9,121**	**10,693**
Total Equity and Liabilities	**25,724**	**28,417**	**52,324**	**64,556**	**83,145**	**99,653**

First Capital Treasuries PLC (FCT)

Forecast Financials

FCT Forecast Financials

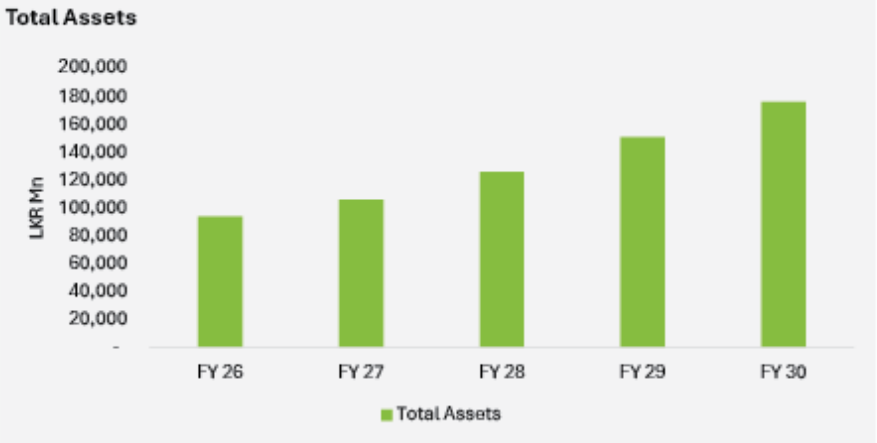
FCT's forward-looking performance is shaped by a more predictable stable yield structure. With monetary conditions stabilizing and with low yields, the company is expected to generate earnings that are relatively stable and more reflective of its core primary dealer operations compared against the exceptional capital gains seen during FY 2023/24.

Over the forecast period, net trading income is projected to increase progressively from LKR 3,126.4 Mn in FY 2025/26 to LKR 4,743.1 Mn by FY 2029/30 supported by gradual balance sheet expansion. This growth does not assume unusual valuation gains and is reflective of consistent recurring trading income and interest spreads.

Operating expenses are forecast to rise moderately in line with business activity and inflationary adjustments. Personnel expenses are projected to stabilize at levels consistent with a normalized bonus structure, while other overheads increase gradually.

As the balance sheet expands, particularly through repo-funded holdings of government securities, FCT's leverage is expected to rise further during the forecast period.

Management has applied a 1.5% interest spread in estimating net interest income, aligning with prevailing market conditions. As profitability has normalized, both ROA and ROE are expected to moderate slightly during the forecast period, relative to historical levels. Profit after tax is forecast to increase gradually from LKR 1,397.5 Mn in FY2025/26 to LKR 2,054.2 Mn by FY2029/30, below the historical PAT levels as management anticipates a less volatile interest rate environment. Accordingly, the forecasts exclude any gains or losses arising from fair value movements of financial assets.



First Capital Treasuries PLC (FCT)

Justified Price to Book Value

The Justified Price-to-Book (JPBV) method used represents a derivation of the Gordon Growth Model. Under this approach, the company's net asset value is adjusted by a theoretically derived multiple that reflects its sustainable return on equity (ROE), expected long-term growth, and cost of equity (Ke). This allows for an estimation of the company's intrinsic equity value based on its ability to generate and grow returns over time.

$$\text{JPBV} = \frac{(\text{ROE} - \text{Growth Rate})}{(\text{Ke} - \text{Growth Rate})}$$

ROE %	25.0%
Growth Rate %	3.5%
Cost of Equity	17.4%
JPBV multiple	(25%-3.5%) / (17.4%-3.5%) = **1.6x**
Book Value as of 30 September 2025 (LKR Mn)	10,693.2
Equity Value of FCT (LKR Mn)	**17,109.1**

The valuation range for FCT is as below. *in LKR Mn.*

Lower	Base case	Upper
16,254.0	17,109.1	17,965.0

Lower and upper bounds are based on a change of 5 percent +/- on the valuation multiple

Cost of Equity (Ke) computation

Ref	Key assumptions *	Source	FY26+
A	Sri Lankan Government Treasury Bond rates	Average <10-year T-bond rate from the secondary bond market as of the Valuation Date.	11.1%
B	Equity market risk premium (EMRP)	EMRP for Sri Lanka based on market sources. The value presented here is a beta adjusted EMRP.	6.3%
C	**Cost of Equity**	**A + B**	**17.4%**

**Rates and ratios considered are as of 30 September 2025– which is the Valuation Date*

We understand that FCT has paid a dividend of LKR 5 per share post the Valuation Date (announced before the Valuation Date). Please refer page 13. As the dividend is a final dividend requiring shareholder approval which was not obtained as of the Valuation Date, we do not adjust our base valuations for the IPO. However, the impact from the dividend payout would result in FCT value (mid point) declining from LKR 17,109.1 MN to LKR 14,031.1 Mn.

First Capital Treasuries PLC (FCT)

Justified Price to Book Value

Return on Equity (ROE)

An ROE of 25% has been used as an input in deriving the Justified Price-to-Book multiple. This was determined by considering FCT's historical average ROE over the past 10 years excluding outliers, and the forecast average ROE. The mid-point of these two figures yields an ROE of 25% which we deem to be a reasonable estimate for average returns over a longer period, particularly given FCT's history of maintaining a relatively high dividend payout and high leverage levels.

Growth Rate

In lieu of applying a purely formula-driven growth assumption under the Justified Price-to-Book framework, a long-term GDP growth rate of 3.5% has been used in deriving the JPBV multiple. We view this growth to be more reflective of underlying macro conditions.

	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Dividend payout ratio	0%	36%	12%	0%	21%	28%	0%	32%	80%	53%

First Capital Treasuries PLC (FCT)

Comparable Companies Multiples (CCM) method as of 30 September 2025

As a secondary check, the fair value of the 100% equity interest in FCT was also assessed using the market-based comparable trading multiples approach. The peer companies were selected based on similarities in core business activities.

The peer group considered comprised of one Sri Lankan entity and two Indian entities. Of these, only the Sri Lankan peer which is Capital Alliance PLC, is comparable to FCT in terms of asset size and the business model. The Indian peers are significantly larger in scale, with risk profiles and growth dynamics that differ from those of FCT due to different market environments. Given these comparability limitations, this approach has been used only as a cross-check and not as the primary valuation method.

In LKR Mn.

First Capital Treasuries PLC (FCT) Market Comparable Methodology PBV Multiple	Lower	Base	Upper
Book Value as of 30 September 2025	10,693.2	10,693.2	10,693.2
Implied PBV Multiple (+/- 5%)	1.38	1.45	1.52
Equity Value	**14,729.9**	**15,505.1**	**16,280.4**

The following peer companies were considered in deriving the implied PBV multiple of 1.45x as of 30 September 2025.

Company name	Country	Company description
Capital Alliance PLC	Sri Lanka	Capital Alliance PLC primarily engaged in the primary dealer business.
PNB Gilts Ltd	India	PNB Gilts Ltd primarily engaged in the buying and selling of government securities, corporate bonds, and other debt instruments. The company operates as a primary dealer authorized by the Reserve Bank of India (RBI)
AK Capital Services Ltd	India	AK Capital Services is a primary dealer authorized by the Reserve Bank of India (RBI) to engage in the buying and selling of government securities.

As indicated on page 46 the equity valuation would decline upon dividend payout. Under the secondary approach the valuation drops to a mid-point of LKR 12,427.1 Mn subsequent to the dividend to be paid by FCT.

First Capital Treasuries PLC (FCT)

Volume Weighted Average Price (VWAP)

Volume Weighted Average Price (VWAP), is a trading benchmark that reflects the average price at which a security has traded throughout a specific period, weighted by the volume of shares traded at each price level.

$$\text{VWAP} = \frac{\sum_{i=1}^{n} = 1n(P_i \times V_i)}{\sum_{i=1}^{n} V_i}$$

Where;

P_i = *Price of shares at each trade (for each time period i)*

V_i = *Volume of shares traded at that price* P_i

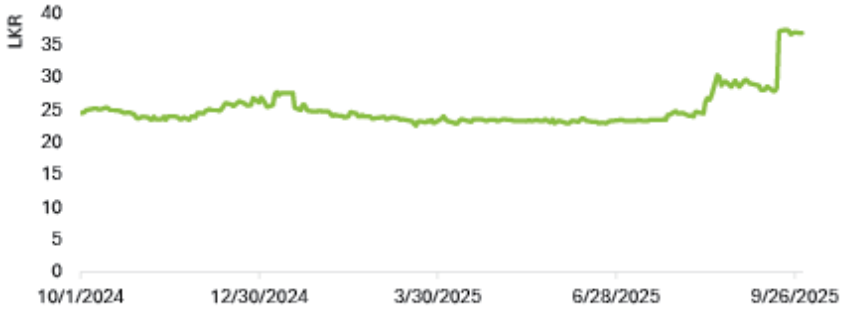
n = *Total number of trades or time intervals during the period*

As FCT is a listed entity, the Volume Weighted Average Price (VWAP) was also considered as a cross check for the primary valuation. However, FCT has a relatively small public float of 10.6%, which may limit liquidity, and the average percentage traded daily amounts to only 0.04%. In addition, the share price can be influenced by prevailing market sentiment, both positive and negative, and may not fully reflect the company's underlying fundamentals.

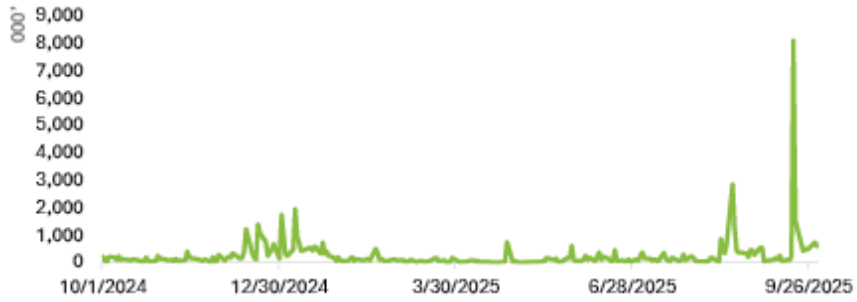
	12-month VWAP
No of Shares	615,600,000
VWAP Price	LKR 28.30
Equity Value (LKR Mn)	**17,423.0**

Source : Colombo Stock Exchange – Historical price data

Share price movements for the last 12 months to the Valuation Date



Share volume movements for the last 12 months to the Valuation Date



First Capital Group

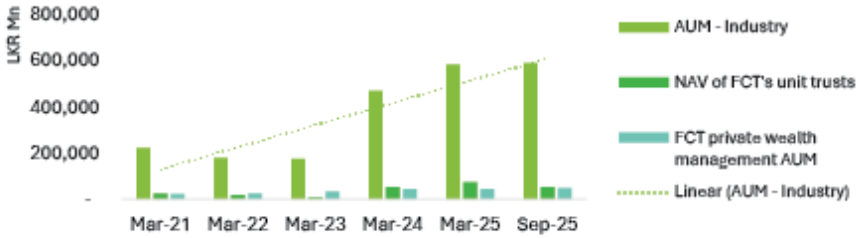
First Capital Asset Management (FCAM)

First Capital Asset Management (FCAM)

Company and Industry Overview

- FCAM is a leading Sri Lankan investment management firm specializing in professionally managed investment portfolios and unit trust funds.
- As of 30 September 2025, FCAM's Net Asset Value under Management in unit trusts stood at LKR 50,693 Mn, representing a 9% share of the unit trust industry in Sri Lanka. In addition to its unit trust business, the firm managed a private wealth portfolio valued at LKR 47,981 Mn as of 30 September 2025, catering to institutional and high-net-worth individual clients.

- As of 30 September 2025, 16 unit trust management companies were actively operating in Sri Lanka, collectively managing a total industry-wide Assets Under Management (AUM) amount of LKR 592,077 Mn.
- As shown in the below graph, AUM declined marginally between March 2022 and March 2023 due to the macroeconomic crisis that led to weak investor confidence and where fixed deposits and government bonds became more attractive and lower-risk investment options. Thereafter, AUM increased sharply as unit trusts earned higher returns by investing in Treasury bills and bonds during the increased and volatile interest rates periods.



Management company	Net Asset Value (LKR Mn)	Market share %
NDB Wealth Management Ltd	187,290	31.6%
Capital Alliance Investments Ltd	165,402	27.9%
First Capital Asset Management Limited	50,693	8.6%
Asia Securities Wealth Management (Pvt) Ltd	39,420	6.7%
JB Financial (Pvt) Ltd	33,269	5.6%
Assetline Capital (Pvt) Ltd	23,656	4.0%
Ceybank Asset Management (Pvt) Ltd	23,563	4.0%
Ceylon Asset Management Limited	19,406	3.3%
Senfin Asset Management (Pvt) Ltd	15,389	2.6%
LYNEAR Wealth Management (Pvt) Ltd	13,099	2.2%
CT Smith Equity Fund	8,507	1.4%
National Asset Management Limited	5,454	0.9%
Asset Trust Management (Pvt) Ltd	3,663	0.6%
Softlogic Asset Management (Pvt) Ltd	1,206	0.2%
ArpicoAtaraxia Asset Management Pvt Ltd	1,105	0.2%
Premier Wealth Management Limited	955	0.2%

Source : Unit Trust Association of Sri Lanka – Performance report of September 2025

First Capital Asset Management (FCAM)

Company and Industry Overview

As of 30 September 2025, Sri Lanka's unit trust industry consists of 84 funds managed by asset management companies, with close-ended funds accounting for only two out of the total.

Fund type	Total funds in the industry
Close-ended income funds	2
Open-ended Shariah money market funds	2
Open-end equity index/sector funds	4
Open-ended balanced funds (equity & fixed income)	10
Open-ended equity and fixed income fund	1
Open-ended gilt-edged funds	10
Open-ended growth funds (equity)	12
Open-ended income funds	20
Open-ended IPO fund	1
Open-ended money-market funds	21
Open-ended Shariah funds – equity	1

Source : Unit Trust Association of Sri Lanka – Performance report of September 2025

We ascertain that unit trusts represent only about 1.5% of the total financial assets held by the public, pointing to significant untapped growth potential.

We also understand, based on publicly available information that industry stakeholders; the Unit Trust Association of Sri Lanka (UTASL) in particular, together with the Securities and Exchange Commission (SEC) and the Colombo Stock Exchange (CSE), continue to aggressively focus on enhancing financial literacy with a view to increasing awareness and investment into unit trust products.

First Capital Asset Management (FCAM)

Company and Industry Overview

As of 30 September 2025, FCAM manages six distinct unit trust funds. The table below illustrates the historical trend in the NAV of these funds over recent years, highlighting changes in fund size driven by market conditions and investor inflows across different investment mandates.

Name of the Fund	Nature of the fund	Total Equity (NAV of the fund) - LKR Mn					
		FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
First Capital Wealth Fund	Investment in medium term Fixed Income Securities. (i.e. Government Securities and Corporate Debt Securities) on behalf of its clients.	262	257	63	169	353	342
First Capital Money Market Fund	Investment in Short Term Fixed Income Securities on behalf of its clients.	21,478	15,431	4,682	48,589	70,398	45,822
First Capital Gilt-Edged Fund	Investment in Government Securities on behalf of its clients.	54	56	1,367	229	216	209
First Capital Fixed Income Fund	Investment in Fixed Income Securities (i.e. Government Securities and Corporate Debt Securities).	939	996	977	1,106	1,581	2,619
First Capital Equity Fund	Investment in equity shares on behalf of its clients.	79	92	104	295	712	1,572
First Capital Money Plus Fund	Investment in Short Term Fixed Income Securities on behalf of its clients.	-	-	-	-	235	129
		22,813	**16,831**	**7,194**	**50,388**	**73,496**	**50,693**

First Capital Asset Management (FCAM)

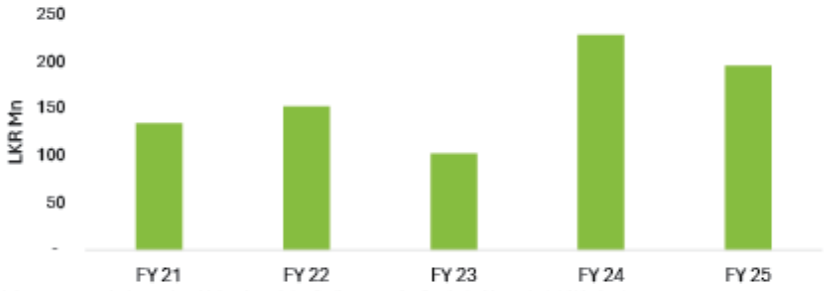
Historical Financials

The primary source of income for asset management companies in Sri Lanka is fee income earned from funds under management. At FCAM, income is mainly derived from two components; management fees and performance (outperformance) fees income. Of these, management fees constitute the largest share of total income.

Management fee rates vary across asset management companies depending on the type of fund, mandate, and client segment. As of 30 September, the average management fee applicable to unit trust AUM managed by FCAM was approximately 0.4%, while private wealth management carried a lower fee of around 0.3% of AUM. Performance fees, where applicable, are contingent on returns exceeding predefined benchmarks and are therefore more volatile.

FCAM's historical fee income trends are largely influenced by changes in AUM levels and market rates.

Fee income



Expenses

The operating expenses of FCAM are largely driven by personnel-related expenses due to the people intensive nature of the asset management business, where investment management and client servicing rely heavily on skilled professionals.

Other operating expenses and premises, equipment, and establishment costs mainly comprise of depreciation of existing assets, professional services, information technology infrastructure, sales and marketing activities, and general administrative expenses. Depreciation expenses arise primarily from software used and there are no material capital investments during the period under review.

Profitability

FCAM reported a net profit of LKR 106.1 Mn for the year ended 31 March 2025, supported by higher assets under management and stable fee-based income. For the six-month period ended 30 September 2025, the company recorded a net profit of LKR 47.7 Mn.

	FY 21	FY 22	FY 23	FY 24	FY 25
Personal Expenses	81.8%	74.8%	75.4%	68.7%	57.2%
Premises, Equipment and Establishment Expenses	17.3%	23.7%	23.9%	30.9%	42.7%
Other Operating Expenses	0.9%	1.5%	0.7%	0.4%	0.1%

First Capital Asset Management (FCAM)

Historical Financials

Assets

As of 30 September 2025, the balance sheet of FCAM remained relatively small, reflecting the income-driven nature of the business rather than a balance-sheet-intensive model. Of the total assets, 61% was made up of financial investments in unit trusts and the remaining assets mainly consisted of management fee receivables, prepayments, and other miscellaneous receivables, which together represented the working capital required to support day-to-day operations.

Liabilities

As of 30 September 2025, FCAM's liabilities were mainly operational in nature. Liabilities mainly comprised of accruals and other payables, including staff bonus provisions, operating expenses, VAT, and other routine payables. The company did not carry any interest-bearing debt as at the Valuation Date.

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First Capital Asset Management (FCAM)

Summarised Historical Statement of Profit and Loss

in LKR Mn.

First Capital Asset Management Limited Statement of Profit and Loss For the year ended 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
Income	134	152	102	228	433	213
Direct Expense	(0.9)	(0.3)	-	-	(21)	-
Net trading income	**133**	**152**	**102**	**228**	**413**	**213**
Gain on Fair Valuation of Financial Assets recognised through Profit or Loss Measured at Fair Value	32	14	24	18	21	17
	165	**166**	**126**	**246**	**434**	**231**
Personnel expenses	(55)	(39)	(97)	(164)	(161)	(81)
Premises, Equipment and Establishment expenses	(12)	(12)	(31)	(74)	(120)	(82)
Other Operating expenses	(0.6)	(0.8)	(0.9)	(1.0)	(0.09)	(0.3)
Profit before tax	**97**	**114**	**(3)**	**8**	**153**	**67**
Income tax expense	(20)	(27)	2	(1)	(46)	(19)
Profit for the year	**77**	**87**	**(0.4)**	**6**	**106**	**48**

First Capital Asset Management (FCAM)

Summarised Historical Statement of Financial Position

in LKR Mn.

First Capital Asset Management Limited Statement of Financial Position As of 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
Assets						
Cash at Banks and in Hand	12	3	13	1	1	5
Financial Assets Measured at Fair Value through Profit or Loss	115	192	102	100	179	188
Financial Assets Measured at Amortised Cost	-	-	-	5	2	2
Amounts Due from Related Companies	0.05	0.02	0.3	2	-	0.2
Income Tax Receivable	-	-	8	8	-	-
Other Assets	17	15	21	55	113	91
Deferred Tax Asset	1	1	2	2	14	7
Property, Plant and Equipment and Right of Use Asset	2	1	0.4	2	1	1
Intangible Assets	1	3	5	6	12	12
Total Assets	**148**	**215**	**152**	**180**	**322**	**307**

First Capital Asset Management (FCAM)

Summarised Historical Statement of Financial Position

in LKR Mn.

First Capital Asset Management Limited Statement of Financial Position As of 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
Liabilities						
Bank Overdraft	-	0.007	0.006	0.06	-	-
Accruals and Other Payables	25	5	54	73	61	144
Amounts Due to Related Companies	5	3	8	10	24	7
Income Tax Payable	1	3	-	-	31	13
Retirement Benefit Obligations	2	2	3	5	9	11
Total Liabilities	**34**	**13**	**66**	**88**	**125**	**175**
Equity						
Stated Capital	55	55	55	55	55	55
Retained earnings	59	146	31	36	142	77
Total Equity	**114**	**202**	**86**	**92**	**197**	**132**
Total Equity and Liabilities	**148**	**215**	**152**	**180**	**322**	**307**

First Capital Asset Management (FCAM)

Forecast Financials

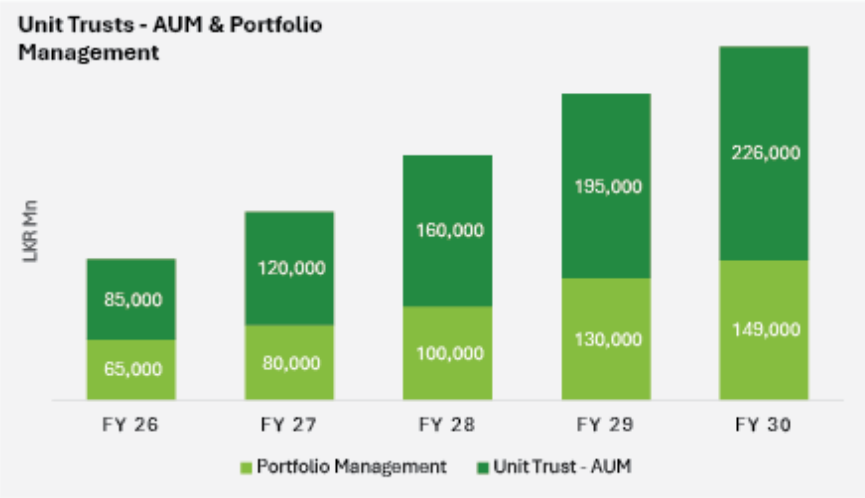
Sector Outlook

The medium-term outlook for the asset management industry in Sri Lanka remains positive, supported by improving macroeconomic stability. Unit trusts currently account for only a small proportion of public financial assets, indicating significant untapped growth potential. Industry-wide efforts by UTASL, the SEC, and the CSE to enhance financial literacy are expected to expand participation in professionally managed investments. As investors gradually shift from traditional deposits to diversified investment products, demand for unit trusts and private wealth management services is likely to increase.

Forecast Financials - FCAM

The forecast income statement and balance sheet projections provided by FCAM are based on management's expectations of strong growth in industry-wide unit trust AUM, as well as continued expansion in private wealth management and the company's overall AUM. Management has indicated confidence in achieving the projected targets, supported by the client onboarding strategy currently being implemented and the continued rollout of digital initiatives.

During the forecast period from FY2025/26 to FY2029/30, FCAM's total AUM is projected to increase materially across both unit trust and portfolio (private wealth) management segments. Unit Trust AUM is forecast to grow from LKR 73 Bn in FY2024/25 to LKR 226 Bn by FY2029/30, implying a five-year CAGR of approximately 18%. Portfolio (private wealth) Management AUM is projected to increase from LKR 43 Bn to LKR 149 Bn over the same period, reporting a CAGR of approximately 22%.



First Capital Asset Management (FCAM)

Forecast Financials

Overall total AUM is forecast to grow from LKR 116 Mn to LKR 375 Bn, representing a CAGR of 20% over the forecast period. Management cites expansion of foreign agent network to five agents, the rollout of real-time fund transfers via a smart application, the development of integrated digital payment solutions and the launch of new unit trust products as justifications for the strong growth outlook.

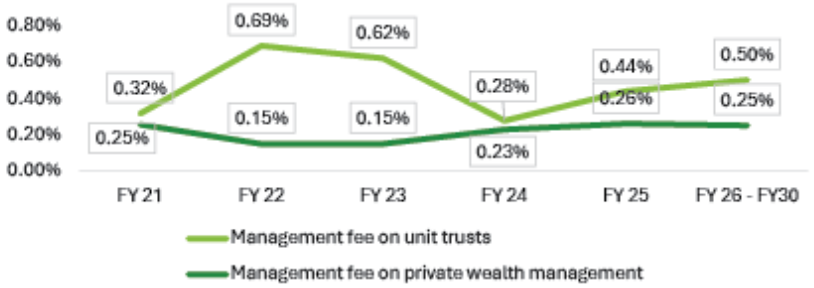
We view the assumptions as being fairly aggressive particularly in relation to historical performance. However, we also share the management's view of the potential in the unit trust and private wealth management industry. Hence robust industry growth is a reasonable expectation.

Management Fee

The forecast management fee assumptions applied to both unit trust and portfolio management AUM are consistent with historical averages. Historically, management fees on unit trusts have ranged between 0.3% and 0.7%, while portfolio management fees have generally been within the 0.1% to 0.3% range.

For the forecast period, the management fee on unit trust AUM has been projected at 0.50% whilst a fee of 0.25% has been assumed for portfolio management. AUM growth remains the primary driver of revenue growth over the forecast horizon.

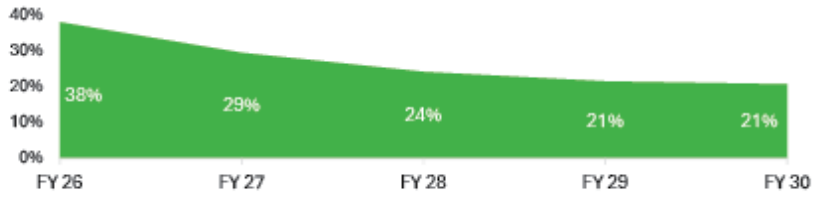
Management Fee



Expenses

Operating expenses are expected to increase in line with the expansion of the growth in AUM. Personnel costs are projected to rise gradually because of headcount additions to the sales team and routine salary increments required to support business growth. However, personnel expenses and other operating expenses as a % of revenue are expected to decline over the forecast period due to the aggressive growth in revenue.

Personnel Expenses as % of the Revenue



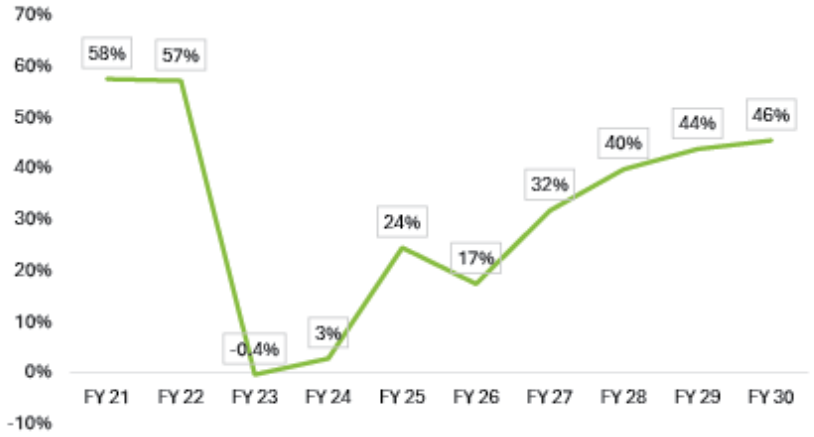
First Capital Asset Management (FCAM)

Forecast Financials

Net Profit Margins

Net profit margins are expected to improve over the forecast period as revenue growth outpaces the increase in operating costs.

Net Profit Margin



Working Capital & CAPEX

During the forecast period, working capital requirements have been projected based on the historical average debtor days. In this context, receivables from portfolio management accounts, management fee receivables from unit trusts, and other trade debtors have been considered as key working capital components in determining overall debtor days.

FCAM projected cashflows demonstrate efficiency in terms of working capital management. As a result, investment in working capital is insignificant and has little impact on the cashflow valuations.

Since unit trust business operations are not capital-intensive in nature, the incremental capex during the forecast period is not material and forecast expenditure represents routine maintenance expenditure.

First Capital Asset Management (FCAM)

Summarised Forecast Statement of Profit and Loss

in LKR Mn.

First Capital Asset Management Limited Statement of Profit and Loss For the year ended 31 March	FY 26	FY 27	FY 28	FY 29	FY 30
Income	425	643	881	1,130	1,357
Direct Expense	-	-	-	-	-
Net trading income	**425**	**643**	**881**	**1,130**	**1,357**
Other income	-	1	1	-	-
	425	**644**	**881**	**1,130**	**1,357**
Personnel expenses	(161)	(189)	(212)	(242)	(280)
Premises, Equipment and Establishment Expenses	(40)	(44)	(49)	(54)	(59)
Other Operating Expenses	(75)	(92)	(109)	(127)	(136)
Profit before tax	**148**	**318**	**512**	**707**	**882**
Income tax expense	(74)	(114)	(161)	(212)	(264)
Profit for the year	**74**	**204**	**351**	**495**	**617**

Weighted Average Cost of Capital

First Capital Asset Management (FCAM)

WACC is a rate of return that an investor would expect to receive, from a market participant basis, if capital were invested in a similar venture.

The WACC which is the weighted average of the costs of equity and debt of the business has been worked out as follows:

WACC = Ke (E/(D+E)) + Kd (1-t) (D/(D+E))

- "Ke" represents the cost of equity, i.e., the return required by shareholders;
- "Kd" represents the after-tax cost of debt, i.e., the return required by debt holders;
- "E" represents the value of equity; and
- "D" represents the value of debt.

- **Cost of Equity** – We used the Capital Asset Pricing Model ("CAPM") to determine the required return on equity.
- **Cost of Debt** – We used after tax cost of debt - Cost of Debt* (1-Tax %)

Ref	Key Assumptions *	Source	FY26F+
A	Sri Lankan Government Treasury Bond rates	Average <10-year T-bond rate from the secondary bond market as of the Valuation Date.	11.1%
B	Equity market risk premium (EMRP)	EMRP for Sri Lanka based on market sources. The value presented here is a beta adjusted EMRP.	6.3%
C	**Cost of Equity**	**A + B**	**17.4%**
D	Cost of Debt (Pre-tax)	AWLR as of September 2025	11.4%
E	Effective Tax Rate	Corporate tax rate as of the Valuation Date.	30.0%
F	Debt/(Debt+Equity)	We have considered an average of the Debt-to-Equity ratio of investment bank holding companies to arrive at the D/E. This is based on public information available.	41.2%
G	**Weighted Average Cost of Capital (WACC)**	**({C X{1-F}) + ({D*{1-E}*F})**	**13.5%**

*Rates and ratios considered are as of 30 September 2025 – which is the Valuation Date

Value Considerations

First Capital Asset Management (FCAM)

Net Debt Adjustment

As per the balance sheet as at 30 September 2025, we have considered the line items listed below as net debt items which need to be adjusted to arrive at the equity value of FCAM. Any balances from business related activities have been excluded from the net debt computation

As of 30 September 2025	LKR Mn
Cash at Banks and in Hand	5.4
Amount due from related companies	0.2
Prepayment	8.4
Miscellaneous receivables	39.2
Accruals and other payables	(144.2)
Amounts due to related companies	(7.1)
Income tax payable	(13.1)
Net (Debt)/Cash	**(111.2)**

Marketability Discount

As FCAM is not traded on a recognized stock exchange and hence has generally illiquid shares, we adopt a marketability discount to reflect its private ownership of shares. Such discount represents the time and costs that is likely to be incurred to typically liquidate such privately held company shares with a willing and informed buyer.

Surplus Assets/ Liabilities

Where assets are not considered to be integral to the core operating activities of a company, we have not considered associated cash flows in the projections. We have accounted for these assets or liabilities in the Surplus Assets/Liabilities adjustment in estimation of overall equity value.

As per the balance sheet as of 30 September 2025, below items were treated as Surplus Assets/ Liabilities

As of 30 September 2025	LKR Mn
Deferred tax asset	6.8
Retirement benefit obligations	(10.9)
Surplus Assets/ Liabilities	**(4.1)**

Discounted Cash Flow (DCF) Approach

First Capital Asset Management (FCAM) – As of 30 September 2025

in LKR Mn.

First Capital Asset Management Limited For the year ended 31 March Discounted Cash Flow Valuation	2H FY26	FY 27	FY 28	FY 29	FY 30
WACC %	13.5%	13.5%	13.5%	13.5%	13.5%
Terminal growth rate					3.5%
Revenue	**213**	**644**	**881**	**1,130**	**1,357**
Growth %		202.7%	37.0%	28.2%	20.1%
EBIT	**74**	**318**	**512**	**707**	**882**
EBIT margin %	34.9%	49.5%	58.0%	62.6%	62.6%
Less: Taxation	(22)	(95)	(153)	(212)	(265)
Taxation as a % of EBIT	30.0%	30.0%	30.0%	30.0%	30.0%
Add: Depreciation and amortisation	2	4	3	3	3
As a % of opening PPE	15.5%	31.1%	31.1%	31.1%	31.1%
Add: Decrease /(Increase) in working capital	0.3	(27)	(29)	(30)	(28)
As a % of revenue	0.2%	(4.1%)	(3.3%)	(2.7%)	(2.0%)
Less: Capital expenditure ('Capex')	(2)	(2)	(2)	(3)	(3)
As a % of revenue	0.9%	0.3%	0.3%	0.3%	0.2%
Free Cash Flow to Firm ('FCFF')	**52**	**198**	**330**	**465**	**589**
Discount factor	0.97	0.88	0.78	0.68	0.60
Terminal Value					6,102
Discounted FCFF	**51**	**175**	**256**	**318**	**3,807**

Enterprise Value	**4,606**
Less: (Net Debt)/ Net Cash	(111)
Add: Surplus Assets/ (Liabilities)	(4)
Less: Marketability discount of 5%	(225)
Equity Value	**4,266**

Deloitte Partners | Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Market Multiples and Percentage of AUM Approaches

First Capital Asset Management (FCAM)

Market Multiples Approach

As a cross-check, we assessed the fair value of a 100% equity interest using a market-based comparable transactions approach. Given the absence of directly comparable listed peers in Sri Lanka, we have expanded our search to include transactions involving companies operating within the investment and asset management sector across South Asia, based on publicly available market information.

The valuation was derived by applying the average of EV-to-Sales multiples observed in these comparable transactions to FCAM's revenue. However, this approach was not adopted as the primary valuation method, as the transaction multiples are based on a limited set of regional transactions and may reflect different market conditions that are not fully comparable to FCAM.

in LKR Mn.

First Capital Asset Management (FCAM)			
Market Comparable Methodology - Transactions			
EV/Sales Multiple	Lower	Base	Upper
TTM revenue	450.6	450.6	450.6
Price to Sales Multiple (+/- 5%)	5.7	6.0	6.3
Enterprise Value as of 30 September 2025	**2,568.4**	**2,703.6**	**2,838.8**
Net Debt	(111.2)	(111.2)	(111.2)
Surplus Assets/Liabilities	(4.1)	(4.1)	(4.1)
Marketability discount	(122.7)	(129.4)	(136.2)
Equity Value	**2,330.4**	**2,458.8**	**2,587.2**

Deloitte Partners | Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

We did not use peer market trading multiples as part of the market approach cross checks due to the very limited number of listed peers in the region.

We also note that the comparable transactions multiple cross check yields a valuation which diverges considerably from the discounted cashflow based primary approach. As we have alluded to, there is significant upside potential in the unit trust management and private wealth management spheres in Sri Lanka. This aspect is not necessarily being captured in the regional multiple being used.

Further, as we have indicated management assumptions for FCAM portfolio growth (unit trust and private wealth management) are relatively aggressive and are not reflected in a multiples-based valuation utilizing trailing 12-month sales.

The below comparable transactions were considered in arriving the valuation

Target Company	Target Description	Country	Acquirer
JM Financial Credit Solutions Ltd	Portfolio management and consulting service provider.	India	JM Financial Ltd
360 One Wam Ltd	Wealth management company.	India	Bain Capital LP
Wealth Advisors (India) Private Limited	India-based wealth management company.	India	IIFL Wealth Management Ltd
360 One Wam Ltd	Wealth management company.	India	Group of investors

First Capital Group

First Capital Equities (Private) Limited - FCE

First Capital Equities (Private) Limited (FCE)

Company and Industry Overview

- First Capital Equities (Private) Limited (FCE) is a licensed stockbroking firm operating on the Colombo Stock Exchange (CSE), providing equity trading brokerage services to retail and institutional investors and is a 100% owned subsidiary of FCL. The company's business model is primarily driven by brokerage commissions and performance closely linked to market turnover, investor sentiment, and overall capital market activity.

The Colombo Stock Exchange (CSE) operates with a network of licensed stockbrokers that facilitate equity and debt trading for both local and foreign investors. The Colombo Stock Exchange consists of a combination of 15 member firms and 13 trading firms, all of which are licensed by the Securities and Exchange Commission of Sri Lanka to operate as stockbrokers and support market activity.

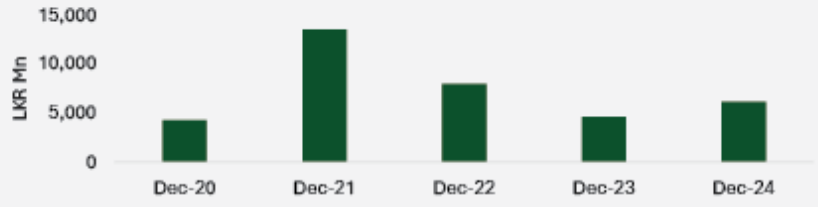
Stockbroking Industry

LKR Mn	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Turnover	4,304	13,555	7,990	4,635	6,156
Net brokerage	3,929	12,764	7,383	4,166	5,558
Net profit/loss after tax	1,751	6,308	2,094	1,217	1,679

Source: Securities and Exchange Commission – Annual Report 2024

The Stockbroking industry has experienced cyclical performance over the last few years, with revenues and profitability closely tied to equity market activity. During 2025, the Sri Lankan stock market recorded strong gains, with ASPI surpassing 21,000 points and market capitalization exceeding LKR 8,000 Bn thereby increasing the profitability of the stockbrokers.

Brokerage Fee – Stockbroking Industry



CSE Total turnover - Equity



Source: Securities and Exchange Commission – Annual Report 2024

First Capital Equities (Private) Limited (FCE)

Company and Industry Overview

As seen in the graph on page 68, the performance of the stockbroking industry over the period reflects a strong correlation with overall equity market activity and investor sentiment. Periods of elevated market turnover and rising equity prices have translated into higher brokerage income and profitability, while subdued market conditions have resulted in reduced earnings for brokers.

During 2025, market activity strengthened further, driven by a strong increase in equity indices and a significant expansion in market capitalization. The resulting improvement in market conditions has created a more supportive operating environment for stockbroking firms thereby improving revenues.

The All-Share Price Index (ASPI) increased from 6,774 in 2020 to 15,945 in 2024, a CAGR of 24%, and further increased to 21,779 by September 2025. Similarly, the S&P Sri Lanka 20 Index grew at a CAGR of 16% during 2020–2024, with the 2025 index increased to 6,126.

Price Indices



Source : Colombo Stock Exchange

Fee Structure

The brokerage fee and related transaction charges applicable to equity trades of up to LKR 100 Mn are capped at 1.12% of the transaction value. For transactions exceeding LKR 100 Mn, transaction costs are applied on a step-up basis, whereby the 1.12% rate applies to the first LKR 100 Mn, and a reduced rate of 0.6125% is applied to the balance. The reduced rate includes a minimum brokerage component of 0.2%, which remains subject to negotiation between the broker and the client.

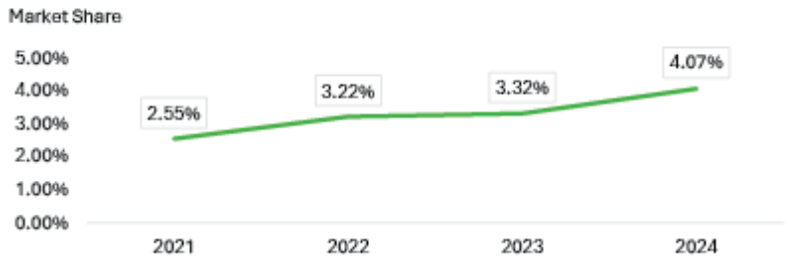
	Transactions below LKR 100 Mn	Transactions over LKR 100 Mn
Brokerage fee	0.640%	0.2000%
CSE fees	0.084%	0.0525%
CDS fees	0.012%	0.0075%
Clearing fees	0.012%	0.0075%
SEC Cess	0.072%	0.0450%
Share transaction levy	0.300%	0.3000%
	1.120%	**0.6125%**

First Capital Equities (Private) Limited (FCE)

Historical Financials

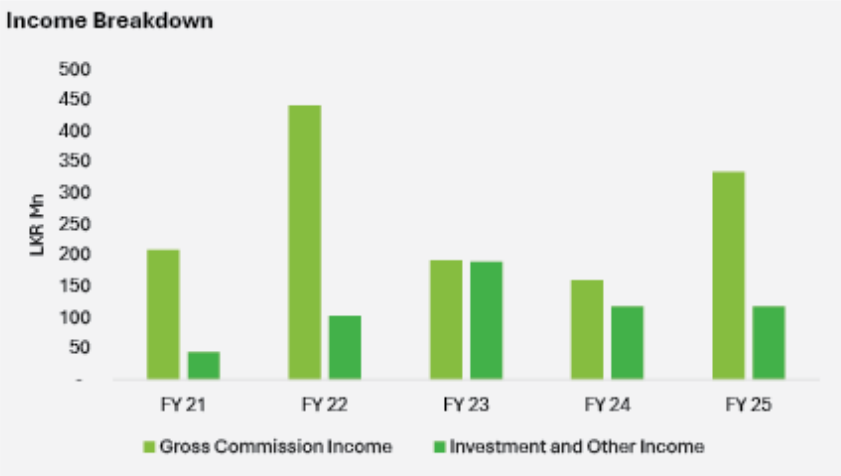
As observed over the historical period, FCE's revenue peaked during periods of heightened market participation, most notably during the 12 months ending March 2022 where turnover reached LKR 442 Mn reflecting increased trading volumes and strong investor engagement. This was followed by a moderation in income in subsequent years in the context of extraordinary interest rates (during and just after the economic crisis), leading to a slowdown in market trading. However, during the six months ended 30 September 2025, FCE reported revenue of LKR 356 Mn, driven by a marked improvement in equity market performance supported with higher trading turnover.

Also, FCE's revenue performance is influenced by its market share within the brokerage industry, client mix, and the level of activity generated by key institutional and high-net-worth clients. FCE currently holds a market share of approximately 5% of the turnover. The chart below illustrates the historical changes to FCE's market share



As of 30 September 2025, the company reported gross commission income of LKR 356 Mn for the six-month period, resulting in a profit after tax of LKR 115 Mn.

During the same period, other income amounted to LKR 88 Mn, which was primarily derived from interest income on repo investments, fixed deposits, and CSE deposits, as well as interest earned on delayed payments and early settlements.



First Capital Equities (Private) Limited (FCE)

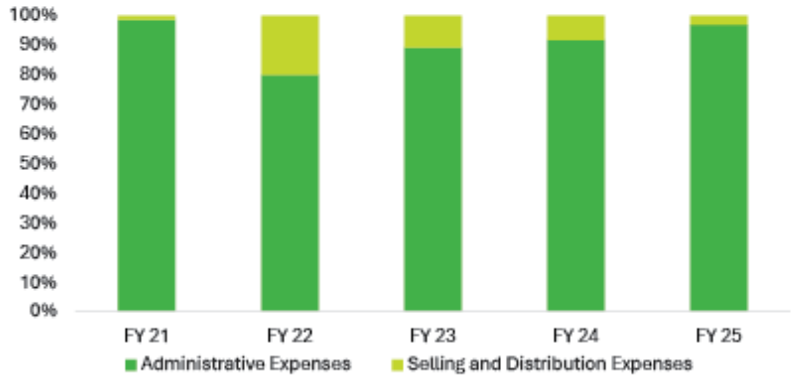
Historical Financials

Operating Expenses

FCE's operating expenses are primarily composed of administrative expenses and selling and distribution expenses. Administrative expenses have historically represented the largest component, reflecting costs related to personnel, infrastructure, and general office operations. These expenses have shown an increasing trend over the years.

Selling and distribution expenses, while smaller in proportion, include costs related to client acquisition, marketing, and distribution of services.

Composition of Operating Expenses



Assets

The largest component of assets is trade receivables, which represent amounts due from clients for executed trades. As of 30 September 2025, approximately 30% of trade receivables related to standard broker credit, while the remaining 70% represents short-term credit extensions, typically beyond the standard T+2 settlement cycle.

Cash and cash equivalents – client funds form another significant portion of current assets. These balances represent client monies held for the settlement of trades. Although reported as current assets on FCE's balance sheet, these funds are not available for the company's operational use.

Liabilities

Interest-bearing loans and borrowings forming a key component. These borrowings are primarily obtained to fund broker credit extended to clients and that includes a related party loan of LKR 250 Mn from FCL.

Trade and other payables also form a significant portion of FCE's liabilities. 39% of these trade payables relates to standard settlement cycle for trades executed on the Colombo Stock Exchange, while the remaining portion of LKR 356.7 Mn reflects extended payment obligations beyond T+2, arising from deferred or negotiated settlement terms.

First Capital Equities (Private) Limited (FCE)

Summarised Historical Statement of Profit and Loss

in LKR Mn.

First Capital Equities (Private) Limited Statement of Profit and Loss For the year ended 31 March	FY 21	FY 22	FY 23	FY 24	FY 25	1H FY26
Income	209	442	192	160	335	356
Direct expenses	(71)	(119)	(113)	(20)	(48)	(0.3)
Net trading income	**138**	**323**	**79**	**140**	**287**	**356**
Investment income	5	15	33	23	26	17
Other income	38	87	157	94	91	71
Administrative expenses	(57)	(55)	(81)	(199)	(250)	(227)
Selling and distribution expenses	(1)	(14)	(10)	(18)	(8)	(30)
Profit from operations	**124**	**356**	**179**	**41**	**147**	**214**
Finance costs	(16)	(46)	(24)	(10)	(39)	(46)
Profit before tax	**108**	**310**	**155**	**30**	**108**	**169**
Income tax expense	(33)	(81)	(47)	(22)	(38)	(53)
Profit for the year	**75**	**230**	**109**	**8**	**70**	**116**

First Capital Equities (Private) Limited (FCE)

Summarised Historical Statement of Financial Position

in LKR Mn.

First Capital Equities (Private) Limited Statement of Financial Position As of 31 March	FY21	FY 22	FY 23	FY 24	FY 25	1H FY26
Assets						
Non-Current Assets						
Property, Plant and Equipment	1	4	4	5	93	88
Right of Use Asset	2	1	0.3	160	143	135
Intangible Assets	-	-	-	-	1	1
Financial Assets Measured at Amortised Cost	10	18	12	13	20	12
Deferred Tax Assets	1	1	3	-	4	-
Total Non Current Assets	**14**	**24**	**19**	**178**	**261**	**236**
Current Assets						
Prepayments	2	1	2	3	7	
Trade Receivables	516	905	560	537	617	1,038
Other Receivables at Amortized Cost	6	26	11	41	31	65
Cash and Cash Equivalents - Clients' Funds	178	334	189	274	421	809
Cash and Cash Equivalents - Firm's Funds	3	4	1	2	9	262
Total Current Assets	**705**	**1,271**	**763**	**857**	**1,085**	**2,174**
Total Assets	**720**	**1,295**	**782**	**1,035**	**1,346**	**2,410**

First Capital Equities (Private) Limited (FCE)

Summarised Historical Statement of Financial Position

in LKR Mn.

First Capital Equities (Private) Limited Statement of Financial Position As of 31 March	FY21	FY 22	FY 23	FY 24	FY 25	1H FY26
Equity and liabilities						
Stated Capital	125	125	125	125	125	125
Retained Earnings	79	310	256	162	233	298
Total Equity	**204**	**435**	**381**	**287**	**358**	**423**
Non-Current Liabilities						
Lease Liability	-	-	-	134	146	148
Deferred Tax Liabilities	-	-	-	1	-	(9)
Retirement Benefit Obligations	7	6	9	15	18	20
Total Non Current Liabilities	**7**	**6**	**9**	**150**	**164**	**159**
Current Liabilities						
Lease Liability	1	-	-	7	3	5
Interest Bearing Loans and Borrowings	294	379	-	80	300	977
Trade and Other Payables	190	400	352	490	478	782
Income Tax Payable	23	75	40	20	44	64
Total Current Liabilities	**509**	**854**	**392**	**598**	**825**	**1,827**
Total Equity and Liabilities	**720**	**1,295**	**782**	**1,035**	**1,346**	**2,410**

First Capital Equities (Private) Limited (FCE)

Forecast Financials

Outlook

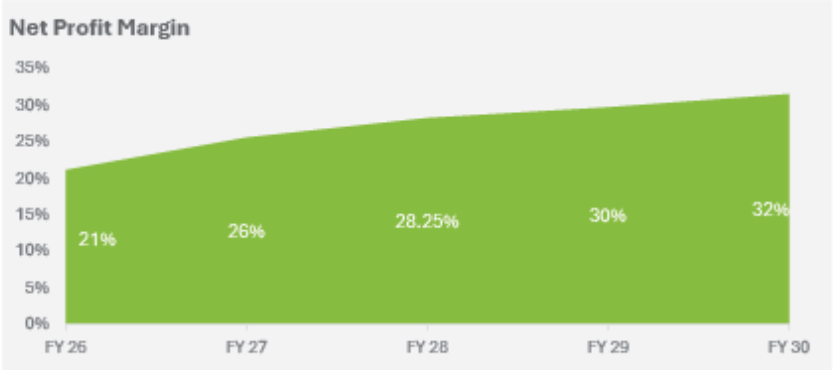
Based on the stable interest rate view over the medium to long term, FCE anticipates revenue growth over the forecast period, driven by higher trading activity on the Colombo Stock Exchange and a gradual expansion of its market share.

Management aims to increase market share of FCE from 5% to 8% by the end of the forecast period. To support this growth, the company plans to expand its network of agency offices to 20 and recruit new brokers with the aim that this will increase the trading volumes and sustain revenue momentum.

FCE's revenue is expected to grow steadily over the forecast period, driven by increased trading activity in the equity market and a gradual expansion of the company's market share. Total income is projected to increase from approximately LKR 415 Mn in FY2026 to around LKR 885 Mn by FY2030. The forecast brokerage commission income reflects general broking activities only, as negotiated broking income is excluded due to its variable nature and dependence on client-specific pricing arrangements.

Further, net profit margins are projected to increase from around 21% in FY2026 to approximately 32% by FY2030 driven by higher revenues while costs are expected to grow at a slower rate than revenues.



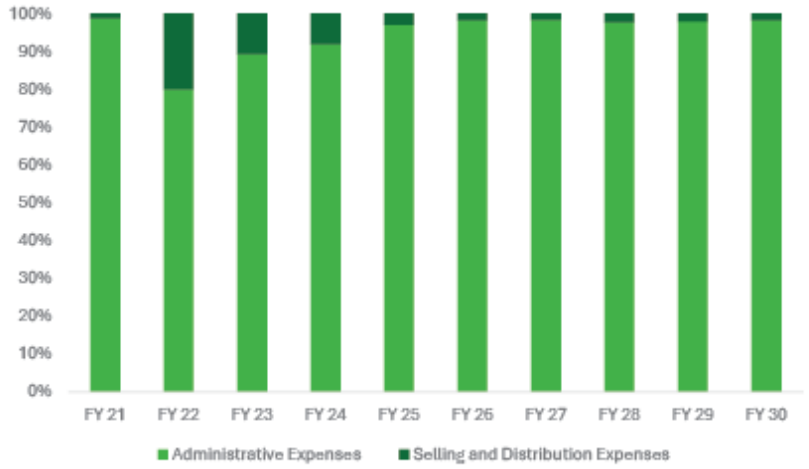


First Capital Equities (Private) Limited (FCE)

Forecast Financials

Expenses

Over the forecast period, administrative expenses are expected to remain the dominant cost component, consistently accounting for approximately 98% of total operating expenses slightly higher than historical numbers. Selling and distribution expenses are projected to stay low at approximately 2%



Working Capital & CAPEX

For the forecast period, working capital has been estimated by focusing on receivables and payables outstanding beyond the normal T+2 settlement cycle. This approach separates the portion of debtors and creditors that represents actual funding requirements, rather than routine settlement balances that clear within the standard market cycle of T+2.

We have considered the amounts within T+2 as largely operational and, thereby not requiring working capital. Hence, the balances greater than T+2 days reflects the net capital tied up in credit extensions and delayed settlements.

Further, given the nature of the stockbroking business, capital expenditure during the forecast period is expected to be immaterial and have no significant impact on the primary valuation.

First Capital Equities (Private) Limited (FCE)

Summarised Forecast Statement of Profit and Loss

in LKR Mn.

First Capital Equities (Private) Limited Statement of Profit and Loss For the year ended 31 March	FY 26	FY 27	FY 28	FY 29	FY 30
Income	415	538	634	737	885
Direct expenses	(83)	(108)	(127)	(147)	(177)
Net trading income	**332**	**430**	**507**	**590**	**708**
Investment income	61	64	80	90	100
Other income					
Administrative expenses	(262)	(293)	(324)	(359)	(402)
Selling and distribution expenses	(5)	(5)	(8)	(8)	(8)
Profit from operations	**125**	**196**	**256**	**313**	**399**
Income tax expense	(38)	(59)	(77)	(94)	(120)
Profit for the year	**88**	**138**	**179**	**219**	**279**

Weighted Average Cost of Capital

First Capital Equities (Private) Limited (FCE)

WACC is a rate of return that an investor would expect to receive, from a market participant basis, if capital were invested in a similar venture.

The WACC which is the weighted average of the costs of equity and debt of the business has been worked out as follows:

WACC = Ke (E/(D+E)) + Kd (1-t) (D/(D+E))

- "Ke" represents the cost of equity, i.e., the return required by shareholders;
- "Kd" represents the after-tax cost of debt, i.e., the return required by debt holders;
- "E" represents the value of equity; and
- "D" represents the value of debt.

- **Cost of Equity** – We used the Capital Asset Pricing Model ("CAPM") to determine the required return on equity.
- **Cost of Debt** – We used after tax cost of debt - Cost of Debt* (1-Tax %)

Ref	Key Assumptions *	Source	FY26+
A	Sri Lankan Government Treasury Bond rates	Average <10-year T-bond rate from the secondary bond market as of the Valuation Date.	11.1%
B	Equity market risk premium (EMRP)	EMRP for Sri Lanka based on market sources. The value presented here is a beta adjusted EMRP.	6.3%
C	**Cost of Equity**	**A + B**	**17.4%**
D	Cost of Debt (Pre-tax)	AWLR as of September 2025	11.4%
E	Effective Tax Rate	Corporate tax rate as of the Valuation Date.	30.0%
F	Debt/(Debt+Equity)	We have considered an average of the Debt-to-Equity ratio of investment bank holding companies to arrive at the D/E. This is based on public information available.	41.2%
G	**Weighted Average Cost of Capital (WACC)**	**({C X{1-F}) + ({D*{1-E}*F})**	**13.5%**

*Rates and ratios considered are as of 30 September 2025 – which is the Valuation Date

Value Considerations

First Capital Equities (Private) Limited (FCE)

Net Debt Adjustment

As per the balance sheet as at 30 September 2025, we have considered below line items as net debt items. Any balances from business related activities have been excluded from the net debt computation.

As at 30 September 2025	LKR Mn
Cash and cash equivalents - firm's funds	261.8
Lease liability	(143.6)
Interest bearing loans and borrowings	(976.9)
Income tax payable	(63.5)
Net (Debt)/ Cash	**(922.3)**

Surplus Assets/ Liabilities

Where assets are not considered to be integral to the core operating activities of a Company, we have not considered associated cash flows in the projections. We have accounted for these assets or liabilities in the Surplus Assets/ Liabilities adjustment in estimation of overall Equity Value.

As per the balance sheet as of 30 September 2025, the below items are treated as Surplus Assets/ Liabilities .

As of 30 September 2025	LKR Mn
Deferred tax liabilities	8.7
Retirement benefit obligations	(19.7)
Surplus Assets/ Liabilities	**(11.0)**

Marketability Discount

As FCE is not traded on a recognized stock exchange, we adopt a marketability discount to reflect the costs that may need to be incurred for a listing/buyer search.

Discounted Cash Flow (DCF) Approach

First Capital Equities (Private) Limited (FCE) – As of 30 September 2025

In LKR Mn.

First Capital Equities (Private) Limited As of 31 March Discounted Cash Flow Valuation	2H FY26	FY27	FY28	FY29	FY30
WACC %	13.5%	13.5%	13.5%	13.5%	13.5%
Terminal growth rate					3.5%
Revenue	**207**	**538**	**634**	**737**	**885**
Growth %		159.3%	17.9%	16.4%	20.0%
EBIT	**63**	**196**	**256**	**313**	**399**
EBIT margin %	30.2%	36.5%	40.4%	42.4%	42.4%
Less: Taxation	(19)	(59)	(77)	(94)	(120)
Taxation as a % of EBIT	30.0%	30.0%	30.0%	30.0%	30.0%
Add: Depreciation and amortisation	11	22	20	19	19
As a % of opening PPE	11.2%	22.5%	22.5%	22.5%	22.5%
Add: Decrease /(Increase) in working capital	90	(27)	(27)	(16)	(39)
As a % of revenue	43.4%	(5.0%)	(4.2%)	(2.1%)	(4.4%)
Less: Capital expenditure ('Capex')	(13)	(14)	(16)	(19)	(22)
As a % of revenue	6.3%	2.5%	2.5%	2.5%	2.5%
Free Cash Flow to Firm ('FCFF')	**131**	**119**	**157**	**204**	**237**
Discount factor	0.97	0.88	0.78	0.68	0.60
Terminal Value					2,484
Discounted FCFF	**127**	**105**	**122**	**140**	**1,548**

Enterprise Value	**2,042**
Less: (Net Debt)/ Net Cash	(922)
Add: Surplus Assets/ (Liabilities)	(11)
Less: Marketability discount of 5%	(55)
Equity Value	**1,053**

Comparable Transaction Multiples Approach

First Capital Equities (Private) Limited (FCE)

Comparable Transaction Multiples Approach

As a validation measure, we assessed the fair value of a 100% equity interest using the Comparable Transaction Multiples approach. While we selected transactions that align closely with FCE's business operations, since these transactions occurred in countries outside Sri Lanka and involved entities with significantly larger sizes, differing market conditions, and characteristics, we believe the DCF approach is more appropriate as the primary valuation basis.

In LKR Mn.

First Capital Equities (Private) Limited (FCE) Market Comparable Methodology - Transactions			
EV/Sales Multiple	Lower	Base	Upper
TTM Sales	599.4	599.4	599.4
EV/Sales Multiple (+/- 5%)	5.2	5.5	5.8
Enterprise Value as of 30 September 2025	**3,134.7**	**3,299.7**	**3,464.7**
Less: (Net Debt)/Net Cash	(922.3)	(922.3)	(922.3)
Add: Surplus Assets/Liabilities	(11.0)	(11.0)	(11.0)
Less: Marketability Discount (5%)	(110.1)	(118.3)	(126.6)
Equity Value	**2,091.4**	**2,248.1**	**2,404.8**

The below comparable transactions were considered in arriving the valuation

Target company	Target Description	Country
LKP Finance Ltd	Financial services firm provides securities trading, derivatives, and merchant financing primarily to investors and corporate clients.	India
ICICI Securities Ltd	Provides securities brokerage services.	India
Krungsri Capital Securities pcl	Provides securities brokerage services.	Thailand
BIDV Securities Co	Provides securities trading, information search, and investment advisory services.	Vietnam
Viet Dragon Securities Corp	Security brokerage and investment management company.	Vietnam

We view the divergence in value between the two approaches as stemming from the use of trailing 12-month earnings during a period where market turnover (and thereby FCE revenue) has witnessed historic highs. As per the forecast financials FCE would attain these levels again only in FY March 2028. Furthermore, the markets in which the comparable companies operate have much more mature stock markets with greater depth and average share trading volumes suggesting different economics driving the peer multiples. As a result, the DCF is the preferred base-case approach, reflecting the expected cash flows in the near term.

First Capital Group

First Capital Advisory Services (Private) Limited (FCAS)

First Capital Advisory Services (Private) Limited (FCAS)

Company and Industry Overview

- FCAS is engaged in providing corporate advisory services, including debt structuring, corporate finance solutions to corporate clients. FCAS operates as a wholly owned subsidiary of First Capital Limited.

It should be noted that FCAS was established as a separate subsidiary and incorporated in September 2023. **Prior to this date, its business activities were managed and reported under FCL.**

Debenture Market

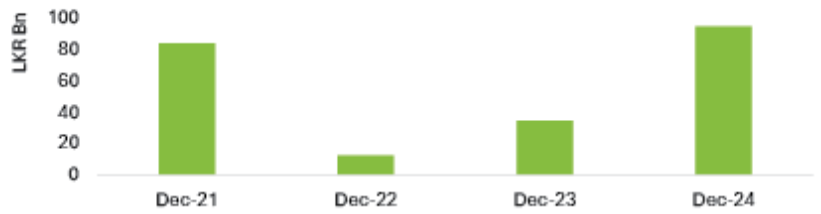
The Sri Lankan corporate debenture issue market has shown strong growth in recent years, driven by increased investor attraction stemming from favorable economic conditions.

According to the Central Bank's annual review, debenture placements has expanded significantly in 2024, with nine issuers raising nearly LKR 94.8 Bn through 28 debenture IPOs, compared with LKR 34.6 Bn raised by five issuers in 2023.

Debentures with fixed interest rates were issued through IPOs in 2024 and the interest rates ranged from 12.00% to 15.25% compared to the range of 13.50% to 29.50% in 2023.

Source : Central Bank Annual Economic Review 2024

Debenture Placements – Total industry



FCAS's fee income is primarily derived from fee income from debenture placements, with advisory services contributing only a small portion. Between FY22 and FY24, the company did not record any income from debenture placements. However, in FY25, fee income from debenture issues rebounded to LKR 62.7 Mn.

For the six-month period ending 30 September 2025, the company reported total fee income of LKR 67.7 Mn, of which LKR 62.7 Mn was generated from debt structuring and placement activities. In addition to fee income, total revenue includes interest income from financial assets measured at amortised cost arising from investments in unit trusts.

First Capital Advisory Services (Private) Limited (FCAS)

Company and Industry Overview

As of 31 March, the company reported a profit after tax of LKR 18.5 Mn, representing a net profit margin of 33%. For the six months ending 30th September, FCAS recorded a profit after tax of LKR 21.1 Mn, supported largely by substantial fee income from debt structuring and placement activities.

Fee income



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First Capital Advisory Services (Private) Limited (FCAS)

Summarised Historical Statements

in LKR Mn.

First Capital Advisory Services (Private) Limited Statement of Profit and Loss For the year ended 31 March	FY 25	1H FY26
Direct Income	56	69
Direct expenses	(0.3)	-
Net Income	**55**	**69**
Operating expenses		
Personnel expenses	(28)	(24)
Premises, equipment and establishment expenses	(1)	(13)
Other operating expenses	(0.05)	(0.08)
Profit/loss before tax	**27**	**33**
Income tax expense	(8)	(12)
Profit/loss for the period	**19**	**21**

in LKR Mn.

First Capital Advisory Services (Private) Limited Statement of Financial Position As of 31 March	FY 25	1H FY26
Assets		
Non Current Assets		
Deferred tax asset	1	0.5
Intangible asset	0.4	0.3
Total Non Current Assets	**1.4**	**0.8**
Current Assets		
Trade and other receivables	1	26
Financial assets at amortised cost	33	43
Cash at bank	0.2	0.2
Total Current Assets	**34**	**69**
Total Assets	**35**	**70**
Equity and Liabilities		
Equity		
Stated capital	8	8
Accumulated losses	18	39
Total Equity	**25**	**46**
Non Current Liabilities		
Retirement benefits obligations	1	2
Total Non Current Liabilities	**1**	**2**
Current Liabilities		
Payable to related companies	0.05	2
Accruals and other payables	6	11
Income tax payable	3	9
Total Current Liabilities	**9**	**22**
Total Liabilities	**10**	**24**
Total Equity and Liabilities	**35**	**70**

First Capital Advisory Services (Private) Limited (FCAS)

Forecast Financials

With a stable interest rate environment and favorable economic conditions, management anticipates steady growth in the business over the forecast period.

Revenue

The forecast revenue mix of FCAS highlights that debt structuring fees will remain the primary contributor to total income. Approximately 70% of the total projected fee income of FCAS during the forecast period is expected to come from debenture placements.

FCAS projects strong growth in total revenues over the forecast period, increasing from LKR 125 Mn in FY2026 to LKR 250 Mn by FY2030. This growth is primarily driven by fee income from debt structuring, projected to grow from LKR 96 Mn to LKR 173 Mn, reflecting the management's focus on capitalizing on the expanding debenture market in Sri Lanka. Corporate finance advisory fees, increasing from LKR 29 Mn to LKR 77.4 Mn, supported by advisory mandates for both equity and corporate finance services.

Expenses

The company's expenses are largely comprised of personnel costs, premises, equipment, and establishment costs account for a smaller portion. professional services and sales promotion contribute to facilitate business growth during forecast period. Further, non-routine expenses, such as recruitment and performance incentives, are projected to drive expansion of revenues.

Revenue Composition



Profitability

The forecast net profit after tax is expected to rise steadily from LKR 48.7 Mn in FY2026 to LKR 114.3 Mn in FY2030. The net profit margin improves from 39% in FY2026 to 46% in FY2030 as the increases in revenue and business volumes do not necessarily require a commensurate increase in operating costs.

Profits are projected to grow at a cumulative annual growth rate of 35.4% until March 2030.

First Capital Advisory Services (Private) Limited (FCAS)

Forecast Financials

Working Capital & CAPEX

The working capital for FCAS is influenced by fee receivables, prepaid expenses, and accruals and other payables. Fee receivables reflect the revenues earned but not yet collected, while prepaid expenses represent payments made in advance and accruals and other payables capture obligations arising from ongoing day to day operations.

The working capital requirement for the forecast period is derived by applying the net working capital to sales ratio observed as of 30 September 2025 to the projected revenues since changes in working capital should be aligned with the expected growth in the business.

Given the nature of the business, capital expenditure during the forecast period is expected to be minimal/immaterial.

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First Capital Advisory Services (Private) Limited (FCAS)

Summarised Forecast Statement of Profit and Loss

in LKR Mn.

First Capital Advisory Services (Private) Limited Statement of Profit and Loss For the year ended 31 March	FY26	FY27	FY28	FY29	FY30
Direct Income	125	138	170	200	250
Direct expenses	-	-	-	-	-
Net Income	**125**	**138**	**170**	**200**	**250**
Operating expenses					
Personnel expenses	(45)	(51)	(56)	(63)	(72)
Premises, equipment and establishment expenses	(5)	(6)	(6)	(7)	(8)
Other operating expenses	(5)	(5)	(6)	(7)	(7)
Profit/loss before tax	**70**	**77**	**101**	**123**	**163**
Income tax expense	(21)	(23)	(30)	(37)	(49)
Profit/loss for the period	**49**	**54**	**71**	**86**	**114**

Weighted Average Cost of Capital

First Capital Advisory Services (Private) Limited (FCAS)

WACC is a rate of return that an investor would expect to receive, from a market participant basis, if capital were invested in a similar venture.

The WACC which is the weighted average of the costs of equity and debt of the business has been worked out as follows:

WACC = Ke (E/(D+E)) + Kd (1-t) (D/(D+E))

- "Ke" represents the cost of equity, i.e., the return required by shareholders;
- "Kd" represents the after-tax cost of debt, i.e., the return required by debt holders;
- "E" represents the value of equity; and
- "D" represents the value of debt.

- **Cost of Equity** – We used the Capital Asset Pricing Model ("CAPM") to determine the required return on equity.
- **Cost of Debt** – We used after tax cost of debt - Cost of Debt* (1-Tax %)

Ref	Key Assumptions *	Source	FY26F+
A	Sri Lankan Government Treasury Bond rates	Average <10-year T-bond rate from the secondary bond market as of the Valuation Date.	11.1%
B	Equity market risk premium (EMRP)	EMRP for Sri Lanka based on market sources. The value presented here is a beta adjusted EMRP.	6.3%
C	**Cost of Equity**	**A + B**	**17.4%**
D	Cost of Debt (Pre-tax)	AWLR as of September 2025	11.4%
E	Effective Tax Rate	Corporate tax rate as of the Valuation Date.	30.0%
F	Debt/(Debt+Equity)	We have considered an average of the Debt-to-Equity ratio of investment bank holding companies to arrive at the D/E. This is based on public information available.	41.2%
G	**Weighted Average Cost of Capital (WACC)**	**({C X{1-F}) + ({D*{1-E}*F})**	**13.5%**

*Rates and ratios considered are as of 30 September 2025 – which is the Valuation Date

Value Considerations

First Capital Advisory Services (Private) Limited (FCAS)

Net Debt Adjustment

As per the balance sheet as at 30 September 2025, we have considered below line items as net debt items. Any balances from business related activities have been excluded from the net debt computation.

in LKR Mn.

As of 30 September 2025	
Cash at Bank	0.2
Financial assets at amortised cost	43.2
Payable to related companies	(1.9)
Income tax payable	(9.1)
Net (Debt)/ Cash	**32.3**

Surplus Assets/ Liabilities

Where assets are not considered to be integral to the core operating activities of a Company, we have not considered associated cash flows in the projections. We have accounted for these assets or liabilities in the Surplus Assets/ Liabilities adjustment in estimation of overall Equity Value.

As per the balance sheet as of 30 September 2025, the below items were treated as Surplus Assets/ Liabilities.

As of 30 September 2025	
Deferred tax asset	0.5
Retirement benefits obligations	(1.7)
Surplus Assets/ Liabilities	**(1.2)**

Marketability Discount

As FCAS is not traded on a recognized stock exchange we adopt a marketability discount to reflect the costs that may need to be incurred for a listing/buyer search.

Discounted Cash Flow (DCF) Approach

First Capital Advisory Services (Private) Limited (FCAS) – As of 30 September 2025

in LKR Mn.

First Capital Advisory Services (Private) Limited As of 31 March Discounted Cash Flow Valuation	2H FY26	FY27	FY28	FY29	FY30
WACC %	13.50%	13.50%	13.50%	13.50%	13.50%
Terminal growth rate					3.50%
Revenue	**63**	**138**	**170**	**200**	**250**
Growth %		120.80%	23.20%	17.60%	25.00%
EBIT	**35**	**77**	**101**	**123**	**163**
EBIT margin %	55.60%	55.50%	59.50%	61.70%	61.70%
Less: Taxation	(10)	(23)	(30)	(37)	(49)
Taxation as a % of EBIT	30.00%	30.00%	30.00%	30.00%	30.00%
Add: Depreciation and amortisation	0	0	0	0	0
As a % of opening PPE	7.50%	15.00%	15.00%	15.00%	15.00%
Add: Decrease /(Increase) in working capital	1	(1)	(4)	(3)	(6)
As a % of revenue	2.10%	(1.00%)	(2.10%)	(1.70%)	(2.20%)
Less: Capital expenditure ('Capex')	0	0	0	0	0
As a % of revenue	0.08%	0.04%	0.04%	0.04%	0.03%
Free Cash Flow to Firm ('FCFF')	**26**	**52**	**67**	**83**	**109**
Discount factor	0.97	0.88	0.78	0.68	0.60
Terminal Value					1,126
Discounted FCFF	**25**	**46**	**52**	**57**	**703**

Enterprise Value	**883**
Less: (Net Debt)/ Net Cash	32
Add: Surplus Assets/ (Liabilities)	(1)
Less: Marketability discount	(46)
Equity Value (Controlling, non-marketable basis)	**867**

Comparable Transaction Multiples Approach

First Capital Advisory Services (Private) Limited (FCAS)

Comparable Transaction Multiples Approach

As a validation measure, we have assessed the fair value of a 100% equity interest using the Comparable Transaction Multiples approach. We selected comparable transactions that closely align with the FCAS's business operations.

Although the derived valuations are in line with the primary approach, it must still be noted that these limited transactions occurred outside of Sri Lanka and involve entities with significantly larger size characteristics. Hence, the DCF method is still adopted as the primary approach.

in LKR Mn.

First Capital Advisory Services (Private) Limited (FCAS)			
Market Comparable Methodology - Transactions			
EV/Sales Multiple	**Lower**	**Base**	**Upper**
TTM Sales	138.8	138.8	138.8
TTM Sales Multiple (+/- 5%)	5.6	5.9	6.2
Enterprise Value as of 30 September 2025	**779.5**	**820.5**	**861.5**
Less: (Net Debt)/Net Cash	32.3	32.3	32.3
Add: Surplus Assets/Liabilities	(1.2)	(1.2)	(1.2)
Less: Marketability Discount (5%)	(40.5)	(42.6)	(44.6)
Equity Value	**770.0**	**808.9**	**847.9**

The below comparable transactions were considered in arriving at the valuation.

Target company	Target description	Country
Prudent Corporate Advisory Services Ltd	India-based provider of services in the areas of personal & corporate investment planning through mutual funds, equities, derivatives, third party products, fixed income products, life/general insurance, commodities and real estate	India
Escorts Investment Bank Ltd	Investment bank based in Pakistan providing advisory services	Pakistan
BIDV Securities Co	Provides securities trading, information search, and investment advisory services.	Vietnam
PT Trimegah Sekuritas Indonesia Tbk	Provider of securities brokerage and investment management and advisory services.	Indonesia
AEC Securities pcl	Engaged in securities related businesses including brokerage, dealing, underwriting and investment advisory services.	Thailand

First Capital Group

First Capital Limited (FCL)

First Capital Limited (FCL)

Sum of the Parts Valuation

We present below the computation of the value of FCL, a second level holding company in the JXG structure on a SOTP basis. Apart from the fair values of its subsidiaries we have derived there are no other income generating activities carried out by FCL. Additional value comes from other net assets on the FCL balance sheet, and its 5.78% stake (crossholding)held in JINS which is also reflected at our computed fair value.

	Absolute Valuation Range(LKR Mn)	Ownership Interest Held by FCL	Attributable Valuation Range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
First Capital Treasuries PLC	16,253.7 to 17,964.6	89.4%	14,537.2 to 16,067.5	15,302.4
First Capital Asset Management Limited	4,095.0 to 4,455.4	98.7%	4,041.7 to 4,397.5	4,210.7
First Capital Equities (Pvt) Limited	983.4 to 1,130.2	100%	983.4 to 1,130.2	1,053.1
First Capital Advisory Services (Pvt) Limited	836.4 to 902.9	100%	836.4 to 902.9	868.0
First Capital Markets Limited & First Capital Trustee Services (Private) Limited			171.8	171.8
Corp Debt (Comm papers, Trust Certificates, Securitizations)			3,004.6	3,004.6
Short term lending			1,494.4	1,494.4
Listed Shares (excl Group)			74.0	74.0
Janashakthi Finance			56.7 to 62.7	59.7
Miscellaneous Assets			1,078.1	1,078.1
Borrowing against Corp Debt Securities			(1,496.7)	(1,496.7)
Short Term Borrowings			(3,902.7)	(3,902.7)
Miscellaneous Liabilities			(906.9)	(906.9)
Value of stake held in Janashakthi Insurance PLC		5.78%	1,719.5 to 1,899.7	1,809.4
Value of 100% Ordinary Equity of FCL			**21,692.1 to 23,977.6**	**22,820.4**

Note: The dividend to be paid out by FCL to its parent and dividends to be received from subsidiaries (as well as from JINS) post the Valuation Date will have a combined effect of reducing FCL value to a mid-point of LKR 20,050.4 Mn from a mid-point of LKR 22,820.4 Mn.

Please refer page 132 and Appendix 1 for the derivation of the value of JINS. 94

First Capital Group

First Capital Holdings PLC (FCH)

First Capital Holdings PLC (FCH)

Sum of the Parts Valuation

We present below the derivation of the value of FCH, which owns 100% of FCL. Hence the valuation of FCL is the primary driver of the value of FCH. Additional value is created through equity investments (in blue chips) which are shown at market value, and other net assets. There are no other income generating activities at FCH level. Hence, we have used the SOTP (to value FCL) method and adjusted net asset basis in tandem to compute the value of FCH.

Material Business Entity	Absolute Valuation Range (LKR Mn)	Ownership Interest Held by FCH	Attributable Valuation Range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
First Capital Limited	21,692.1 to 23,977.6	100%	21,692.1 to 23,977.6	22,820.4
Listed Instruments at Market Value			9,168.9	9,168.9
Investment in FD			828.7	828.7
Short Term Lending			3,902.2	3,902.2
Miscellaneous Assets			647.1	647.1
Borrowing against Corp Debt Securities and other short-term borrowings			(6,146.5)	(6,146.5)
Bank OD			(1,081.3)	(1,081.3)
Borrowings on Debentures			(5,104.4)	(5,104.4)
Long Term Borrowings			(1,000.7)	(1,000.7)
Miscellaneous Liabilities			(626.2)	(626.2)
Value of 100% Ordinary Equity of FCH			**22,279.9 to 24,565.4**	**23,408.2**
Per Share Valuation range			**LKR 55.01 to LKR 60.66**	**LKR 57.80**

First Capital Holdings PLC (FCH)

Sum of the Parts Valuation

As FCH has also announced dividends post the Valuation Date its fair value will also decline. However, dividend income received from FCL offsets the impact to a certain extent, as FCL is paying dividends entirely out of dividends it has received – thereby nullifying the 15% withholding tax impact to FCH.

FCH equity value will thus decline to a mid-point of LKR 20,140.9 Mn from a mid-point of LKR 23,408.2 Mn. The value attributable to JXG (via its 58% stake in FCH) declines to a mid-point of LKR 11,685.7 Mn vs LKR 13,581.5 Mn.

As FCH is also a listed entity, the Volume Weighted Average Price (VWAP) was also considered in assessing the valuation outcome of FCH. However, FCH has a relatively low public float (16.98%), which may constrain market liquidity, with only a minimal proportion of shares traded on a daily basis. Furthermore, the observed share price may be influenced by short-term market sentiment and broader market conditions, both favorable and unfavorable, and therefore may not always be fully representative of the company's intrinsic value or underlying fundamentals.

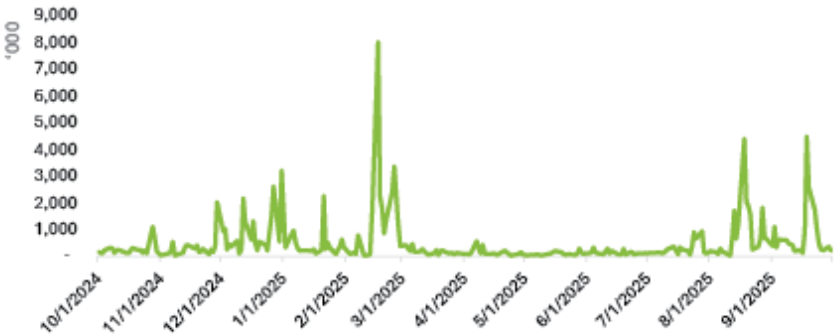
	12-month VWAP
No. of Shares	405,000,000
VWAP Price	LKR 42.41
Equity Value (LKR Mn)	**17,174.7**

Source : Colombo Stock Exchange – Historical price data

Share price movements for the last 12 months to the Valuation Date



Share volume movements for the last 12 months to the Valuation Date



Janashakthi Finance PLC (JF)

Janashakthi Finance PLC

Company and Industry Overview

Janashakthi Finance PLC (formerly known as Orient Finance PLC) is a NBFI established in 1981 and is a 93.44% owned subsidiary of JXG. In 2015, the former Orient Finance PLC was amalgamated with former Bartleet Finance PLC.

- JF offers a broad suite of financial services tailored to various customer needs including, Leasing, Hire Purchase, Gold Backed Loans, and mobilization of Deposits and Savings. The company's loan book mainly comprises of Finance Lease and Gold Loans amounting to 54% and 35% respectively as of 30 September 2025.
- JF reported continued balance sheet expansion during the year, exceeding its internal target of reaching an asset base of LKR 25,000.0 Mn. The company closed the financial year 31 March 2025, with total assets of approximately LKR 27 Bn, reflecting a YoY growth of 33%. Growth was primarily supported by an expansion in the Gold Loan portfolio, which increased by 58%, and the leasing portfolio, which grew by 33%. A similar growth trajectory was observed among peer companies over the same period, primarily driven by pent-up demand arising from relaxation of vehicle import restrictions.

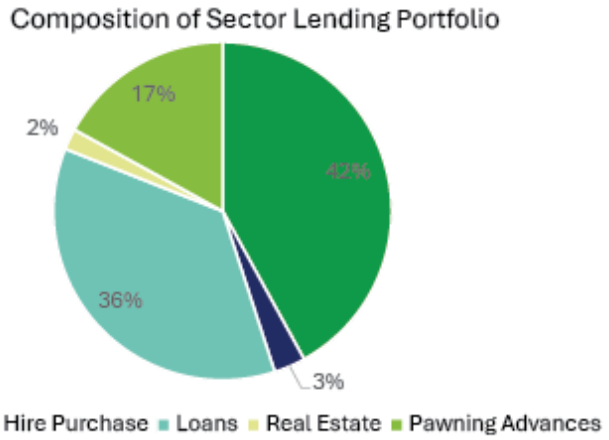
Financial Highlights		FY24	FY25
Income	LKR Mn	4,868	4,728
Interest Income	LKR Mn	4,602	4,464
Interest Expenses	LKR Mn	(2,807)	(2,317)
Profit/(Loss) After Tax	LKR Mn	349	372
Customer Deposits	LKR Mn	13,556	15,904
Loans and Advances to Customers	LKR Mn	15,659	22,055
Total Assets	LKR Mn	20,477	27,358
Cost to Income	%	67	71
Interest Margin	%	11	11
Return on Equity	%	10	10
Return on Assets (Before Tax)	%	2	2
Core Capital to Risk Weighted Assets Ratio	%	15	12
Total Capital to Risk Weighted Assets Ratio	%	16	14

Source: CBSL statistics, Annual Reports of peer companies.

Janashakthi Finance PLC

Company and Industry Overview

- Sri Lanka's Non-Bank Finance Institution (NBFI) sector consists of a total of 33 Licensed Finance Companies (LFCs) and Specialised Leasing Companies (SLCs).
- The distribution of LFC branches is heavily skewed towards the Western Province, which accounts for 651 branches, or 33% of the total 1,960 LFC branches recorded as of September 2025.
- NBFIs play an important role in the country's financial system. Although they are regulated by the Central Bank of Sri Lanka, similar to banks, there are key differences in how they are supervised.
- Core business activities of NBFIs generally include the following: Finance Leasing including Hire Purchase, Gold Pawning, SME and Mico Financing, Personal Loans etc.
- As discussed under the 'Economic Outlook' section of this report, Sri Lanka has made progress in stabilizing macroeconomic conditions through fiscal consolidation, structural reforms, and the rebuilding of external buffers.
- Reflecting this improved environment, the Central Bank's 2025 Financial Stability Review notes that overall financial sector resilience strengthened in the first half of 2025, supported by a pickup in private-sector credit, including lending by finance companies. Importantly, asset quality in the NBFI sector has begun to recover, with the Stage-3 (impaired) loan ratio declining considerably compared with the previous year.

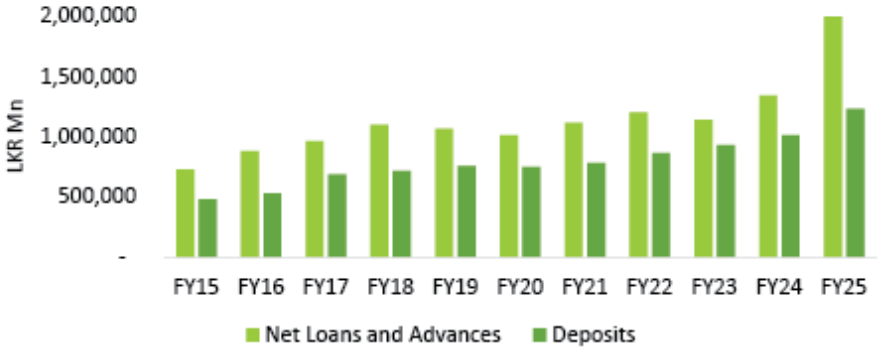


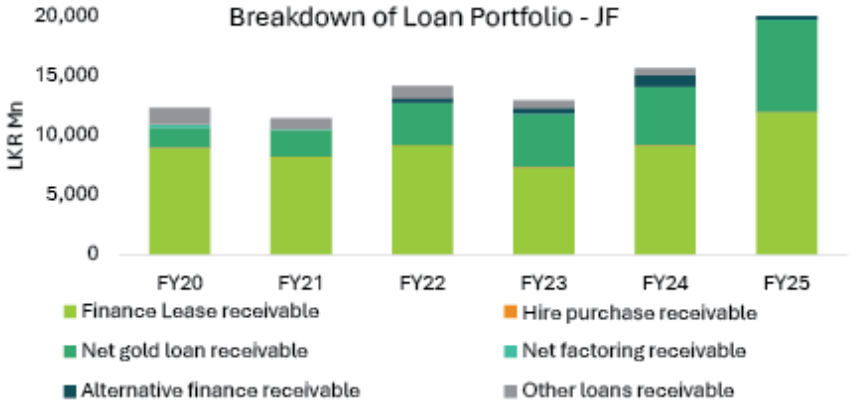
- The Sector's total asset base grew at a CAGR of 7.8% between FY20 and FY25, and 9.4% over the longer period from FY15 to FY25. By the end of FY25, loans and advances made up 75% of total assets.

Source: CBSL statistics

Janashakthi Finance PLC

Company and Industry Overview



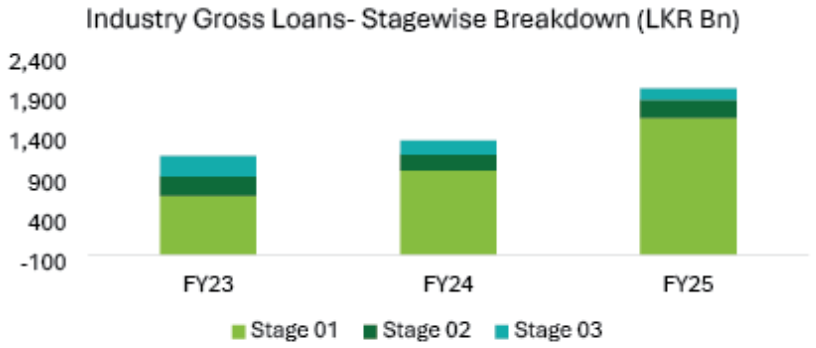


- The NBFI Sector recorded a 22% YoY growth as in September 2025 in Deposits with the absolute number reaching LKR 1,228,000.0 Mn as of 30 September 2025. Deposits funded 62% of total loans with the remainder being funded by borrowings. The sector has increased its reliance on borrowings, taking advantage of the prevailing favorable interest rates.
- Gross loans and advances grew by 34% year-on-year in 2025, supported by the ease in restriction of vehicle imports, stronger household spending, and easing interest rates.

Source: CBSL statistics

Janashakthi Finance PLC

Company and Industry Overview



- Impairments across the NBFI sector have declined year-on-year, supported by a clear improvement in loan quality. Stage 3 loans have fallen to 18%, reflecting a notable reduction in non-performing loans.
- It was noted that the Loan to Value ratios are currently at the lowest levels when compared against the recent past, with Non-commercial vehicles capped at 50% and commercial vehicles capped at 70% as effective from November 2025. This will impact the overall growth of the Sector especially given the disposable income levels of the clientele of LFCs.

Company	Total Asset Base as of 30 September 2025 (LKR Mn)	Market Share (%)
LOLC Finance PLC	466,260	18.7%
People's Leasing and Finance PLC	276,845	11.1%
Citizens Development Business Finance PLC	178,200	7.2%
Central Finance Co. PLC	144,787	5.8%
Vallibel Finance PLC	142,690	5.7%
Commercial Credit and Finance PLC	115,827	4.7%
Mercantile Investments and Finance PLC	97,269	3.9%
Alliance Finance Co. PLC	92,709	3.7%
Siyapatha Finance PLC	75,997	3.1%
HNB Finance PLC	76,645	3.1%
Singer Finance (Lanka) PLC	74,445	3.0%
Merchant Bank of Sri Lanka and Finance PLC	52,122	2.1%
Senkadagala Finance PLC	48,186	1.9%
Asia Asset Finance PLC	42,785	1.7%
Janashakthi Finance PLC	32,399	1.3%
Sarvodaya Development Finance PLC	28,321	1.1%
Fintrex Finance PLC	27,854	1.1%
PMF Finance PLC	23,395	0.9%
Associated Motor Finance Co. PLC	21,776	0.9%
Abans Finance PLC	15,992	0.6%

Source: CBSL statistics & respective Annual Reports of listed companies

Janashakthi Finance PLC

Company and Industry Overview

Regulatory Landscape

- The minimum Core-Capital requirement for LFC's was set by CBSL at LKR 2,500.0 Mn (from January 1, 2022), replacing the earlier LKR 2,000.0 Mn threshold.
- Under the broader Masterplan for Consolidation of Non-Bank Financial Institutions, the Sector has undergone consolidation: Phase I - between 2020 and 2024 saw several amalgamations and capital injections by various Finance Companies to meet regulatory standards.
- As of 2025, CBSL has moved to Phase II of the Masterplan (spanning 2025–2028), under which remaining Finance Companies that fall below the Minimum-Capital Thresholds are being steered by the Central Bank toward mergers and acquisitions with the aim of reinforcing the sector's stability and resilience.
- The total regulatory capital amongst finance companies has risen from LKR 221,000 Mn in March 2020 to LKR 430,400 Mn by March 2025.

Future Outlook

- Cyclone Ditwah represents a material shock to the Sri Lankan economy, with implications for household income, SME cash flows, asset quality, and credit demand. In line with guidance issued by the CBSL, Licensed Finance Companies are expected to extend temporary relief measures to affected borrowers, which may have short- to medium-term implications for earnings visibility, asset quality metrics, and liquidity profiles.
- Although management confirmed that none of the branches were materially affected, JF may expect temporary stress on borrower repayment capacity, particularly among SMEs and individuals whose income streams have been disrupted. In line with CBSL relief measures, the granting of moratoria, rescheduling, and grace periods may lead to an increase in Stage 2 loans reflecting heightened credit risk.
- Over the medium to long term, the Sri Lankan NBFI sector is expected to benefit from a gradual recovery in credit demand, particularly across the retail and SME segments, alongside increased adoption of digital financial services. Structural trends such as digitised customer onboarding, data-driven credit assessment, and enhanced customer engagement platforms are increasingly shaping competitive dynamics within the sector.
- In this context, JF will also have to align its operating model with evolving industry trends through continued investments in technology infrastructure and digital channels aimed at improving operational efficiency, customer accessibility, and portfolio oversight.

Janashakthi Finance PLC

Summarised Historical Statement of Profit and Loss

In LKR Mn.

Janashakthi Finance PLC Statement of Profit and Loss For the year ended 31 March	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Income	3,285	2,676	2,972	3,820	4,868	4,728	2,938
Interest Income	3,053	2,441	2,709	3,593	4,602	4,464	2,832
Interest Expense	(1,800)	(1,334)	(1,159)	(2,600)	(2,807)	(2,317)	(1,364)
Net Interest Income	**1,253**	**1,107**	**1,550**	**993**	**1,794**	**2,146**	**1,468**
Fee and commission income	163	123	102	106	162	161	78
Other operating income	70	112	161	121	104	103	39
Total operating income	1,486	1,342	1,813	1,220	2,061	2,410	1,586
Impairment charges for loans and receivables at amortised cost	(1,015)	(110)	(125)	(103)	(140)	(91)	(152)
Net operating income	**471**	**1,231**	**1,688**	**1,117**	**1,921**	**2,319**	**1,433**
Personnel expenses	(427)	(400)	(605)	(621)	(666)	(809)	(454)
Depreciation and amortisation	(64)	(69)	(81)	(118)	(83)	(159)	(103)
Other operating expenses	(406)	(597)	(399)	(402)	(622)	(748)	(511)
Operating profit before Value Added Tax	(426)	260	603	(23)	550	604	366
Tax on financial services	(12)	(66)	(150)	(47)	(200)	(176)	(125)
Profit before income tax	**(437)**	**194**	**453**	**(70)**	**349**	**428**	**241**

Janashakthi Finance PLC

Summarised Historical Statement of Financial Position

in LKR Mn.

Janashakthi Finance PLC Statement of Financial Position As at 31 March	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Assets							
Cash and cash equivalents	71	225	296	308	420	492	522
Financial assets fair value through other comprehensive income	934	850	726	1,263	933	1,144	1,227
Loans and receivables at amortised cost	12,339	11,447	14,126	12,941	15,659	22,055	26,667
Placements with banks and other financial institutions at amortised cost	82	32	242	236	343	453	386
Other assets	279	270	255	657	940	793	1,352
Real estate stock	17	25	9	11	11	21	18
Deferred tax asset	371	371	372	370	367	348	348
Goodwill	565	565	565	565	565	565	565
Brand value	236	236	236	236	236	236	236
Other intangible assets	1	51	38	25	13	42	-
Property, plant and equipment	75	62	85	71	144	309	330
Right-of use of assets	129	129	115	97	126	151	-
Investment properties	538	628	662	690	721	748	748
Total Assets	**15,638**	**14,889**	**17,727**	**17,469**	**20,477**	**27,358**	**32,399**

Janashakthi Finance PLC

Summarised Historical Statement of Financial Position

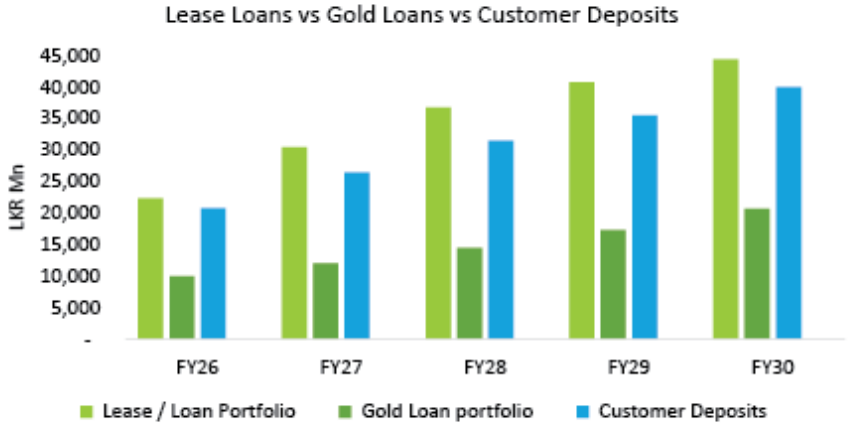
In LKR Mn.

Janashakthi Finance PLC Statement of Financial Position As at 31 March	FY20	FY21	FY22	FY23	FY24	FY25	1H FY26
Liabilities							
Due to banks - bank overdrafts	266	79	681	241	234	699	186
Deposits from customers	9,021	8,693	9,204	10,759	13,556	15,904	16,873
Interest bearing borrowings	3,038	2,651	3,875	2,607	2,115	5,901	9,979
Lease liability . right of use assets	118	104	77	46	60	54	272
Other labilities	443	435	515	482	843	739	889
Retirement benefits obligation	43	40	44	52	65	79	82
Total Liabilities	**12,927**	**12,002**	**14,395**	**14,188**	**16,874**	**23,375**	**28,281**
Equity							
Stated capital	2,432	2,432	2,432	2,432	2,432	2,432	2,432
Statutory reserve fund	311	330	376	376	393	412	412
Regulatory Loss Allowance reserve	-	-	-	-	-	194	-
Revaluation reserve	141	141	141	141	141	141	-
Retained earnings	-	-	383	332	637	803	1,057
Accumulated Losses	(174)	(17)	-	-	-	-	-
Other Reserves	-	-	-	-	-	-	218
Total Equity	**2,710**	**2,887**	**3,332**	**3,281**	**3,603**	**3,982**	**4,118**
Total Equity & Liabilities	**15,638**	**14,889**	**17,727**	**17,469**	**20,477**	**27,358**	**32,399**

Janashakthi Finance PLC

Forecast Financials

- As Sri Lanka's NBFI sector continues to stabilise post-crisis, improving credit conditions, rising customer demand and stronger liquidity positions across the industry have created a conducive environment for expansion.
- Against this backdrop, JF plans to actively pursue inorganic growth opportunities over the next five years, with the ambition of transitioning from its current LKR 25,000–30,000 Mn asset tier to the LKR 50,000–100,000 Mn asset tier and positioning itself among the top 10 NBFIs by 2035.
- The targeted growth trajectory of loan portfolio from LKR 22,000 Mn to LKR 64,000 Mn within five years seems very aggressive compared to the historical 10-year growth of JF and of its peers which is within LKR 10,000 Mn range.
- We view raising Deposits to fund the growth and maintaining Net Interest Margins as being the most challenging aspect of JF's growth strategy.
- In response to prevailing market trends, the company is also expected to place greater emphasis on digital transformation and focus on lower ticket size products such as micro leasing and loans with higher Net Interest Margins.
- Industry trends substantiate the company's focus on gold loans and leasing, which are expected to form an 80/20 portfolio mix. Due to prolonged import restrictions in Sri Lanka, the price of vehicles, particularly within the second-hand market has risen sharply, increasing average ticket sizes and boosting demand for leasing products across the NBFI sector. However, the growth would be hindered due to low Loan to Value ratios.
- Simultaneously, the global surge in gold prices has strengthened the attractiveness and performance of gold-backed lending.



Janashakthi Finance PLC

Forecast Financials

- CBSL mandates a minimum Capital Adequacy Ratio (CAR) of 14%. Amid accelerated loan growth during the year, which exerted pressure on this requirement, the company proactively strengthened its capital base through a Subordinated Debt private placement executed in two tranches, raising LKR 1,000 Mn in Tier 2 capital.
- This measure enabled the company to remain above the regulatory threshold, with the total CAR recorded at 14.19% at the end of the financial year.
- Below is a comparison of JF's Core-Capital ratios against its peers during the past 3 years.

Peers	Tier 1 (Core-Capital) ratio (%) CBSL Requirement : 8.5%			Total Capital % CBSL Requirement: 12.5%		
	2023	2024	2025	2023	2024	2025
Janashakthi Finance PLC	17.00	16.00	14.10	16.58	15.63	14.9
Associated Motor Finance Co PLC	16.26	17.37	19.00	17.24	17.26	19.2
PMF Finance PLC	26.76	17.92	15.84	26.76	17.92	15.84
Sarvodaya Development Finance PLC	32.75	25.84	20.52	34.01	26.00	20.63
Merchant Bank of Sri Lanka and Finance PLC	13.6	11.97		16.75	14.45	
Senkadagala Finance PLC	25.12	22.86	23.84	28.19	23.94	27.3
Asia Asset Finance PLC	27.43	21.22	29.46	27.43	20.87	29.25

Source: Annual Reports

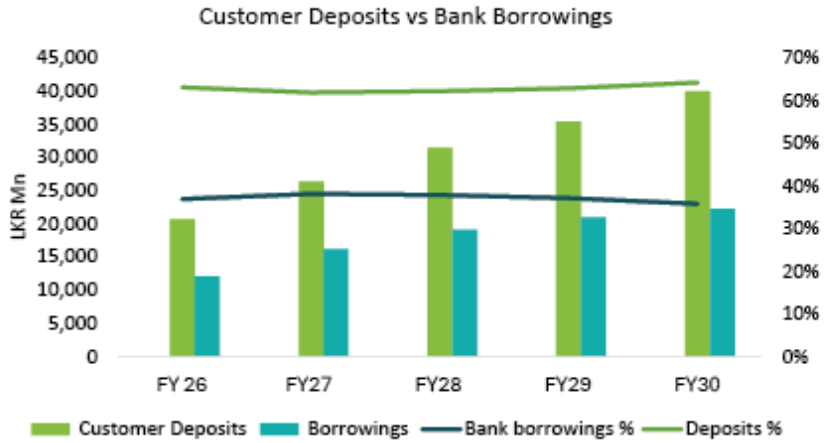
Janashakthi Finance PLC

Forecast Financials

Based on JF's forecast funding mix, customer Deposits are projected to account for approximately 63% of the total funding, whilst bank borrowings account for the remaining 37%.

This aligns with both JF's historical funding profile and broader peer averages within the sector, underscoring the continued importance of Deposit mobilization as a stable, low-cost funding source.

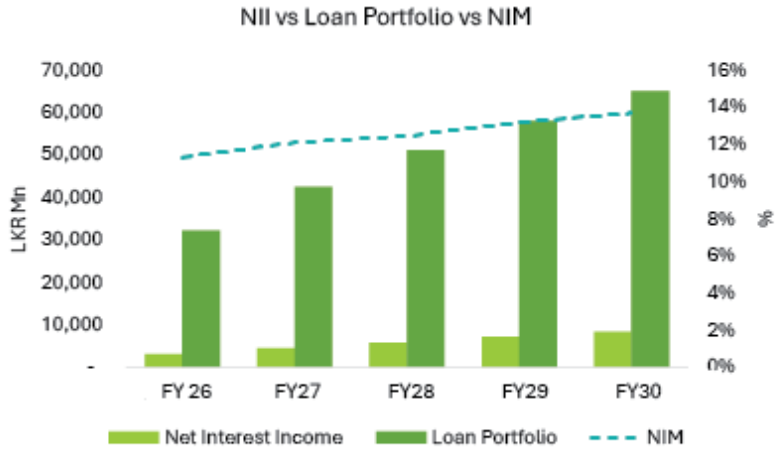
- The company's Deposit Base expanded by 17.32% last year, increasing from LKR 13,600 Mn to LKR 15,900 Mn and bank borrowings increased from LKR 2,200 Mn to LKR 5,900 Mn. These funds were mainly utilized for Finance Lease and Gold Loans in the same period.
- Deposit retention rates have consistently remained above 80%.



Janashakthi Finance PLC

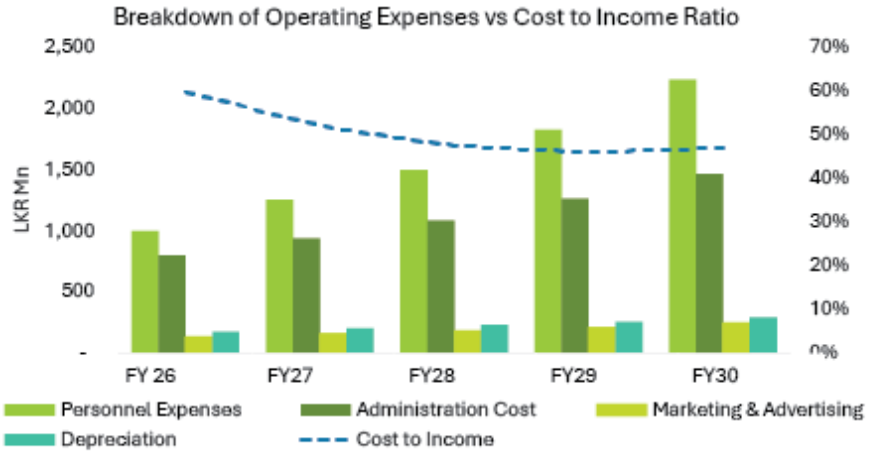
Forecast Financials

Net Interest Income (NII) grew by 19.6% year-on-year to LKR 2,146.0 Mn in 2024/25, driven by sustained credit demand and improved funding cost efficiency amid easing market interest rates. Further, Forecasts show an average YoY growth of 25% during the forecast period. Management discussions indicate the aggressive growth in Gold and Lease Loan portfolio and the Company's positioning to attract more Micro-Loans as well, broadening their loan base. As a result, Net Interest Margins (NIMs) during the forecast period are expected to exceed the historical average of 9.58%, reaching an average of 12.54%.



Over the past three years, JF has recorded a historical Cost-to-Income ratio of approximately 77%, which is significantly higher than the peer average of 67% and the broader sector average of 63%. Personnel expenses represent the primary component of operating expenses. Currently, JF employs approximately 650 staff members. The management expects the Cost-to-Income ratio to drop to 42% whilst the aggressive growth expectations that can be achieved without substantial cost.

Marketing expenses are also projected to record an average YoY growth of 17% during the forecast period.



Janashakthi Finance PLC

Summarised Forecast Statement of Profit and Loss

In LKR Mn.

Janashakthi Finance PLC Statement of Profit and Loss For the year ended 31 March	FY26	FY27	FY28	FY29	FY30
Interest Income	6,147	8,501	10,946	13,075	15,029
Interest Cost	(2,986)	(3,993)	(5,122)	(5,885)	(6,609)
Net Interest Income	**3,161**	**4,508**	**5,824**	**7,190**	**8,421**
Non-Interest Income	351	402	474	538	602
Total Net Income	**3,513**	**4,910**	**6,298**	**7,728**	**9,022**
Personnel Expenses	1,000	1,253	1,499	1,830	2,238
Administration Cost	799	941	1,084	1,263	1,470
Marketing & Advertising	132	160	183	212	245
Depreciation	175	202	229	255	291
Operation Cost	**2,107**	**2,556**	**2,994**	**3,559**	**4,244**
Profit Before Impairment	**1,406**	**2,353**	**3,304**	**4,169**	**4,778**
Impairment	(373)	(539)	(733)	(931)	(1,149)
Profit before VAT on FS & SCL	**1,034**	**1,815**	**2,571**	**3,238**	**3,629**
VAT on FS / SCL	(294)	(458)	(616)	(768)	(883)
Profit Before Tax	**740**	**1,356**	**1,955**	**2,470**	**2,745**
Income Tax	(310)	(599)	(848)	(1,069)	(1,198)
Profit After Tax	**430**	**758**	**1,107**	**1,401**	**1,548**

Janashakthi Finance PLC

Summarised Forecast Statement of Financial Position

In LKR Mn.

Janashakthi Finance PLC Statement of Financial Position As at 31 March	FY26	FY27	FY28	FY29	FY30
Assets					
Fixed Assets	662	632	586	514	538
Lease / Loan Portfolio	22,285	30,413	36,674	40,699	44,347
Gold Loan Portfolio	9,923	12,023	14,423	17,323	20,623
Investment Properties	721	721	721	721	721
Goodwill	565	565	565	565	565
Brand Value	236	236	236	236	236
Other Assets	1,574	1,574	1,574	1,574	1,574
Investments	1,882	2,362	2,842	3,322	3,802
Cash & Cash Equivalents	363	293	394	352	384
Total Assets	**38,211**	**48,819**	**58,015**	**65,306**	**72,791**
Liabilities					
Customer Deposits	20,704	26,354	31,454	35,429	39,929
Borrowings	12,113	16,241	19,144	20,952	22,258
Other Liabilities	1,012	1,084	1,170	1,277	1,407
Total Liabilities	**33,828**	**43,679**	**51,768**	**57,657**	**63,594**
Total Equity	**4,383**	**5,141**	**6,248**	**7,649**	**9,197**
Total Equity & Liabilities	**38,211**	**48,819**	**58,015**	**65,306**	**72,791**

Comparable Companies Method

Primary Valuation Approach for Janashakthi Finance PLC

The Primary Valuation Methodology adopted was the Comparable Companies PBV approach. The set of Peers set was constructed based on similarity in business model, products and Asset size, focusing on entities within the LKR 25,000 – 50,000 Mn Asset range. Additionally, we also considered qualitative factors such as number of branches, employees and the finance company rating (detailed below).

A detailed analysis of key peer indicators is presented in the table below, from which Price-to-Book multiples were derived. In determining the representative PBV multiple applied for valuation purposes.

As of 30 September 2025

Name of the Finance Company	Asset Base (LKR Mn)	Total Capital Ratio (%)	Gross Non-Performing Loan Ratio (%)	Net Non-Performing Loan Ratio (%)	Return on Assets Ratio (%)	Number of Branches	Number of Employees	Rating
Associated Motor Finance Co. PLC	21,776	19.2	15.9	9.5	8.8	12	388	BB
PMF Finance PLC *	23,395	15.8	6.0	4.4	2.4	19	387	BB-
Fintrex Finance PLC *	27,854	18.3	8.6	6.1	2.7	16	309	B+
Sarvodaya Development Finance PLC	28,321	20.6	7.9	5.7	6.0	56	547	BB+
Janashakthi Finance PLC	32,399	14.9	7.0	3.2	2.5	37	650	BB+
Merchant Bank of Sri Lanka and Finance PLC	52,122	14.5	17.8	10.0	2.1	47	870	BBB
Senkadagala Finance PLC *	48,186	27.3	7.2	3.1	8.8	125	985	BBB
Asia Asset Finance PLC	42,785	27.9	12.5	5.8	3.0	100	1054	A+

Source-CBSL

- Fintrex Finance PLC was excluded due to the absence of observable trading activity during the recent period up to the Valuation Date. Senkadagala Finance PLC and PMF Finance PLC were excluded due to persistently low liquidity compared with the peers.

Comparable Companies Method

Primary Valuation Approach for Janashakthi Finance PLC

The below list includes listed finance companies which serve as Peers for Janashakthi Finance PLC. The resulting average **PBV multiple applied in the analysis amounts to 1.79x.**

As of 30 September 2025

Company Name	Market Price per Share (LKR)	No. of Shares (Mn)	Market Capitalization (LKR Mn)	Equity (LKR Mn)	Book Value per Share (LKR)	PBV*
Associated Motor Finance Co PLC	74.40	113	8,431	4,523	39.91	2.24
Sarvodaya Development Finance PLC	31.40	150	4,697	4,097	27.40	1.38
Merchant Bank of Sri Lanka and Finance PLC	8.70	525	4,563	4,357	8.31	1.26
Asia Asset Finance PLC	64.00	124	7,949	4,176	33.62	2.28
Average						**1.79**

*The multiples shown above and final derived PBV multiple for JF may not align with the values obtained by dividing market capitalization by book value of equity. This is on account of adjustments being made to the multiples to reflect the controlling basis equity value of JF.

Comparable Companies Method

Primary Valuation Approach for Janashakthi Finance PLC

- We have made the following adjustments to the Net Asset Value of JF as of 30 September 2025.
- These adjustments were made based on the management intimations on the ambiguity pertaining to the continued recognition of Brand Value and Goodwill on the JF balance sheet. As there is some uncertainty with regard to these two-line items given the recent re-branding and marketing efforts undertaken, we have excluded these values to arrive at an Adjusted Book Value for JF.

As of 30 September 2025		LKR Mn
Net Asset Value		4,118
Less:		
Brand Value	564	
Goodwill	235	
		(800)
Adjusted Net Asset Value		**3,318**

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Comparable Companies Method

Primary Valuation Approach for Janashakthi Finance PLC

Comparable Companies Approach

The representative average PBV multiple of 1.79x was calculated after excluding the outliers, which are not comparable to JF

We have adopted a deviation of +/-5% in the comparable companies multiple in deriving the range of indicative values for JF.

Accordingly, the equity value of JF ranged between **LKR 5,636.0 Mn to LKR 6,230.0 Mn.**

in LKR Mn.

Janashakthi Finance PLC Market Comparable Methodology			
PBV Multiple - Comparable Companies	**Lower**	**Base**	**Upper**
Book Value as of 30 Sep 2025	3,318	3,318	3,318
Peer PBV Multiple (+/- 5%)	1.70	1.79	1.88
Equity Value	**5,636**	**5,933**	**6,230**
Value per share (LKR)	**26.70**	**28.10**	**29.51**

Comparable Transaction Multiples Approach

Secondary Valuation Approach for Janashakthi Finance PLC

Comparable Transaction Multiples Approach

We also assessed the fair value of a 100% equity interest using the Comparable Transaction Multiples Approach as a secondary measure.

The analysis is based on precedent transactions involving entities with similar business models and operating in the same local industry as JF.

Transaction data was sourced from publicly available disclosures and covering the period from 2020 to 2024, ensuring relevance across different market conditions and valuation cycles.

The following transactions were used to compute the PBV multiple. Further, the multiple was adjusted to account for the majority stake in certain transactions, ultimately arriving at an average of 1.66x.

Year	Target Company	Bidder Company	Description	PBV
2025	Associated Motor Finance Company PLC	LB Finance PLC	LB Finance PLC, a subsidiary of Vallibel One PLC and acquired a controlling stake in Associated Motor Finance Company PLC (AMF). The transaction involved the acquisition of a 65.6% equity stake for a total consideration of LKR 3,720 Mn.	1.25
2024	Multi Finance PLC	LB Finance PLC	LB Finance acquired over 64% of Multi Finance from Fairway Holdings for c. LKR 400 Mn at LKR 9.70-9.80 per share.	2.06
			Average	1.66

Comparable Transaction Multiples Approach Cont'd

Secondary Valuation Approach for Janashakthi Finance PLC

Comparable Transaction Multiples Approach

* This has not been used as the Primary Methodology owing to limited number of transactions and some of them being slightly dated.

in LKR Mn.

Janashakthi Finance PLC Market Comparable Methodology PBV Multiple - Comparable Transactions	Lower	Base	Upper
Book Value as of 30 September 2025	3,318	3,318	3,318
Implied PBV Multiple (+/- 5%)	1.58	1.66	1.74
Equity Value	**5,227**	**5,502**	**5,777**
Value per share (LKR)	**24.76**	**26.06**	**27.36**

Residual Income Approach

Secondary Valuation Approach for Janashakthi Finance PLC

As a secondary approach, we assessed the fair value of a 100% equity interest using the Residual Income Approach. The Equity Value of JF was determined using the RI Valuation Method based on assumptions for Cost of Equity of 13.7%* and arrived at a final valuation of LKR 5,720.0 Mn

While Residual Income based income approach could also have been an acceptable primary valuation approach, we have retained the PBV peer market multiple approach owing to the presence of a significant number of highly comparable peers listed on the CSE; hence providing a strong reference point for a relative valuation.

All Figures in LKR Mn		FY26	FY27	FY28	FY29	FY30
PAT		288	758	1,107	1,401	1,548
Less - Capital Charge on Equity	13.70%	(601)	(704)	(856)	(1,048)	(1,260)
Residual Income		-	53	251	353	288
Discount factor		0.97	0.88	0.77	0.68	0.60
PV of Residual Income	3.50%	-	47	194	240	172
PV of Terminal Value						1,749
Book Value of Equity B/F		3,318	3,605	4,363	5,470	6,871
Additions						
Profit for the year		288	758	1,107	1,401	1,548
Book Value of Equity C/F		**3,605**	**4,363**	**5,470**	**6,871**	**8,419**

PV of Future Residual Income	2,402
Book Value of Equity	3,318
Equity value	**5,720**
No of Shares (Mn)	211
Value per Share (LKR)	**27.10**

* *Please refer to detailed computation of cost of equity in page 26*

Janashakthi Finance PLC

Volume Weighted Average Price (VWAP)

Volume Weighted Average Price (VWAP), is a trading benchmark that reflects the average price at which a security has traded throughout a specific period, weighted by the volume of shares traded at each price level.

$$\text{VWAP} = \frac{\sum_{i=1}^{n} = 1n(P_i \times V_i)}{\sum_{i=1}^{n} V_i}$$

Where;

P_i = *Price of shares at each trade (for each time period i)*

V_i = *Volume of shares traded at that price* P_i

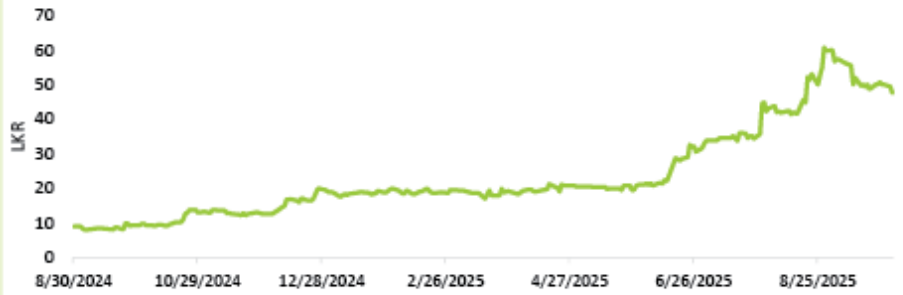
n = *Total number of trades or time intervals during the period*

As JF is a listed entity, the Volume Weighted Average Price (VWAP) was also considered as a cross check for the primary valuation.

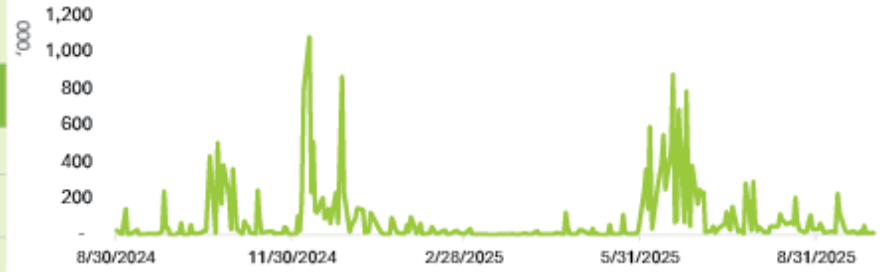
	12-month VWAP
No of Shares	211,101,155
VWAP Price (LKR)	23.87
Equity Value (LKR Mn)	5,039

Source : Colombo Stock Exchange – Historical price data

Share price movements for the last 12 months to the Valuation Date



Share volume movements for the last 12 months to the Valuation Date



Janashakthi Insurance PLC (JINS)

Janashakthi Insurance PLC

Company and Industry Overview

Janashakthi Insurance PLC commenced its operations in 1994 as Sri Lanka's first specialized life insurer. In 2018, Janashakthi Insurance PLC sold its general insurance business to Allianz to focus exclusively on its life insurance segment, rebranding as Janashakthi Life.

- The company outperformed the industry in 2024 in terms of top-line growth, recording a 44% year-on-year increase, well above the industry average of 20%. This performance was primarily driven by a strong focus on its core life insurance business, with profits rising on the back of robust policy growth of 76%.
- The company operated through an extensive branch network across Sri Lanka, maintaining 76 branches across the island, ensuring broad geographical reach across both rural and urban markets. The company has a total of 372 employees (2024).

Financial Highlights		FY23	FY24
Gross Written Premium	LKR Mn	4,584	6,596
Total Other Revenue	LKR Mn	9,296	6,918
Profit/(Loss) After Tax	LKR Mn	4,134	4,512
Total Shareholders' Equity	LKR Mn	15,591	16,902
Financial Investments	LKR Mn	28,240	29,022
Insurance Liability - Life	LKR Mn	14,544	16,031
Total Assets	LKR Mn	36,192	37,896
Expense Ratio	%	57	56
Claims Ratio	%	74	60
Return on Assets	%	11%	12%

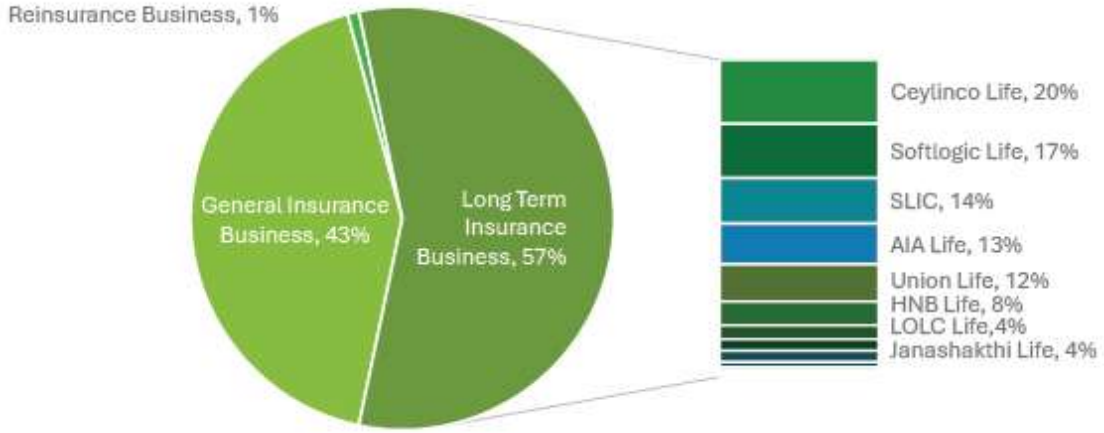
Janashakthi Insurance PLC

Company and Industry Overview

Market Share of Sri Lanka's Insurance Market– By Business and Company

Insurance penetration in Sri Lanka improved in 1H FY25, with annualised GWP as a percentage of GDP rising to 1.2% from 1.1% in 1H FY24, driven primarily by higher activity in the long-term insurance segment. Premiums growth was led by life insurance, with long-term claims increasing 20.5% YoY, compared to 10.9% YoY growth in general insurance, where motor insurance continued to dominate claims volumes despite relatively moderate growth. Sri Lanka's insurance penetration however remains among the lowest in Asia, reflecting a market characterized by limited product sophistication and a concentration in basic life and non-life offerings.

Market share of Sri Lanka's Insurance Industry



Sources: Insurance Regulatory Commission of Sri Lanka - Local Insurance Outlook – 2024, Fitch Ratings, CBSL

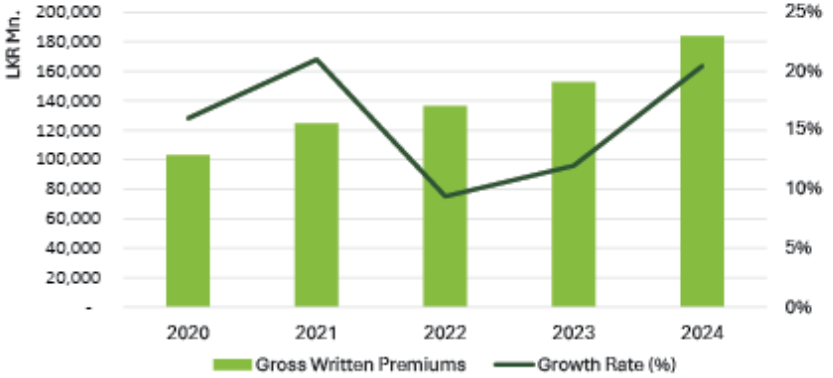
Janashakthi Insurance PLC

Company and Industry Overview

Overview of the Life Insurance market in Sri Lanka

- As of 2024, there are 16 long-term insurance companies operating Sri Lanka, with the sector Gross Written Premium (GWP) growing at a CAGR of 15.6% between 2020-2024.
- In 2024, GWP increased by 20.5% YoY to LKR 183,900 Mn, driven mainly by Universal Life (43%) and Endowment (32%) products. Janashakthi Life increased its market share modestly to 3.6% (LKR 6,600 Mn) from 3.0% in 2023.

Growth in the Life Insurance Sector



Sources: Insurance Regulatory Commission of Sri Lanka - Local Insurance Outlook - 2024

Insurer	Insurance Contract Liabilities (LKR Mn)	Gross Written Premium (LKR Mn)	Market Share (%)
Ceylinco Life	181,544	37,140	20.2%
Softlogic Life	32,290	31,573	17.2%
SLIC	214,473	26,359	14.3%
AIA Life	82,494	23,574	12.8%
Union Life	78,662	21,647	11.8%
HNB Life	38,337	13,710	7.5%
LOLC Life	13,056	8,160	4.4%
Janashakthi Life	15,954	6,596	3.6%
Sanasa Life	3,329	6,577	3.6%
Allianz Life	7,285	2,749	1.5%
Arpico	2,732	1,966	1.1%
Amana Life	3,767	1,295	0.7%
Cooplife	4,842	1,108	0.6%
LIC	4,064	956	0.5%
Continental Life	109	443	0.2%
MBSL	420	24	0.0%

Sources: Extract as per IRC Local Insurance Outlook – 2024

Janashakthi Insurance PLC

Company and Industry Overview

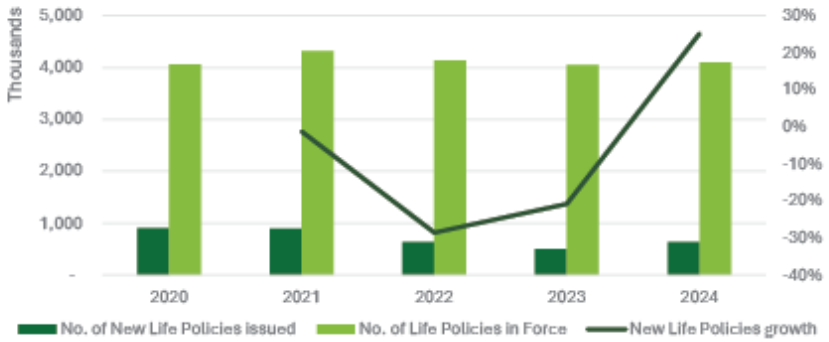
Policy Growth

- The number of new policies increased by 25% YoY in 2024, with an additional 632,019 policies issued, reflecting a recovery from the materially subdued conditions experienced during the economic crisis period.
- In 2022, Sri Lanka's economy contracted by 7.8% YoY, while life insurance GWP growth slowed to 9.4% from 21% in 2021, alongside a significant decline in new long-term policy issuance due to high inflation, elevated interest rates, and reduced household disposable income.
- As macroeconomic conditions gradually normalized post-crisis, the rebound in policy issuance appears consistent with improving affordability, renewed consumer confidence, and a recovery from the suppressed demand base of prior years. While volumes remain below the 2020 peak, the pace of growth suggests normalization rather than cyclical excess.

Insurance Type	No: of Insurance Claims	Value of Claims (LKR Mn)	Average Value per Claim (LKR)
Disability Benefits	3,523	702	199,257
Death	19,083	7,422	388,921
Surrenders	85,453	15,345	179,575
Maturity Benefits	128,311	38,961	303,647
Hospitalization	528,574	13,175	24,926
Others	204,725	8,280	40,445

Sources: Insurance Regulatory Commission of Sri Lanka - Local Insurance Outlook - 2024

Life Insurance - Policy Growth



- In 2024, insurance claims were heavily concentrated in hospitalization and maturity benefits by volume, with hospitalization alone accounting for 55% of claims but having the lowest average claim value and only 16% of total claim value, indicating high-frequency, low-severity events.
- In contrast, death and maturity claims, while far fewer in number, contributed a much larger share of total claim amounts due to significantly higher average claim values, highlighting their material impact on payouts. Surrenders also formed a substantial portion of claims by volume and value, suggesting notable policy discontinuation behavior.

Janashakthi Insurance PLC

Company and Industry Overview

Asset Concentration and Investment Returns

- Portfolios are heavily weighted towards government debt securities, which generated the largest share of investment income and provided stable returns at a moderate yield of ~13%.
- Higher yields were achieved on equity and deposits, though these asset classes represent a smaller proportion of total invested value, with corporate debt delivering steady but slightly lower returns, while land and buildings produced minimal income relative to capital deployed, with unit trusts and gold remaining marginal contributors to overall performance.

Asset Type	Value (LKR Mn)	Return (LKR Mn)
Government Debt Securities	506,163	66,837
Equity	58,601	9,073
Corporate Debt	160,420	17,515
Land & Buildings for Investment Purposes	7,641	103
Deposits	88,896	13,194
Unit Trusts	13,214	1,100
Investment in Gold	275	32

Asset Credit Quality

- As at 31 December 2024, financial assets were largely concentrated in investment-grade credit categories, with corporate debt and deposits, indicating a generally strong credit risk profile.
- Corporate debt shows some exposure to lower-rated bands, reflecting a measured level of credit risk taken to enhance returns, while unrated exposure remains limited.
- Reinsurance receivables and other assets were mainly held with counterparties with strong credit risk profile, suggesting conservative counterparty risk management overall.

Asset Type	AAA to AA- and A1/P1 (LKR Mn)	A+ to A- and A2/P2 (LKR Mn)	BBB+ to BB- and A3/P3 (LKR Mn)	Unrated (LKR Mn)
Corporate Debts	62,221	34,151	61,168	2,881
Deposits	18,242	66,915	3,739	-
Reinsurance Receivables	4,133	76	-	243
Other Assets	238	1,622	70	102

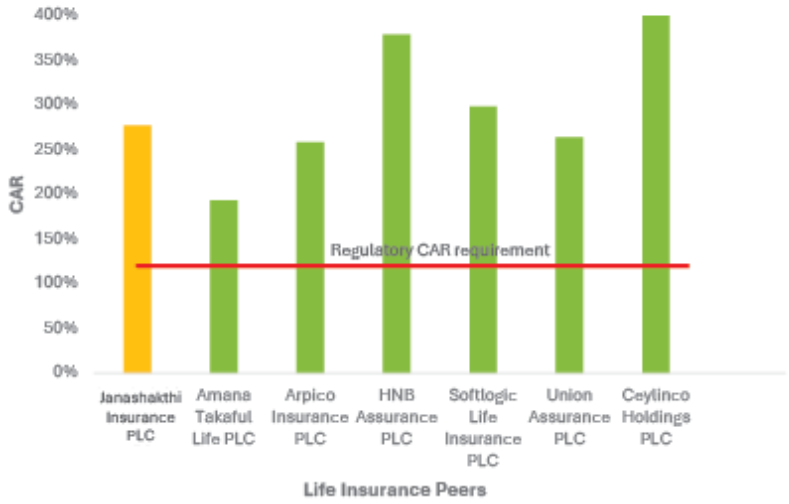
Sources: Insurance Regulatory Commission of Sri Lanka - Local Insurance Outlook - 2024

Janashakthi Insurance PLC

Company and Industry Overview

Regulatory Landscape

- As per the Solvency Margin (Risk-Based Capital) Rules 2015, Life Insurance companies are required to maintain a minimum Capital Adequacy Ratio (CAR) of 120% and a total available capital of LKR 500.0 Mn. As per the CBSL, CAR improved to 345% in Q2 2025 for long-term Insurance, which is well above the regulatory requirement of 120%.



- Sri Lanka is set to adopt Sri Lanka Financial Reporting Standards (SLFRS) 17 in 2026 for insurance contracts, marking a significant change in the financial reporting framework for life insurance companies and aligning insurance companies with more accurate insurance linked standards. As per the information available in the public domain, the standard primarily affects how and when profits are recognized, rather than the underlying economics of insurance contracts.

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Sources: Insurance Regulatory Commission of Sri Lanka , Annual reports of companies

Janashakthi Insurance PLC

Summarised Historical Statement of Profit and Loss

in LKR Mn.

Janashakthi Insurance PLC Statement of Profit and Loss For the year ended 31 December	FY20	FY21	FY22	FY23	FY24
Gross Written Premium	3,820	5,461	4,867	4,585	6,596
Net Earned Premium	3,698	5,249	4,609	4,365	6,347
Other Revenue	2,598	1,919	2,075	9,296	6,919
Total Revenue	**6,296**	**7,168**	**6,684**	**13,661**	**13,265**
Net Acquisition Cost	(861)	(1,864)	(1,684)	(1,163)	(1,663)
Net Claims and Benefits	(1,758)	(2,134)	(2,781)	(3,411)	(3,950)
Other Expenses	(1,071)	(1,198)	(1,662)	(1,333)	(1,903)
Share of Profit from equity accounted investee					1,332
Increase in Life Insurance Fund	(1,585)	(792)	1,280	(2,503)	(1,377)
Profit/(Loss) before Taxation	**1,021**	**1,179**	**1,837**	**5,251**	**5,704**
Operating Margin	28%	22%	40%	120%	90%
Revenue Margin	16%	16%	27%	38%	43%
Claims Ratio	46%	39%	57%	74%	60%
Expense Ratio	52%	58%	73%	57%	56%
Combined Ratio	98%	97%	130%	132%	116%
Equity to Total Assets	42%	41%	43%	43%	45%
Insurance Provisions to Equity	126%	128%	112%	93%	95%
Regulatory Reserve to Equity	18%	17%	17%	12%	11%

Janashakthi Insurance PLC

Summarised Historical Statement of Financial Position

in LKR Mn.

Janashakthi Insurance PLC Statement of Financial Position As at 31 December	FY20	FY21	FY22	FY23	FY24
Assets					
Financial Assets	19,375	21,545	20,368	28,241	29,022
Property, Plant and Equipment	355	258	194	220	297
Right of Use Asset	225	174	192	232	251
Investment in Associate				3,755	4,572
Other Assets and Receivables	3,960	3,302	4,109	3,391	3,298
Cash and Cash Equivalents	283	405	282	354	457
Total Assets	**24,197**	**25,683**	**25,146**	**36,192**	**37,897**
Liabilities and Shareholders Equity					
Shareholders' Equity					
Stated Capital	4,854	4,854	4,854	4,854	4,854
Restricted Regulatory Reserve	1,796	1,796	1,796	1,796	1,796
Revenue Reserves	3,418	3,895	4,211	8,942	10,253
Total Shareholders' Equity	**10,067**	**10,545**	**10,861**	**15,592**	**16,903**
Liabilities					
Insurance Provision-Life	12,682	13,474	12,194	14,545	16,031
Other Liabilities	1,448	1,664	2,091	6,055	4,963
Total Liabilities	14,130	15,138	14,285	20,600	20,994
Total Liabilities and Shareholders' Equity	**24,197**	**25,683**	**25,146**	**36,192**	**37,897**

Comparable Companies Method

Primary Valuation Approach for Janashakthi Insurance PLC

The primary valuation methodology adopted was the Comparable Companies PBV approach. The peers were streamlined taking into account all listed long term insurance companies listed on the Colombo Stock Exchange (CSE). Additionally, we also considered qualitative factors such as number of branches & employees.

A detailed analysis of key peer indicators is presented in the table below, from which price-to-book (PBV) multiples were derived.

As of 30 September 2025

Company Name	Asset Base (LKR Mn)	Premium Stability Ratio*	Retention Ratio**	Return on Assets Ratio (%)	Number of Branches	Number of Employees
Arpico Insurance PLC	5,259	0.97	95%	4%	379	69
Amana Takaful Life PLC	5,539	1.34	95%	0%	37	139
Janashakthi Insurance PLC	41,509	1.26	96%	16%	76	372
Softlogic Life Insurance PLC	69,095	1.03	93%	7%	115	947
HNB Assurance PLC	73,211	1.33	80%	3%	79	1,541
Union Assurance PLC	121,918	1.21	93%	3%	94	737
Ceylinco Holdings PLC	365,274	1.19	76%	2%	190	1,885

- However, given that the asset sizes of Amana Takaful Life PLC and Arpico Insurance PLC are materially lower than that of Janashakthi Insurance PLC as well as those of the other peer companies, these entities have been excluded from the calculation of the average PBV multiple.

**The measure indicates how stable and predictable premium income is over time, with a ratio close to one suggesting a consistent revenue base, while significant deviations imply volatility in new business generation or policy retention, comparing premium levels in 9M Q3 2025 against 9M Q3 2024*

***The Retention Ratio measures the proportion of premium retained by the insurer after reinsurance, calculated as Net Earned Premium divided by Gross Earned Premium. A higher ratio indicates greater risk retention and lower reliance on reinsurance.*

Source : Respective Annual Reports

Comparable Companies Method

Primary Valuation Approach for Janashakthi Insurance PLC

The below list includes long-term insurance listed companies which serve as Peers for Janashakthi Insurance PLC. The resulting average **PBV multiple applied in the analysis amounts to 1.88x.**

As of 30 September 2025

Company Name	Market Price per Share (LKR)	Number of Shares (Mn)	Market Capitalization (LKR Mn)	Equity (LKR Mn)	Book Value per Share (LKR)	PBV Multiple *
HNB Assurance PLC	104.00	150	15,600	12,888	85.92	1.45
Softlogic Life Insurance PLC	73.00	316	23,920	11,619	36.72	2.39
Union Assurance PLC	78.40	589	46,200	20,689	35.11	2.68
Ceylinco Holdings PLC	3,102	26	81,951	104,484	3,764.48	0.99
Average						**1.88**

*The multiples shown above and final derived PBV for JINS may not align with the values obtained by dividing market capitalization by equity value. This is on account of adjustments being made to the multiples to reflect the 100% equity value of JINS.

- Even though, Ceylinco Holdings PLC and HNB Assurance PLC are composite Insurance companies, (with Ceylinco also generating some non-insurance income) we have considered these in our computation owing to their total assets and revenue being primarily comprised of Life Insurance business.

Source : Insurance Regulatory Commission of Sri Lanka

Comparable Companies Method

Primary Valuation Approach for Janashakthi Insurance PLC

- As a further cross-check to the primary valuation methodologies, we assessed the fair value of a 100% equity interest using the Comparable Companies Multiples approach.
- The analysis is based on a selected set of peer companies with predominantly life insurance portfolios operating within a comparable segment of the insurance industry to JINS. The peer group considered is set out below. PBV multiples have been computed as at 30 September 2025.
- An adjusted net book value of LKR 13,563.6 Mn was derived after deducting the JINS 25% cross-holding in FCH which amounts to LKR 4.9 Mn in terms of carrying value. On this basis, and after incorporating adjustments to reflect a controlling and marketable interest, the implied equity valuation ranges between LKR 24,182 Mn and LKR 26,727 Mn.
- We subsequently add the fair value of JINS stake in FCH based on the fair value of FCH derived by us. Please refer pages 96 and Appendix 1
- This results in the final absolute value of JINS ranging from LKR 29,750 Mn to LKR 32,866 Mn.

in LKR Mn.

Janashakthi Insurance PLC Market Comparable Methodology PBV Multiple - Comparable Companies	Lower	Base	Upper
Book Value as of 30 September 2025	13,564	13,564	13,564
Peer PBV Multiple (+/- 5%)	1.78	1.88	1.97
Equity Value	24,182	25,455	26,727
Fair value of 24.99% stake in FCH	5,568	5,850	6,139
100% value of JINS	29,750	31,304	32,866
Value Per Share (LKR)	**131.33**	**138.19**	**145.09**

As referred to throughout our report JXG Group entities have announced the payment and receipt of dividends post the Valuation Date. Although we make no change to our base valuations, the impact of dividends paid by JINS and received from FCH, results in JINS mid-point value declining to LKR 28,912.3 Mn from LKR 31.304.2 Mn.

Comparable Transaction Multiples Approach

Secondary Valuation Approach for Janashakthi Insurance PLC

Comparable Transaction Multiples Approach

As a cross-check, we assessed the fair value of a 100% equity interest using the Comparable Transaction Multiples approach.

The analysis is based on precedent transactions involving entities with similar business models and operating in the same local industry as JINS.

Transaction data was sourced from publicly available disclosures and covers the period from 2018 to 2024, thereby capturing valuation outcomes across varying market environments and industry cycles.

The following transactions were used to compute the PBV multiple. Further, the multiple was adjusted to account for the majority stake in certain transactions arriving at an average of 1.37x. The detailed computation is listed out on the following page.

Year	Target	Acquirer	Value (LKR Mn)	Valued @ 100%	Total Assets (LKR Mn)	Book Value (LKR Mn)	Stake	PBV multiple
2018	Softlogic Life Insurance plc	Dalvik Inclusion Private Limited (Leapfrog investments)	2,193	11,542	17,332	6,671	19.0%	1.73
2020	Softlogic Life Insurance plc	Milford Holdings (Pvt) Ltd	2,636	13,875	20,683	8,219	19.0%	1.69
2018	Ceylinco Insurance plc	Mitsui Sumitomo Insurance	3,000	33,333	160,932	47,649	9.0%	0.70
	Average							**1.37**

Janashakthi Insurance PLC

Comparable Transaction Multiples Approach

Comparable Transaction Multiples Approach

As a cross-check to the primary valuation methodologies, we assessed the fair value of a 100% equity interest using the Comparable Transaction Multiples approach.

The analysis is anchored on selected precedent transactions involving companies with comparable business models operating within the domestic insurance sector, with a specific focus on entities predominantly engaged in life insurance activities and exhibiting risk, scale, and earnings profiles broadly comparable to JINS.

We subsequently add the fair value of JINS stake in FCH based on the fair value of FCH derived by us. Please refer pages 94 and Appendix 1

This results in the final absolute value of JINS ranging from LKR 23,255 Mn to LKR 25,688 Mn

in LKR Mn.

Janashakthi Insurance PLC Market transactions methodology	Lower	Base	Upper
PBV Multiple - Comparable Companies			
Book Value as of 30 September 2025	13,564	13,564	13,564
Peer PBV Multiple (+/- 5%)	1.30	1.37	1.40
Equity Value	17,687	18,618	19,549
Fair value of 24.99% stake in FCH	5,568	5,850	6,139
100% value of JINS	23,255	24,468	25,688
Value per share	**102.66**	**108.01**	**113.40**

The proposed payments and receipt of dividends post the Valuation Date will result in the mid-point under this approach declining to LKR 22,892.6 Mn from LKR 24,468.0 Mn

Janashakthi Insurance PLC

Justified Price to Book Value

The Justified Price-to-Book (JPBV) method values the company using the Gordon Growth Model. Under this approach, the company's net asset value is adjusted by a theoretically derived multiple that reflects its sustainable return on equity (ROE), expected long-term growth, and cost of equity (Ke). This allows for an estimation of the company's intrinsic equity value based on its ability to generate and grow returns over time.

$$\text{JPBV} = \frac{(\text{ROE} - \text{Growth Rate})}{(\text{Ke} - \text{Growth Rate})}$$

ROE %	18.92%
Growth Rate %	3.5%
Cost of Equity	14.89%
JPBV multiple	(19.0%-3.5%) / (14.89%-3.5%) = **1.35x**
Adjusted book value of JINS	13,564
JPBV based valuation as of 30 September 2025 (LKR Mn)	**13,564 * 1.35 =18,359**
Fair value of 24.99% stake in FCH	**5,850**
100% value of JINS	**24,209**

Cost of Equity (Ke) Computation

Ref	Key Assumptions *	Source	FY25F+
A	Sri Lankan Government Treasury bond rates	Average <10-year T-bond rate from the secondary bond market as of the Valuation Date.	11.14%
B	Equity market risk premium (EMRP)	EMRP for Sri Lanka based on market sources. The value presented here is a beta adjusted EMRP.	3.75%
C	**Cost of Equity**	**A + B**	**14.89%**

The ROE of 18.92% has been considered as the long-term ROE, based on a 10-year average from 2015 to 2025, inclusive of five-year forecast estimates up to 2030. Any outliers have been excluded from the analysis.

The proposed payments and receipt of dividends subsequent to the Valuation Date will result in JINS declining to LKR 22,633.5 Mn from LKR 24,209.0 Mn

Janashakthi Insurance PLC

Actuarial Valuation Commissioned By Client

- We have also relied upon the actuarial valuation commissioned by the Client as a secondary cross check approach. The Client has engaged Actsure Lab (Pvt) Ltd to perform an Appraisal Value incorporating Embedded Value and the Value of New Business.
- This is a theoretically sound approach to value a life insurance business, and we rely upon the findings of the actuary report made available to us via the Client.
- The Actuarial Valuation breakdown is as follows (detailed report attached as reference annexure to this report)

A	Present Value of In force policies (PVIF)	2,103
B	Free NAV as per actuarial adjustments	11,346
C	Locked in Capital	7,799
D	Cost of Capital	942
E (A+B+C-D)	Embedded Value	20,307
F	Value of New Business	5,391
G (E+F)	**Appraisal Value**	**25,698**

Assumptions

- *Cost of Equity of 15%*
- *Capital Adequacy Ratio of 160%*
- *PVIF is net of tax and after solvency*

Computation of Free NAV by the Actuary

A	Total Assets	41,271
B	Total Liabilities	20,939
C	Computed unallocated surplus belonging to policyholders	1,186
D (A-B-C)	Net Assets before solvency capital	19,146
E	Risk-Based Capital required (for 160% CAR)	7,799
F (D-E)	**Net Asset Value as per actuarial adjustments**	**11,346**

The above computed NAV by the actuary does not include the adjustment for the stake in FCH at our revalued amount, instead it is taken at the carrying value as at 30 September 2025.

Janashakthi Insurance PLC

Volume Weighted Average Price (VWAP)

Volume Weighted Average Price (VWAP), is a trading benchmark that reflects the average price at which a security has traded throughout a specific period, weighted by the volume of shares traded at each price level.

$$\text{VWAP} = \frac{\sum_{i=1}^{n} = 1n(P_i \times V_i)}{\sum_{i=1}^{n} V_i}$$

Where;

P_i = *Price of shares at each trade (for each time period i)*

V_i = *Volume of shares traded at that price* P_i

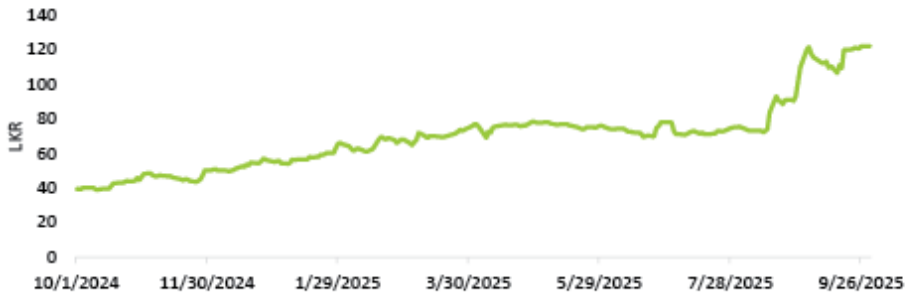
n = *Total number of trades or time intervals during the period*

As JINS is a listed entity, the Volume Weighted Average Price (VWAP) was also considered as a cross check for the primary valuation.

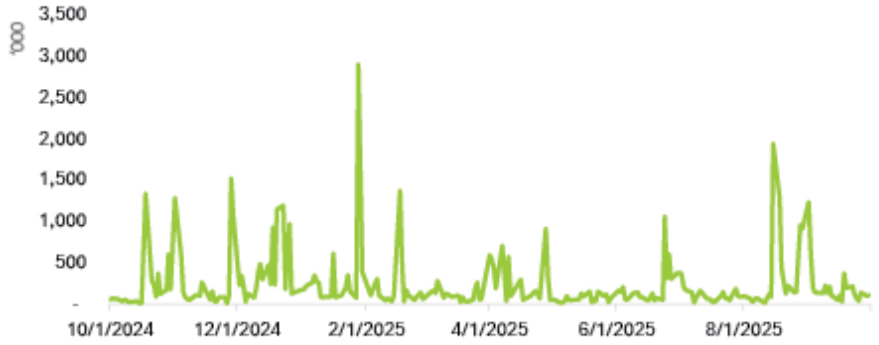
	12-month VWAP
No of Shares	226,526,000
VWAP Price (LKR)	69.36
Equity Value (LKR Mn)	15,713

Source : Colombo Stock Exchange – Historical price data

Share price movements for the last 12 months up to the Valuation Date



Share volume movements for the last 12 months up to the Valuation Date



Valuation of JXG

Valuation of JXG

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

As the entity being valued for the purpose of the IPO, JXG, is the overall holding company in the Group, it derives value from its subsidiaries and sub-subsidiaries. JXG has no other material sources of income or business operations.

Accordingly, the valuation of JXG (undertaken on a SOTP and Adjusted Net Asset basis), is as presented below, with final subsidiary fair values computed using the simultaneous equations approach and adjusted for JXG's ownership stakes.

	Absolute Valuation Range (LKR Mn)	Ownership Interest held by JXG	Attributable Valuation Range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
Janashakthi Insurance PLC	29,749.5 to 32,866.1	74.23%	22,083.1 to 24,396.5	23,237.1
First Capital Holdings PLC	22,279.9 to 24,565.4	58.02%	12,926.8 to 14,252.9	13,581.5
Janashakthi Finance PLC	5,636.3 to 6,229.6	93.44%	5,266.6 to 5,821.0	5,543.8
Investment property			2,941.2	2,941.2
Financial assets			1,387.1	1,387.1
Miscellaneous assets			907.8	907.8
Interest bearing borrowings			(15,257.6)	(15,257.6)
Debentures			(2,148.0)	(2,148.0)
Miscellaneous Liabilities			(990.8)	(990.8)
Value of 100% Ordinary Equity of JXG			**27,116.2 to 31,310.1**	**29,202.1**
*** Per Share Valuation range**			**LKR 15.06 to LKR 17.39**	**LKR 16.22**

** Management has confirmed a 1:2.84 share split which has occurred via a Board resolution passed on 31 December 2025. This has resulted in the total number of shares outstanding rising to 1,800,000,000 from the 633,551,428 issued shares as at 30 September 2025. For presentation purposes, the computation of per share values for JXG is based on the number of shares in issue post the split on 31 December 2025.*

Valuation of JXG

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

- As at the date of this report, however, post the Valuation Date, we understand that First Capital Treasuries PLC, First Capital Holdings PLC and Janashakthi Insurance PLC had paid dividends as follows, which we have separately considered and presented for Client information purposes.
  - First Capital Treasuries PLC - LKR 5 per share for a total of LKR 3,078.0 Mn announced on 18 September 2025 and paid on 30 October 2025
  - First Capital Holdings PLC - LKR 7 per share for a total of LKR 2,835.0 Mn announced on 9 October 2025 (First Capital Limited has in turn announced a dividend of LKR 2,337.7 to its parent First Capital Holdings) and paid on 10 November 2025
  - Janashakthi Insurance PLC - LKR 10 per share for a total of LKR 2,265.3 Mn announced on 15 December 2025 and paid on 14 January 2026
- Although First Capital Treasuries PLC announced dividend payment based on the board's recommendation prior to the Valuation Date, the same is a final dividend that was still subject to shareholder approval as per the company's public disclosures before formal finalisation. Hence, we have not adjusted our valuation of JXG as at the Valuation Date for such dividend announcement. We note that the dividend announcements by the other two entities in the structure pertain to interim dividends announced after the Valuation Date. Given the announcements occurring post the Valuation Date, we again have not made any amendments to our valuation of JXG as at the Valuation Date.
- Even though we have disregarded the dividend announcements for the value assessments as at the Valuation Date, we have shown below the impact on the assessed values following incorporation of the impact of such dividend payments. This represents the value of JXG on an ex-dividend basis assuming all other factors remain the same. Whilst a portion of the dividends declared are for non-controlling shareholders, owing to the controlling stakes held in the dividend paying subsidiaries (as well as cross holdings) the overall impact to the value of JXG is largely limited to the extent of value leakage through the withholding tax on dividend payments.

Valuation of JXG

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited (Post Dividends)

	Absolute Valuation Range (LKR Mn)	Ownership Interest Held by JXG	Attributable Valuation Range (LKR Mn)	Base Limit/Mid-Point (LKR Mn)
Janashakthi Insurance PLC	27,392.5 to 30,439.3	74.23%	20.333.4 to 22,595.1	21,461.6
First Capital Holdings PLC	19,152.3 to 21,158.4	58.02%	11,112.1 to 12,276.1	11,685.7
Janashakthi Finance PLC	5,636.3 to 6,229.6	93.44%	5,266.6 to 5,821.0	5,543.8
Investment property			2,941.2	2,941.2
Financial assets			1,387.1	1,387.1
Miscellaneous assets			907.8	907.8
Dividend received			3,127.8	3,127.8
Interest bearing borrowings			(15,257.6)	(15,257.6)
Debentures			(2,148.0)	(2,148.0)
Miscellaneous Liabilities			(990.8)	(990.8)
Value of 100% Ordinary Equity of JXG			**26,679.8 to 30,659.8**	**28.658.7**
*** Per Share Valuation range**			**LKR 14.82 to LKR 17.03**	**LKR 15.92**

** Management has confirmed a 1:2.84 share split which has occurred via a Board resolution passed on 31 December 2025. This has resulted in the total number of shares outstanding rising to 1,800,000,000 from the 633,551,428 issued shares as at 30 September 2025. For presentation purposes, the computation of per share values for JXG is based on the number of shares in issue post the split on 31 December 2025.*

Appendices

Appendix 1

Use of simultaneous equations to compute final values

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

As referred to throughout different sections of our report, a simultaneous equations based algebraic approach is used to arrive at the final values of the various subsidiaries considering the presence of cross holdings in the structure. Such a process is required to estimate the true final values of the entities valued separately when there is a presence of cross holdings within the organizational structure (of JXG).

Cross Holdings

	FCL	JINS	FCH
JINS			Holds 24.99% of FCH
FCH	Holds 100% of FCL		
FCL		Holds 5.78% of JINS	

Values of relevant entities net of any value from cross holding investments

	Lower (LKR Mn)	Mid (LKR Mn)	Upper (LKR Mn)
JINS	24,181.8	25,454.5	26,727.2
FCH	587.8	587.8	587.8
FCL	19,972.6	21,011.0	22,077.9

Appendix 1

Use of simultaneous equations to compute final values

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

Equations	Lower (LKR Mn)	Mid (LKR Mn)	Upper (LKR Mn)
Equation 1	24,181.8=JINS-0.2499FCH	25,454.5=JINS-0.2499FCH	26,727.2=JINS-0.2499FCH
Equation 2	587.8=FCH-FCL	587.8=FCH-FCL	587.8=FCH-FCL
Equation 3	19,972.6=FCL-0.0578JINS	21,011.0=FCL-0.0578JINS	22,077.9=FCL-0.0578JINS
Equation 4 (restating equation 1)	96,765.8=4.0016JINS-FCH	101.858.7=4.0016JINS-FCH	106,951.6=4.0016JINS-FCH
Equation 5 (Equation 1+Equation 4)	97,353.6=4.0016JINS-FCL	102,446.5=4.0016JINS-FCL	107,539.5=4.0016JINS-FCL
Equation 6 (Equation 5 + 3)	117,326.2=3.9438JINS	123,457.6=3.9438JINS	129,617.4=3.9438JINS
Value of JINS	**29,749.5**	**31,304.2**	**32,866.1**
Value of FCH(Via using value of JINS in Equation 1)	**22,279.9**	**23,408.2**	**24,565.4**
Value of FCL (Via using value of FCH in Equation 2)	**21,692.1**	**22,820.4**	**23,977.6**

Appendix 1

Use of simultaneous equations to compute final values

Independent Valuation of the Ordinary Equity Capital of Janashakthi Limited

As Described previously in this report JXG Group entities have announced the payment of dividends (also resulting in receipt of dividends for some Group entities). While we do not adjust our valuation for the IPO, we have presented in this report the impact arising from such dividend payments.

We have adopted the same simultaneous equations approach to value the entities under this scenario.

The 15% withholding tax on dividend income is adopted where the component of dividends being received are from the profits of the paying entity. Dividends being paid out of dividend income received is not subject to the withholding tax.

Values of relevant entities net of any value from cross holding investments

	Lower (LKR Mn)	Mid (LKR Mn)	Upper (LKR Mn)
JINS	22,606.3	23,879.1	25,151.8
FCH	90.5	90.5	90.5
FCL	17,478.5	18,379.3	19,308.5

Equations	Lower (LKR Mn)	Mid (LKR Mn)	Upper (LKR Mn)
Equation 1	22,606.3=JINS-0.2499FCH	23,879.1=JINS-0.2499FCH	25,151.8=JINS-0.2499FCH
Equation 2	90.5=FCH-FCL	90.5=FCH-FCL	90.5=FCH-FCL
Equation 3	17,478.5=FCL-0.0578JINS	18,379.3=FCL-0.0578JINS	19,308.5=FCL-0.0578JINS
Equation 4 (restating equation 1)	90,461.5=4.0016JINS-FCH	95,554.4=4.0016JINS-FCH	100,647.4=4.0016JINS-FCH
Equation 5 (Equation 1+Equation 4)	90,552.0=4.0016JINS-FCL	95,644.9=4.0016JINS-FCL	100,737.9=4.0016JINS-FCL
Equation 6 (Equation 5 + 3)	108,030.5=3.9438JINS	114,024.2=3.9438JINS	120,046.4=3.9438JINS
Value of JINS	**27,392.5**	**28,912.3**	**30,439.3**
Value of FCH(Via using value of JINS in Equation 1)	**19,152.3**	**20,140.9**	**21,158.4**
Value of FCL (Via using value of FCH in Equation 2)	**19,061.7**	**20,050.4**	**21,067.9**

Team Profile

Team Profile (1 of 4)



Lasanga Abeysuriya
Senior Director - Valuation and Modelling
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Education

- Bachelor of Science in Electronic and Telecommunications Engineering

Membership and Qualifications

- Chartered Institute of Management Accountants, UK

Lasanga's career spans over 25 years during which time he has led and delivered projects whilst managing client relationships across a diverse range of service areas exclusively within the advisory and consulting space. After initially starting with PricewaterhouseCoopers Sri Lanka in 2000, he subsequently spent 3 years at the Sydney office of PricewaterhouseCoopers Australia specializing in the Valuation & Strategy Consulting practice, prior to returning to Sri Lanka to set up the separate Corporate Finance & Valuations Consulting practice for PricewaterhouseCoopers Sri Lanka and Maldives. Lasanga currently is a Partner and lead for Valuation and Modelling at Deloitte Sri Lanka and Maldives.

Lasanga has notable experience in being the practice Leader of the Valuation and Modelling practice, specialized in providing advisory in valuations and feasibility studies for transaction advisory, financial reporting, taxation, restructurings and expert determinations across a range of industry sector including Brand valuation for several local companies in the FMCG and energy sectors in connection with their planned initial public offerings and for disclosure in their IPO prospectus and has conducted several market studies on behalf of international corporates to set up their operations in Sri Lanka, as well as for Sri Lankan companies to explore international market entry opportunities.

Lasanga has also provided Financial advisory services for the Ministry of Defense in connection with financial evaluation and viability analysis of a state-owned domestic commercial airline operation carried out by the Sri Lanka Airforce and exploration of PPP options to ensure financial self-sufficiency.

Team Profile (2 of 4)



Ruvini Fernando
Head – Financial Advisory, Sri Lanka and Maldives
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Education

- Master of Business Administration Postgraduate Institute of Management, University Sri Jayewardenepura

Membership and Qualifications

- Chartered Institute of Management Accountants, UK
- Association of Chartered Certified Accountants, UK

Ruvini currently heads the Financial Advisory practice of Deloitte Sri Lanka and Maldives. She was formerly responsible as the Deals Leader at PricewaterhouseCoopers Sri Lanka and Maldives. She has over 30 years of experience in financial advisory, deals, and capital markets. Ruvini has also evaluated and studied infrastructure projects in Sri Lanka as part of PPP advisory services, including a toll road project, a higher education institute, and a power project. Key clients include Port City, the World Bank, the Asian Development Bank, the Prime Minister's Office of Sri Lanka, and Ceylon Petroleum Storage Terminals.

She has evaluated and studied infrastructure projects for development in Sri Lanka as part of Public-Private Partnership advisory services and has also been involved in fundraising exercises for local companies, including greenfield projects, tech companies, and family businesses. Ruvini has advised several companies on their cross-border transactions.

Ruvini was formerly the CEO of a leading private sector proprietary investment fund held by a diversified conglomerate. During her twelve years in capital markets, she was responsible for expanding the company's scope of asset management services to include private equity, mutual funds, and third-party client portfolio management.

She is also a member of the National Agenda Committee on Finance and Capital at the Ceylon Chamber of Commerce, as well as a Fellow of the Chartered Institute of Management Accountants (UK) and a Fellow of the Association of Chartered Certified Accountants (UK).

Team Profile (3 of 4)



Rajiv Mel
Associate Director - Valuation and Modelling
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Education

- Master of Business Administration Postgraduate Institute of Management, University Sri Jayewardenepura

Membership and Qualifications

- Chartered Financial Analyst (CFA)
- Chartered Institute of Management Accountants of UK.

Rajiv is an associate director in financial advisory services at Deloitte Sri Lanka and has provided value advisory services to a diverse base of clients which among many include Airlines, a leader in the global tyre and rubber products space, a larger apparel house in Hong Kong, several 5 Star Maldivian Resorts, a leading full-service Investment Bank etc. Rajiv has also provided Corporate Finance and feasibility research services for a Qatar based conglomerate, a leading fashion brand with its foray into the Canadian market, etc. Prior to joining Deloitte, Rajiv was the Senior Manager in the Corporate Finance & Valuations practice for the PricewaterhouseCoopers offices in Sri Lanka and the Republic of Maldives.

He has also been attached to Hatton National Bank PLC in Sri Lanka and was involved in valuations and equity transactions, perusal of various local and global M&A opportunities for the Bank and its subsidiaries as well as valuations of NBFI's in the region; including in Bangladesh, Cambodia, Pakistan and Philippines. He was also involved in Equity research and managing the short- and long-term strategic equity portfolios of the Bank on behalf of its Chief Financial Officer and AGM Strategy. Rajiv has also been part of the team securing foreign funding for the Bank from institutions such as the ADB, DEG Germany and PROPARCO France. Further, he was a member of the team which successfully secured LKR 10Bn Tier II debt for the Bank in late 2021.

Team Profile (4 of 4)



Vidura De Silva
Manager - Valuation and Modelling
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Membership and Qualifications

- Chartered Institute of Management Accountants of UK.

Vidura has a diversified experience that extends for more than 8 years, in end-to-end execution of corporate finance advisory services. He is currently a manager in Valuation and Modelling in Deloitte Sri Lanka.

His experience spreads across a wide base of clientele from start-ups, SMEs to listed entities and diversified conglomerates, including both local and foreign, covering industries such as automobile, manufacturing, tourism and leisure, renewable energy, finance, IT , pharmaceutical , plantations , apparel , import and export, telecommunication etc.

He has led teams as manager for more than 4 years in valuations conducted for IPOs, delisting purposes, M&As and goodwill impairments, independent opinions on mandatory offers, due diligences conducted for the consolidation programme of the Central Bank of Sri Lanka, business restructures of several listed and unlisted conglomerates, share swaps, financial feasibilities, high level valuation and due diligence reviews for board recommendations, brand valuations, Information memorandums, Input validations/high level model verifications of IFRS 9 ECL models, impact analysis on the restructure of treasury bonds by the government of Sri Lanka, working capital management analysis etc. Further he has conducted training sessions on appropriate interest rates/FV's to be used in statutory audits, based on the recommendations given in the accounting standards.

Definition
Janashakthi Limited
First Capital Holdings PLC
First Capital Limited
First Capital Treasuries PLC
First Capital Asset Management Limited
First Capital Equities (Pvt) Limited
First Capital Advisory Services (Private) Limited
Janashakthi Finance PLC
Janashakthi Insurance PLC
All Share Price Index
Average Weighted Lending Rate
Billion
Compound Annual Growth Rate
Central Bank of Sri Lanka
Colombo Consumer Price Index
Colombo Stock Exchange
Discounted Cash Flow

Definition
Earnings Before Interest Tax
Earnings Before Interest Tax Depreciation and Amortisation
Equity Market Risk Premium
Fair Value
Financial Year
Gross Domestic Product
Half
International Monetary Fund
Initial Public Offering
International Sovereign Bond
Licensed Finance Companies
Sri Lankan Rupees
Limited
Millions
Marked to Market
Non-Banking Financial Institution
Price-to-Book Value

Glossary

Term	Definition
PLC	Public Limited Company
Pvt	Private
ROE	Return on Equity
RWCAR	Risk-Weighted Capital Adequacy Ratio
SME	Small and Medium-sized Enterprises
SOTP	Sum-of-the-Parts
TTM	Trailing Twelve Months
USD	United States Dollar
UTASL	Unit Trust Association of Sri Lanka
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
YoY	Year on Year

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